



REAL ESTATE COMMISSION  
 STATE OF HAWAII  
 DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
 PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
 1010 Richards Street  
 P. O. Box 3469  
 Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

533 ILIMANO STREET

533 Ilimano Street  
 Kailua, Hawaii

Registration No. 1866 (conversion)

Issued: October 30, 1987  
 Expires: November 30, 1988

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of October 20, 19 87 and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

PRELIMINARY: The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.  
 (yellow)

FINAL: The developer has legally created a condominium and has filed complete information with the Commission.  
 (white)  
 Supersedes all prior public reports (August 12, 1987 -  
 Must be read together with Preliminary

SUPPLEMENTARY: Updates information contained in the  
 (pink)  
 Prelim. Public Report dated \_\_\_\_\_  
 Final Public Report dated \_\_\_\_\_  
 Supp. Public Report dated \_\_\_\_\_

And  Supersedes all prior public reports  
 Must be read together with \_\_\_\_\_  
 This report reactivates the \_\_\_\_\_  
 public report(s) which expired on \_\_\_\_\_

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required  Not Required -- disclosures covered in this report, as Exhibit "B".

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

The fee owner is now Hoaloha Ventures, Incorporated.

There are additional encumbrances against title.

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## GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Horizontal Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Some condominium projects are leasehold. This means that the land or the land, building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

### Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment 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 an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that 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 buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.



I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Hoaloha Ventures, Incorporated Phone: 254-3088  
Name (Business)  
812 F. North Kalaheo Avenue  
Business Address  
Kailua, Hawaii 96734

Names of officers or general partners of developers who are corporations or partnerships:

Paul Dennis Sullivan - President  
Thomas William DeWaele - Vice President  
Karren Sullivan - Secretary Treasurer

Real Estate Sales Agent: \_\_\_\_\_ Phone: \_\_\_\_\_  
Name (Business)  
\_\_\_\_\_  
Business Address  
\_\_\_\_\_

Escrow: Hawaii Escrow & Title, Inc. Phone: 254-3531  
Name (Business)  
Pali Palms Plaza, #110A  
Business Address  
Kailua, HI 96734

Managing Agent: Paul Sullivan \* Phone: 254-3088  
Name (Business)  
285 Ilikaa Street  
Business Address  
Kailua, HI 96734

Attorney for Developer: Jeffrey S. Grad  
Name  
841 Bishop St., #2001  
Business Address  
Honolulu, HI 96813

\* The President of the Developer Corporation will be the initial managing agent and the project should be considered a self-managed project. The developer is not a licensed condominium managing agent and does not have the required bond as specified under Chap. 514A, Hawaii Revised Statutes.

**II. CREATION OF THE CONDOMINIUM;  
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Horizontal Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. Declaration of Horizontal Property Regime contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

Proposed  
 Recorded – Bureau of Conveyances – Book 21071 Page 674  
 Filed – Land Court – Document Number \_\_\_\_\_

Amendment date(s) and recording/filing information:

- B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed  
 Recorded – Bureau of Conveyance Condo Map No. 1083  
 Filed – Land Court Condo Map No. \_\_\_\_\_

Amendment date(s) and recording/filing information:

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed  
 Recorded – Bureau of Conveyances – Book 21071 Page 697  
 Filed – Land Court – Document Number \_\_\_\_\_

Amendment date(s) and recording/filing information:

D. House Rules. The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed       Adopted

Developer does not plan to adopt house rules.

E. Changes to Condominium Documents

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of apartment owners who must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>75%</u>
House Rules	--	<u>                    </u>

The percentages for individual condominium projects may be more than the minimum set by law.

2. Developer: The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

See attached Exhibit "A"

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The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the underlying land will be in fee simple.
- Leasehold or Subleasehold: Individual apartments and the underlying land will be leasehold.

The leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit \_\_\_\_\_ contains further explanations.

Lease Term Expires: \_\_\_\_\_  
Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:  Monthly  Quarterly  
 Semi-Annually  Annually

Exhibit \_\_\_\_\_ contains a schedule of the lease rent for each apartment per  
 Month  Year.

Individual Apartments in Fee Simple, Underlying Land in Leasehold or Subleasehold:

The leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners -- tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit \_\_\_\_\_ contains further explanations.

Lease Term Expires: \_\_\_\_\_  
Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:  Monthly  Quarterly  
 Semi-Annually  Annually

Exhibit \_\_\_\_\_ contains a schedule of the lease rent for each apartment per  
 Month  Year.

Other:

For Subleaseholds:

- Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is  
 Cancelled  Foreclosed.
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

B. Underlying Land:

Address: 533 Ilimano Street Tax Map Key: 1-4-4-30-39  
Kailua, Hawaii 96734 (TMK)

Address  TMK is expected to change because \_\_\_\_\_

Land Area: 10,296  square feet  acre(s) Zoning: R-7.5

Fee Owner: Hoaloha Ventures, Incorporated

name  
812 F. North Kalaheo Avenue  
address  
Kailua, HI 96734

Sublessor: \_\_\_\_\_

name  
\_\_\_\_\_  
address  
\_\_\_\_\_

C. Buildings and Other Improvements:

1.  New Building(s)  Conversion of Existing Building(s)  
 Both New Building(s) and Conversion

2. Buildings: 1 Floors Per Building: 1

Exhibit \_\_\_\_\_ contains further explanations.

3. Principal Construction Material:

Concrete  Hollow Tile  Wood

Other \_\_\_\_\_

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Industrial	_____
<input checked="" type="checkbox"/> Residential	<u>1</u>	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input type="checkbox"/> Other: _____			_____

5. Special Use Restrictions:

The Declaration, Bylaws, and House Rules may contain restrictions on the use and occupancy of apartments. Restrictions for this condominium project include but are not limited to:

- Pets: \_\_\_\_\_
- Number of Occupants: Not more than three unrelated persons may occupy a Unit.
- Other: \_\_\_\_\_
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 1

Elevators None                      Stairways \_\_\_\_\_                      Trash Chutes None

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
<u>Unit A</u>	<u>1</u>	<u>3/2</u>	<u>1,430 sq.ft.</u>	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

\*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining floor area may have been used.

Boundaries of Each Apartment:

One (1) freehold estate is designated in the Apartment contained in the Project within the outside surfaces of the exterior walls and roof and the bottom surfaces of the footing and foundations of the Apartment.

Permitted Alterations to Apartments:

See attached Exhibit "B"



9. Present Condition of Improvements

(For conversions of residential apartments in existence for five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

The following describes the condition of the unit.

1. The structure appears to be in good condition and no structural defects are noticed.
  2. The electrical and mechanical systems and the plumbing system appear to be functioning properly with no major deficiencies noted.
- The existing unit is structurally sound and appears to be in good condition with no major defects.

b. Compliance with Building Code and Municipal Regulations; Cost to Cure Violations

There is compliance with Building Code and Municipal Regulations.  
See letter from City Building Department dated June 30, 1987.

10. Conformance to Present Zoning Code

- a.  No variances to zoning code have been granted.  
 Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>  x  </u>	<u>      </u>	<u>      </u>
Structures	<u>  x  </u>	<u>      </u>	<u>      </u>
Lot	<u>  x  </u>	<u>      </u>	<u>      </u>

If a variance has been granted or if uses, improvements, or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit  C  describes the common elements.

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which may use them are:

described in Exhibit  D

as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

Exhibit \_\_\_\_\_ describes the common interests for each apartment.

as follows:

Unit A shall have a 100% interest in all common elements of the Project, and the same proportionate share in all common profits and expenses of the project and for all purposes, including voting on all matters requiring action by the Dwelling Lot owners.

If the Developer shall add Phase 2, then the percentage of undivided interest in the common elements shall be changed so that Unit A and Unit B shall each have appurtenant thereto an undivided fifty (50) per cent interest in all common elements of the Project, and the same proportionate share in all common profits and expenses of the Project and for all other purposes, including voting as aforesaid.

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property.

Exhibit E describes the encumbrances against the title contained in the title report dated September 9, 1987 (but as of August 28, 1987)

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[ ] There are no blanket liens affecting title to the individual apartments.

[x] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgages in favor of David and Myra Blake of Honolulu Mortgage	Terminates interest of Buyer, who shall be entitled to a return of his deposit

F. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

[ ] not affiliated with the Developer.

[x] the Developer or the Developer's affiliate.

[ ] other \_\_\_\_\_

G. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit \_\_\_\_\_ contains a schedule of maintenance fees and maintenance fee disbursements.

See attached Disclosure Abstract (Exhibit H)

H. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

Electricity  Television Cable

Gas  Water & Sewer

Other \_\_\_\_\_

See attached Disclosure Abstract (Exhibit H)

I. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

The purchaser understands that Unit A was constructed in 1960. The Seller is selling Unit A together with the appliances and other personal property in "as is" condition. The Seller is giving no warranties to Purchaser with respect to the construction, materials, or workmanship of Unit A. The Seller is transferring the appliances and the electrical and plumbing fixtures in normal working condition consistent with their age. The Purchaser understands that execution, delivery and recordation of the Purchaser's Apartment Deed shall constitute the Purchaser's acceptance of the Apartment and the condition thereof including the personal property therein.

2. Appliances:

Purchaser shall have the direct benefit of any manufacturer's or dealer's warranties covering the furnishings and appliances in the Apartment.

J. Status of Construction and Estimated Completion Date:

Unit A was constructed in 1960

K. Project Phases:

The developer  has  has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Future Development:

The Developer has reserved the right until January 1, 1996 to amend the Declaration and the Condominium Map by adding one additional Dwelling which would be known as "Unit B". Unit B would be a single family residence. The exact location, size, dimensions and other features of Unit B are at the discretion of Developer but are subject to paragraph 21.3 of the Declaration. Unit B would have the use of two parking stalls to be located within the area designated on the Condominium Map as "Lot B (Reserved for Future Development)". When and if Unit B is added to the Project, the percentage of undivided interest in the common elements shall be changed so that Unit A shall have appurtenant thereto an undivided 50% interest and Unit B shall have appurtenant thereto an undivided 50% interest in all common elements of the Project, and the same proportionate share in all common profits and expenses of the Project and for all other purposes, including voting.

L. Sales Documents Filed with the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

Notice to Owner Occupants

Specimen Sales Contract

Exhibit F contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated June 15, 1987, Hawaii Escrow & Title

Exhibit G contains a summary of the pertinent provisions of the escrow agreement.

Other \_\_\_\_\_

#### IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

**Buyer's Right to Cancel Sales Contract:**

**A. Rights Under the Condominium Statute:**

**Preliminary Report:** Sales made by the Developer are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

**Supplementary Report to a Preliminary Report:** Same as for Preliminary Report.

**Final Report, Supplementary Report to a Final Report:** Sales made by the Developer are binding if:

1. The Developer delivers to the buyer a copy of:
  - a. Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report;  
AND
  - b. Any other public report issued by the Commission prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
2. The buyer is given an opportunity to read the report(s); and
3. One of the following has occurred:
  - a. The buyer has signed a receipt for the report(s) and waived the right to cancel; or
  - b. Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
  - c. The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

**Material Change:** Binding contracts with the Developer may be rescinded by the buyer if:

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

**B. Rights Under the Sales Contract:**

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Horizontal Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other \_\_\_\_\_

If these documents are not in final form, the buyer should ask to see the most recent draft.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS and Hawaii Administrative Rules Chapter 16-107) are available at the Department of Commerce and Consumer Affairs.

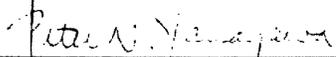
This Public Report is a part of Registration No. 1866 filed with the Real Estate Commission on July 2, 1987.

Reproduction of Report. When reproduced, this report must be on:

yellow paper stock                       white paper stock                       pink paper stock

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.

Supplementary Public Reports expire on the expiration date given on the front of the report.

  
\_\_\_\_\_  
for GLORIA DAMRON, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

Bureau of Conveyances  
Department of Finance, City & County of Honolulu  
Planning Department, City & County of Honolulu  
Federal Housing Administration  
Escrow Agent

EXHIBIT "A"

Developer's Reserved Rights

The Developer has reserved the following rights to change the Declaration, Condominium Map, By-Laws or House Rules:

1. Paragraph 20 of the Declaration provides that (1) at any time prior to the first filing in the Bureau of Conveyances of the State of Hawaii of a conveyance of a Dwelling, the Developer may amend the Declaration (including all exhibits) and the By-Laws in any manner, without the consent of any Dwelling purchaser; and (2) at any time thereafter, the Developer may amend the Declaration (and when applicable, the Condominium Map) to file the "As Built" verified statement required by Section 514A-12 of the Act (i) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plan thereto filed fully and accurately depicts layout, location, apartment numbers, and the dimensions of an improvement or change in a Dwelling as built; or (ii) so long as the plans filed therewith involve only immaterial changes to the layout, location, or dimensions of the apartments as built or any change in any apartment number.

2. Paragraph 21.3 of the Declaration provides that the Developer until January 1, 1996, shall have the right to add to the Project a Phase 2 consisting of Dwelling B within the areas delineated "Dwelling Lot B - Reserved for Future Development" on Sheet 1 of the proposed Condominium Map. In connection therewith, Developer may amend the Declaration and Condominium Map.

EXHIBIT "B"

PERMITTED ALTERATIONS TO APARTMENTS. Paragraph 19.1 of the Declaration states:

"Each Dwelling Owner, with the consent of any holder of any mortgage affecting the Owner's Dwelling, shall have the right at his sole option at any time and from time to time without the consent of anyone other than the holders of all liens affecting his Dwelling, to improve, renovate, remodel, make additions to, enlarge, remove, replace or restore the improvements to or in his Dwelling or portions thereof or to make improvements upon the Dwelling Lot to which the Dwelling is appurtenant (collectively, the foregoing are referred to as "changes") subject to the following conditions:

(i) All building plans for any such changes shall be prepared by a licensed architect or professional engineer and conform with County building or zoning laws and other applicable City and County ordinances.

(ii) The value of the Dwelling after such changes shall not be less than the value before such changes.

(iii) Any change will be made within the Dwelling Lot to which the Dwelling is appurtenant, and no change will reduce the distance between improvements placed on each Dwelling to less than what it was originally as shown on the Condominium Map.

(iv) All such changes shall be at the expense of the Dwelling owner making the change and shall be expeditiously made and in a manner that will not unreasonably interfere with the other owners' use of his Dwelling Lot.

(v) During the entire course of such construction, the Dwelling owner making such change will cause to be maintained at his expense builder's all-risk insurance in an amount not less than the estimated cost of construction. The Association shall be named as an additional insured and evidence of such insurance shall be deposited with the Association or its Managing Agent, if any;

(vi) Prior to commencement of the construction of a change, and as a condition thereto, the Dwelling owner making such change shall give reasonable assurance to the Association of the owner's financial ability to complete and to pay for the change.

(vii) The owner of the changed Dwelling shall have the right to utilize, relocate and realign existing and/or to develop additional, central and appurtenant installations for services to the Dwelling affected by such change for electricity, sewer and other utilities and services and when applicable, to add, delete, relocate, realign, designate and grant easement and rights-of-way over, under and on the common elements as necessary or desirable in connection therewith; provided that the same shall not cause any interruption in the service of such utilities to any other part of the project;

(viii) The owner of any changed Dwelling shall have the right and duty without the consent or joinder of any other person to apply for a building permit and any other permit from Governmental Authorities and public utilities to effect any change and to amend this Declaration and the Condominium Map to reflect any such changes. If required by the Act, then promptly upon completion of such changes, the owner of the changed Dwelling shall duly record any amendment to this Declaration with the Bureau of Conveyances of the State of Hawaii, together with a complete set of the floor plans of the Project as so altered, certified as built by a registered architect or professional engineer. All existing Dwelling owners and all future Dwelling Owners and their mortgagees, by accepting an interest in a Dwelling, shall be deemed to have given each Dwelling owner a Power of Attorney to execute applications for a building or other permit as aforesaid and any amendment to the Declaration solely for the purpose of describing the changes to his respective Dwelling. Each Dwelling Owner shall hereafter have a Power of Attorney from all the other Dwelling owners to execute such amendment to the Declaration or to make applications as aforesaid. This Power of Attorney shall be deemed coupled with each Owner's interest in his Dwelling (including his common interest) and shall be irrevocable.

(ix) Each and every conveyance, lease and mortgage or other lien made or created on any Dwelling and all common interests and other appurtenances thereto shall be subject to the provisions of this paragraph and any lease of a Dwelling Lot shall reserve to all Dwelling Owners the rights set forth in this paragraph."

EXHIBIT "C"

COMMON ELEMENTS. Paragraph 4 of the Declaration designates certain portions of the Project, as "common elements", including specifically but not limited to:

1. The Land in fee simple;
2. All grounds and landscaping not otherwise designated limited common elements;
3. That portion of the Land designated on the Condominium Map as "Lot B (Reserved for Future Development)" and "Access Driveway Lot B"; provided, however, that such portion of the Land shall become limited common elements for the benefit of Unit B, if and when the Developer amends the Declaration to add Unit B;
4. That portion of the Land designated on the Condominium Map as "Common Element Driveway" and "Common Element Planter";
5. All roadways and access areas;
6. All other portions of the Land and improvements not specifically designated in the Declaration as Dwellings, but which are intended for common use and all other devices and installations existing for or rationally of common use or necessary to the existence, upkeep and safety of the Horizontal Property Regime.

EXHIBIT "D"

LIMITED COMMON ELEMENTS. Paragraph 5 of the Declaration designates:

Certain parts of the common elements as the "Limited Common Elements", which are set aside for the exclusive use of each Dwelling, and each Dwelling shall have appurtenant thereto exclusive easements for the use of such limited common elements. Unless otherwise specified, all costs of every kind pertaining to each limited common element, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne immediately by the Dwelling to which it is appurtenant. The limited common elements so set aside and reserved are as follows:

(a) The site of each Unit, called herewith a "Lot", consisting of the land beneath and immediately adjacent to each Unit, as shown and delineated on said Condominium Map (and having with respect to Unit A the letter "A" to which it is appurtenant.

(b) If Phase 2 were added pursuant to paragraph 21.3 of the Declaration, there would be the following limited common elements (a) Lot A for the exclusive benefit of Unit A, and (b) the land designated as "Lot B (Reserved for Future Development)" and "Access Driveway Lot B" for the exclusive benefit of Unit B.

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. For Real Property Taxes that may be due and owing, reference is made to the Office of the Tax Assessor, City and County of Honolulu.
2. Title to all minerals and metallic mines reserved to the State of Hawaii.
3. Easement "W" (10 feet wide) as shown on File Plan 636 for storm drain purposes, located along the westerly boundary of said Lot 8.
4. Easement dated July 21, 1961, recorded in the Bureau of Conveyances in Liber 4041, Page 133.
5. Declaration dated September 16, 1981, recorded as aforesaid in Liber 15826, Page 287.
6. Deed dated February 12, 1982, recorded as aforesaid in Liber 16161, Page 414.
7. Mortgage dated May 27, 1986, recorded as aforesaid in Liber 19534, Page 689.
8. Mortgage dated August 7, 1987, recorded as aforesaid in Liber 21016, Page 762.
9. Any assessments levied by governmental authority.
10. The Declaration, By-Laws and Condominium Map mentioned on page 7 of this Public Report.

EXHIBIT "F"

SUMMARY OF THE PROVISIONS OF THE SALES CONTRACT

1. Description of the Property to be Conveyed: Fee simple interest in the Apartment, together with the following furnishings and appliances: disposal, range, refrigerator, washer, dryer, solar system, TV cable, draperies and carpeting (except in kitchen, bathrooms and entry).

2. Purchase Price and Terms. The purchase price set forth on page 1 of the Sales Contract is to be paid as follows:

a. up to 5% of the total purchase price upon execution of the Sales Contract;

b. That portion of the purchase price to be paid by way of a mortgage loan is to be paid on the closing date; and

c. The balance of the purchase price is to be paid to escrow by purchaser on the closing date.

3. Financing of Purchase. If Purchaser desires financing, a loan application must be made within ten (10) days and if Purchaser's application is not approved within forty-five (45) days after the application, then either Seller or Purchaser may cancel the Sales Contract. Upon such cancellation, Purchaser's deposits will be refunded by escrow without interest.

4. Closing Costs. In addition to the purchase price, the Purchaser is required to pay at closing all escrow fees, notary and recording fees, cost of credit report, if any, any loan fee and the cost for preparing any notes and mortgages, the cost of any required title insurance, and appraisal fees and any obligations of purchaser to his mortgage lender. In addition to the foregoing, the Purchaser may be required to prepay insurance premiums for as much as one year in advance, prepay maintenance fees for as much as two months in advance, and prepay real property taxes for the remainder of the tax year.

5. Closing. Seller has agreed to cause the Apartment to be sold to the Purchaser within the time period set forth on page 1 of the Sales Contract, which is expected to occur within 90 days of the date of the Sales Contract. If Purchaser fails to close as required, then after ten (10) days following Seller's notice of Purchaser's default, if Purchaser has not cured his default under the Sales Contract, the Seller may cancel the Sales Contract and all sums previously paid by

Purchaser will belong absolutely to the Seller as liquidated damages. Additionally, Seller may pursue any other remedy, and all costs, including reasonable attorney's fees, incurred by reason of default by the Purchaser shall be borne by the Purchaser.

6. Seller's Rights to Cancel Sales Contract. The Seller may cancel the Sales Contract with the Purchaser if (a) Purchaser fails to qualify for a permanent loan (paragraph 16); (b) Purchaser defaults under the Sales Contract (paragraph 5,2); or (c) Purchaser dies prior to Closing Date (paragraph 5.1). If Seller cancels the Sales Contract, Escrow will return to Purchaser all of Purchaser's funds earlier deposited in the escrow, without interest.

7. No Present Transfer and Subordination to Construction Loan. The Sales Contract may be subject to construction or other blanket liens and any security interest obtained by Lender is prior and senior to any rights arising under the Sales Contract. Seller may assign by way of security all of its interest in the Sales Contract, as collateral for the repayment of the loan and if the Lender acquires the Seller's interest in the Sales Contract, then the Purchaser is obligated to perform the Sales Contract, and to attorn to and recognize the Lender as the seller under the Sales Contract.

8. Rights of Purchaser to Cancel the Sales Contract. The Purchaser has the right to cancel the Sales Contract under the following conditions:

a. At any time within thirty (30) days following the date the Final Public Report is delivered to Purchaser. If Purchaser so cancels, Purchaser will be entitled to receive refund of any deposits, less any escrow cancellation fees and other costs up to \$250. If Purchaser does not act within the thirty (30) day period, or if the Apartment is conveyed to the Purchaser, Purchaser will be deemed to have executed the receipt for the Final Public Report and to have waived his right to cancel (paragraph 6.1).

b. The Purchaser may cancel his purchase if there is a material change in the Project which directly, substantially and adversely affects the use or value of the Purchaser's Apartment or the amenities available for the Purchaser's use (paragraph 7.1).

c. Purchaser fails to qualify for permanent financing (paragraph 16).

EXHIBIT "G"

SUMMARY OF THE PROVISIONS OF THE ESCROW AGREEMENT

Summary of the Condominium Escrow Agreement between Hoaloha Ventures, Incorporated, and Hawaii Escrow & Title, Inc..

1. All deposits will be paid to Escrow. A copy of each Sales Contract and all payments made to purchase an Apartment shall be turned over to the Escrow Agent.

2. Refunds to Purchaser. A Buyer shall be entitled to a return of his funds less certain fees to Escrow and without interest, promptly after request for return by Buyer if one of the following had occurred:

(a) Escrow has received a written request from Seller to return to purchaser the funds of such purchaser then held by Escrow; or

(b) If purchaser's funds were obtained prior to an issuance of a Final Public Report and if there is any change in the building plans, subsequent to the execution of the sales contract requiring the approval of an official, of the County in which the Project is situated having jurisdiction over the issuance of Construction Permits, unless the purchaser has give written approval or acceptance of the change; or

(c) If a purchaser's funds were obtained prior to the issuance of a Final Public Report and the Final Public Report differs in any material respect from the Preliminary Public Report, unless the purchaser has previously given written approval or acceptance of such difference; or,

(d) If the Final Public Report is not issued within one (1) year from the date of issuance of the Preliminary Public Report; PROVIDED, HOWEVER, that if the final public report is issued after the one-year period and a copy of the final report is delivered to the purchaser either personally or by registered or certified mail with return receipt requested and at the same time the purchaser is notified in writing of his right of refund and cancellation of obligation and the waiver of such right upon his failure to act within a thirty-day period, the purchaser shall have thirty days from the date of delivery of the final report to exercise his right of refund and cancellation of obligation, after which period such right shall be deemed waived.

Upon return of such funds to Buyer, Escrow Agent shall return to Seller Buyer's Sales Contract and any conveyancing documents theretofore delivered to Escrow Agent; and thereupon Buyer shall no longer be obligated under the Sales Contract. Other documents held by Escrow Agent relating to the sale of the Apartment identified in such Sales Contract will be returned to the person from whom, or entity from which, they were received.

Upon occurrence of any event specified above (other than C), Escrow Agent shall be entitled to a reasonable fee not to exceed \$50.00 together with cost of credit reports and the like to compensate it for services rendered prior to such event.

2. Requirements Prior to Disbursement of Buyer's Funds. Escrow Agent shall make no disbursements of Buyer's funds, until Seller has certified in writing to Escrow Agent that all of the following have occurred:

(a) Buyer's Sales contract "becomes effective" per Section 514A-65 of the Horizontal Property Regimes Act (Chapter 514A, Hawaii Revised Statutes), and that "the requirements of Sections 514A-39 and 514A-63 have been met".

(b) Escrow Agent has received a copy of Buyer's receipt for the Preliminary and Final Public Reports and all Supplementary Public Reports issued by the Hawaii Real Estate Commission, and forty-eight (48) hours have elapsed since Buyer receipted for such Public Reports.

3. Purchaser's Default. Seller must notify Escrow in writing if Purchaser defaults, and that Seller has cancelled the Purchaser's Sales Contract. Escrow then will notify the Purchaser by registered mail that Seller has cancelled the Sales Contract. Escrow will treat the Purchaser's funds less Escrow's cancellation fees as belonging to the Seller.

O/R: 301H

533 ILIMANO STREET

DISCLOSURE ABSTRACT

1. (a) PROJECT: 533 Ilimano Street  
533 Ilimano Street  
Kailua, Hawaii
- (c) DEVELOPER: HOALOHA VENTURES, INCORPORATED  
812 F. North Kalaheo Avenue  
Kailua, Hawaii 96834  
Telephone: (808) 254-3088
- (d) MANAGING AGENT: Paul D. Sullivan
2. Breakdown of annual maintenance fees and monthly estimate costs for each unit (revised and updated every twelve (12) months and certified to have been based on generally accepted accounting principles).
3. DESCRIPTION OF ALL WARRANTIES COVERING THE UNITS AND COMMON ELEMENTS: The Developer is not making any warranties relating to the materials and workmanship of the Unit or the common elements. To the extent any appliances are covered by manufacturer's warranty, such warranties will be assigned to the Apartment Owner.
4. USE OF UNITS. The 533 ILIMANO STREET Condominium Project will consist of one (1) unit which will be used for residential purposes by the owner thereof, his tenant, family, domestic servants and social guests, and for no other purpose. In accordance with the Declaration, the Developer may elect to add one additional residential apartment.
5. EXISTING STRUCTURES BEING CONVERTED. Based upon a June 29, 1987 report prepared by RAY W. KEUNING, Structural Engineer, the Developer states:
  - a. The present condition of all structural components and mechanical and electrical installation material to the use and enjoyment of the condominium appears to be good.
  - b. The Developer makes no statement with respect to the expected useful life of each item set forth in paragraph (a); and
  - c. There are no outstanding notices of uncured violations of building code or other municipal regulations.

Exhibit "H"

ESTIMATED OPERATING EXPENSES

533 ILIMANO STREET

For Period July 1, 1987 to June 30, 1988  
As Prepared by Developer

Estimated Annual Expenses

Ground Maintenance	\$	-0-
Water/Sewer and Electricity:*	\$	
Fire/Liability Insurance:**	\$	-0-
Management Fee:	\$	-0-
Miscellaneous:	\$	-0-
TOTAL ANNUAL EXPENSES	\$	-0-

Estimated Monthly Expenses

\$ -0- - 12 months): \$ -0-

Estimated Monthly Maintenance Fee for Each Apartment:

Estimated Monthly Expenses:	\$	-0-
TOTAL MONTHLY MAINTENANCE FEE FOR EACH APARTMENT:	\$	-0-

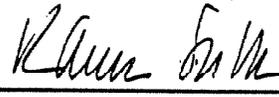
Note: If the Developer elects to develop Unit B, it would add one (a) additional residential apartment and the percentage of common expense for each apartment would be reduced as set forth in the Declaration of Horizontal Property Regime.

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

\*\* It is expected that each apartment owner will purchase and maintain his own homeowner's insurance policy which will include fire and liability coverage and that the Association of Apartment Owners will be named as an additional insured, but without any cost to the Association.

The Developer and Owner certify that the maintenance fees and costs as estimated by the Developer is based on generally accepted accounting principles.

HOALOHA VENTURES, INCORPORATED

By   
Its Secretary/Treasurer

"Developer"