



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

**CONDOMINIUM PUBLIC REPORT**

on  
 322 & 322A ILIWAHI LOOP

322 & 322A Iliwahi Loop  
 Kailua, Hawaii

Registration No. 2369 (Conversion)

Issued: March 19, 1991  
 Expires: April 19, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of February 14, 1991, 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)*
- No prior reports have been issued  
 Supersedes all prior public reports  
 Must be read together with \_\_\_\_\_
- 
- 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.

**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.

] No prior reports have been issued by the Commission.

] Changes made are as follows:

\* \* \* \* \*

\* SPECIAL ATTENTION \*

\* The Developer has disclosed the following: \*

\* (a) The dwelling "lots" are not legally subdivided. \*

\* (b) There are no building warranties with respect to the construction, materials or workmanship of Unit 322 and Unit 322A. The appliances or other personal property of both dwellings are sold in "as is" condition. \*

\* (c) Unit 322A is an "Ohana" dwelling and is subject to restrictions with respect to enlargement and rebuilding (see page 18 for further disclosure). \*

\* The prospective purchasers are cautioned to carefully review all documents regarding this condominium project for further information with regard to the foregoing. \*

\* \* \* \* \*

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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 "Condominium 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 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.

**SUMMARY OF THE CONDOMINIUM PROJECT**

Interest to be Conveyed to Buyer:

- Fee simple interest in an apartment and an undivided feehold interest in the common elements.
- Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
- Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

**Types of Project:**

- 1.  New Building(s)  Conversion
- Both New Building(s) and Conversion

- 2.  Residential  Commercial
- Mixed Residential and Commercial
- Other \_\_\_\_\_

\* NOTE: Unit 322 also has the exclusive use of those areas consisting of the Recreation Room and the Bathroom located on the first floor of Unit 322A,

- 3.  High Rise (5 stories or more)  Low Rise

- 4.  Single or  Multiple Buildings

the net living area of which is approximately 320 square feet. It also has the exclusive use of the Garage located on the Ground floor of Unit 322A, the area of such Garage being approximately 480

5. Apartment Description

Apt. Type	Quantity	BR/Bath	Living Area (sf) Net	Lanai/Patio (sf) square feet.
Unit 322 *	1	3/2	1,525	Lanai: 630
Unit 322A	1	2/2	704	Lanai: 140
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 2

\*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 the floor area may have been used.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>4 (2 for each Unit)</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>4</u>

7. Recreational amenities:

None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Thomas S. McCall and  
Corinne L. McCall  
Name  
322 Iliwahi Loop  
Business Address  
Kailua, Hawaii 96734

Phone: 254-3718  
(Business)

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Real Estate Sales Agent: \_\_\_\_\_  
Name  
Business Address

Phone: \_\_\_\_\_  
(Business)

Escrow: Title Guaranty Escrow Services, Inc.  
Name  
235 Queen Street  
Business Address  
Honolulu, Hawaii 96813

Phone: 521-0211  
(Business)

Managing Agent: Thomas S. McCall \*  
Name  
322 Iliwahi Loop  
Business Address  
Kailua, Hawaii 96734

Phone: 254-3718  
(Business)

Attorney for Developer: Jeffrey S. Grad  
Name  
841 Bishop Street, Suite 2001  
Business Address  
Honolulu, Hawaii 96813

\* The Developer is not a licensed condominium managing agent and does not have the required bond as specified under Chapt. 514A, Hawaii Revised Statutes. The Developer will not be able to operate as a condo managing agent until he is properly licensed and registered with the Real Estate Commission. If the Developer does not obtain a condominium managing agent (CMA) license or a licensed CMA is not appointed, then, the project will be considered self-managed.

**III. 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 Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. **Declaration of Condominium 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 - Document No. 90-170015  
 Filed - Land Court - Document Number \_\_\_\_\_

Amendment date(s) and recording/filing information:

Amendment dated January 31, 1991, Document No. 91-018722

- 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. 1401  
 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 - Document No. 90-170016  
 Filed - Land Court - Document Number \_\_\_\_\_

Amendment date(s) and recording/filing information:

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.

- 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 common interest which 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>65%</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"



**B. Underlying Land:**

Address: 322 & 322A Iliwahi Loop Tax Map Key: 1-4-4-29-35  
Kailua, Hawaii 96734 (TMK)

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

Land Area: 10,045 [x] square feet [ ] acre(s) Zoning: R-10

Fee Owner: Thomas S. McCall and Corinne L. McCall  
Name

322 Iliwahi Loop  
Address

Kailua, Hawaii 96734

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

\_\_\_\_\_  
Address

**C Buildings and Other Improvements:**

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

2. Buildings: 2 Unit 322: 1  
Floors Per Building Unit 322A: 2

[ ] Exhibit \_\_\_\_\_ contains further explanations.

3. Principal Construction Material:

[ ] Concrete [ ] Hollow Tile [x] Wood

[ ] Other \_\_\_\_\_

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
[ ] Commercial	_____	[ ] Industrial	_____
[x] Residential	<u>2</u>	[ ] Agricultural	_____
[ ] Timeshare/Hotel	_____	[ ] Recreational	_____
[ ] 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: \_\_\_\_\_

[ ] Other: \_\_\_\_\_

There are no special use restrictions. \* NOTE: Unit 322 also has the exclusive use of those areas consisting of the Recreation Room and the Bathroom located on the first floor of Unit 322A, the net living area of which is approximately 320 sq.ft.

6. Interior (fill in appropriate numbers):

Total Apartments 2 It also has the exclusive use of the Garage located on the Ground Floor of Unit 322A, the area of the Garage  
 Elevators None Stairways Unit 322A:1 Trash Chutes None being 480 sq.ft.

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
Unit 322 *	1	3/2	1,525	Lanai: 630
Unit 322A	1	2/2	704	Lanai: 140
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

\*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 the floor area may have been used.

Boundaries of Each Apartment:

The outside surfaces of the exterior walls and roof and the bottom surfaces of the footings and foundations of each Dwelling.

Permitted Alterations to Apartments;

See page 18 and Exhibit "B"

7. Parking Stalls:

Total Parking Stalls: 4 (2 for each Unit)

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)	<u>2</u>	<u>2</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>4</u>
Guest	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Unassigned	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Extra Available for Purchase	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Other:	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Total	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Covered & Open	<u>4</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>

Each apartment will have the exclusive use of at least two (2) parking stall(s).  
Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

Exhibit \_\_\_\_\_ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities.

There are no recreational or common facilities.

Swimming pool

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: \_\_\_\_\_

\_\_\_\_\_

9. Present Condition of Improvements  
 (For conversions of residential apartments in existence for at least five years):

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

With respect of Unit 322, 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. 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 October 22, 1990, which is on file with the Real Estate Commission.

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>

Unit 322A is an "Ohana" unit. See page 18 for further disclosure.

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.

As follows:

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:

Note: Reference in said Exhibit to "Lots" 322 and 322A does not mean legally subdivided lots.

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:

Each Unit shall have appurtenant thereto an undivided 50% interest in all common elements of the Project (herein called the "Common Interest"), and the same proportionate share in all common profits and expenses of the Project and for all other purposes, including voting on all matters requiring action by the Dwelling Lot owners.

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  November 5, 1990  and issued by  Title Guaranty of Hawaii .

**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>
Mortgage	Buyer's interest may be terminated by mortgagee but Buyer shall be entitled to 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.

[ ] self-managed by the Association of Apartment Owners.

[ ] 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:

- |   |   |
|---|---|
| <input type="checkbox"/> Electricity    | <input type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas            | <input type="checkbox"/> Water & Sewer    |
| <input type="checkbox"/> Other _____    |   |
| <input type="checkbox"/> Not applicable |   |

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 purchasers understand that Unit 322 was built in 1965 and that Unit 322A was built in 1988. The Seller is selling both units 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 both Units. The Seller is transferring the appliances and the electrical and plumbing fixtures in normal working condition consistent with their age. 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 Apartments.

J. Status of Construction and Estimated Completion Date:

Unit 322 was constructed in 1965 and Unit 322A was constructed in 1988.

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:

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 October 30, 1990

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

Other \_\_\_\_\_

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

SPECIAL NOTATION

Unit 322 and Unit 322A: The Specimen Sales Contract provided that the Developer states in part that the Apartments are being sold in "as is" condition. This means that the Seller shall not correct any defects in the Apartments. The existence of any defect shall not excuse the Purchaser's obligation to perform all of his obligations under his contract.

The Specimen Sales Contract further states that the Purchaser will not have the right to file any lawsuit or damages against the Seller for any defects in the Apartments.

Unit 322A: Unit 322A is an "Ohana" dwelling and is located in a zoning district designated R-10. The maximum floor area of an Ohana accessory dwelling unit in such a zoning district is presently 900 square feet. Unit 322 presently contains 844 square feet (including the enclosed lanai) of net living area and the Land Use Ordinance of the City and County of Honolulu (the "LUO") would not allow the Unit to be enlarged so that the net living area would exceed 900 square feet. Similarly, if Unit 322A were destroyed to an extent of more than 50% of its replacement cost then, the maximum floor area of Unit 322A, if reconstructed, could only be 900 square feet. While it is possible that a zoning variance could be obtained or that the Land Use Ordinance of the City and County of Honolulu could be amended to allow enlargement or reconstruction of the dwelling with a larger floor area, no assurance can be given that such will in fact occur. The general rule with respect to a non-conforming structure is that it may only be enlarged or be re-built in accordance with present requirements of the Land Use Ordinance.

## 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 Condominium *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. 2369 filed with the Real Estate Commission on  
December 14, 1990

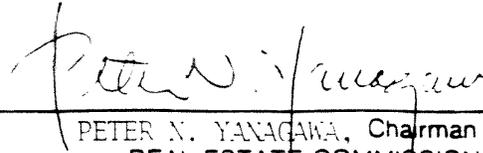
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Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire ~~thirteen~~ (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending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



PETER N. YANAGAWA, 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

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:

Except as otherwise provided herein, this Declaration may be amended by vote of seventy-five percent (75%) of the Dwelling Owners, effective only upon the recording of an instrument setting forth such amendment and vote duly executed by such owners or by the proper officers of the Association. In addition, the approval of eligible holders of first mortgages on Dwellings to which are appurtenant at least 51% of the common interest of the project shall be required for any material amendment to the Declaration or any amendment of a provision for the express benefit of holders or insurers of first mortgages on Dwellings. An eligible holder is a holder of a first mortgage on a unit which has made a written request to the Association that it receive notices of proposed changes to the Declaration. A material amendment to the Declaration is one which establishes, provides for, governs or regulates any of the following: (1) voting; (2) assessments, assessment liens, or subordination of such liens; (3) reserves for maintenance, repair and replacement of the common elements; (4) insurance or fidelity bonds; (5) rights to use of the common elements; (6) responsibility for maintenance and repair of the project; (7) expansion or contraction of the project for the addition, annexation or withdrawal of property to or from the project; (8) boundaries of any Dwelling; (9) the interest in the common elements; (10) convertibility of Dwellings into common elements or of common elements into Dwellings; (11) leasing of Dwellings; (12) imposition of any right of first refusal or similar restriction on the right of a Dwelling Owner to sell, transfer or otherwise convey his or her interest in the Dwelling; or (13) establishment of self management by the Association after professional management has previously been required by any of the mortgage holders. Notwithstanding the foregoing, however, if (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 Declarant may amend this 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 Declarant may amend this 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.

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 appurtenant to the Dwelling (collectively, the foregoing are referred to "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 and zoning laws and other applicable County ordinances (in particular, any change relating to Unit 322A shall conform to City and County of Honolulu ordinances relating to "Ohana" dwellings, as such may be amended from time to time).

(ii) No change to a Unit will be made outside the Unit Lot to which the Unit is appurtenant; no change will reduce the distance between improvements placed on each of the Unit Lots to less than what the distance had been as originally shown on the Condominium Map (unless both owners consent), and no change to a Unit will be made if the effect of such change would be to exceed the Dwelling's proportionate share of the allowable floor area or Lot area coverage for the Land, as defined by the zoning and building codes applicable to the Land in effect when the change is to be made. The proportionate share for each Unit shall be the same as its interest in the common interest. Notwithstanding the foregoing, if it is legally impermissible for Unit 322A to utilize all of its proportionate share of the allowable floor area for the land, then the portion which cannot be so utilized, may be utilized for the benefit of Unit 322.

(iii) 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 Unit owner's use of his Unit Lot.

(iv) 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, upon

the request of the Association, evidence of such insurance shall be deposited with the Association or its Managing Agent, if any;

(v) 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;

(vi) The owner of any changed Dwelling shall have the right and duty without the consent or joinder of any other person to amend and shall be required to amend the Declaration and the Condominium Map to accomplish 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 the 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 an amendment to the Declaration solely for the purpose of describing the changes to his respective Dwelling on the Declaration so that each Dwelling Owner shall hereafter have a Power of Attorney from all the other Dwelling owners to execute such amendment to the Declaration. This Power of Attorney shall be deemed coupled with each Owner's interest in his Dwelling (including his common interest) and shall be irrevocable.

(vii) 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 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 Condominium Property Regime.

EXHIBIT "D"

LIMITED COMMON ELEMENTS. Paragraph 5 of the Declaration designates:

Certain parts of the common elements are designated as the "Limited Common Elements" and 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 Dwelling, called on the Condominium Map a "Dwelling Lot", consisting of the land beneath the Dwelling and adjacent thereto, as shown and delineated as a "Dwelling Lot" on said Condominium Map. "Dwelling Lot 322" is for the exclusive use of Dwelling 322. "Dwelling Lot 322A" is for the exclusive use of Dwelling 322A.

(b) The area consisting of the Recreation Room, the Bathroom and the Garage (which includes the storage area and the washer/dryer but not the water heater, which is reserved for the benefit of Unit 322A) located within the ground floor of Unit 322A are for the exclusive use of Unit 322.

(c) The driveway Access Easement designated on the Condominium Map is for the exclusive use of Unit 322.

NOTE: Reference to "Lots" 322 and 322A does not mean legally subdivided lots.

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. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Grant in favor of the City and County of Honolulu, dated November 1, 1958, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 3562, Page 486.
4. The reservations and covenant as set forth in Deed dated January 29, 1982, recorded in said Bureau in Liber 16135, Page 117.
5. Mortgage dated April 16, 1987, recorded as aforesaid in Liber 20597, Page 598, in favor of Ampac Mortgage Corporation, a Hawaii corporation, which mortgage was assigned to SCG Mortgage Corporation, a Delaware corporation, by instrument dated December 5, 1988, recorded in Liber 22931, Page 414.
6. Affidavit dated May 23, 1988, recorded in Liber 21954, Page 346.
7. Mortgage dated July 19, 1988, recorded in Liber 22157, Page 387.
8. Declaration of Condominium Property Regime dated October 26, 1990, recorded in said Bureau as Document No. 90-170015; as amended by instrument dated January 31, 1991, recorded in said Bureau as Document No. 91-018722; and By-Laws recorded as Document No. 90-170016 (Project covered by Condominium Map No. 1401).

## 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: refrigerator, range and disposal.

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 existing loans 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 MATERIAL PROVISIONS OF THE ESCROW AGREEMENT

Summary of the Condominium Escrow Agreement between the Developer and Title Guaranty Escrow Services, 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. A Buyer shall be entitled to a return of his funds, and Escrow shall pay such funds to such Buyer, without interest, in accordance with the Sales Contract if any of the following has occurred:

(a) Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, the purchaser has exercised his right to cancel the contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; or

(d) A purchaser has exercised his right to rescind the contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended.

Upon such refund, Escrow Agent shall be entitled to a reasonable fee not less than \$25 or a fee commensurate with the work done by Escrow prior to cancellation.

3. Requirements Prior to Disbursement of Buyer's Funds. Escrow Agent shall make no disbursements of Buyer's funds, pursuant to paragraph 5 of the Escrow Agreement until all of the following have occurred:

(a) the Real Estate Commission has issued a final public report (the "Final Report") on the Project;

(b) Seller or Seller's attorney has given a written opinion to Escrow stating that all of the requirements of Sections 514A-39, 514A-62 and 514A-63 of the Hawaii Revised

Statutes, then applicable to the Project, have been satisfied and if the project is a conversion project, that the requirement of Section 514A-38 have been met.

(c) Seller shall have given Escrow a written waiver of any option reserved in any sales contract to cancel such sales contract;

(d) purchaser's Conveyance Document has been recorded or filed for record; and

(e) Escrow has received evidence (such as title insurance) satisfactory to Escrow that forty-six (46) days have elapsed since the filing of the affidavit of publication of the Notice of Completion, or all mechanics' and materialmen's liens have been cleared or there are sufficient funds available to cover any such liens that may be filed.

4. Purchaser's Default. Seller must notify Escrow in writing if Purchaser defaults, and must certify that Seller has cancelled the Purchaser's Sales Contract. After such cancellation Escrow will treat the Purchaser's funds less Escrow's cancellation fees as belonging to the Seller.

EXHIBIT "H"

322 & 322A ILIWAHI LOOP

DISCLOSURE ABSTRACT

1. (a) PROJECT: 322 & 322A ILIWAHI LOOP  
322 & 322A Iliwahi Loop  
Kailua, State of Hawaii
- (b) DEVELOPER: THOMAS S. McCALL and CORINNE L. McCALL  
322 Iliwahi Loop  
Kailua, Hawaii  
Telephone: (808) 254-3718
- (d) MANAGING AGENT: Thomas S. McCall

\* The Developer is not a licensed condominium managing agent and does not have the required bond as specified under Chapt. 514A, Hawaii Revised Statutes. The Developer will not be able to operate as a condo managing agent until he is properly licensed and registered with the Real Estate Commission. If the Developer does not obtain a condominium managing agent (CMA) license or a licensed CMA is not appointed, then, the project will be considered self-managed.

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 Dwelling 322 and Dwelling 322A or the common elements.

4. USE OF UNITS. The 322 & 322A Iliwahi Loop Condominium Project will consist of two (2) unit(s) which will be used for residential purposes by the respective owners thereof, their tenants, families and domestic servants and social guests, and for no other purpose.

5. EXISTING STRUCTURES BEING CONVERTED. Based upon a report prepared by EDWARD A. RESH, Registered Professional Architect, the Developer states:

a. The present conditions 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.

ESTIMATED OPERATING EXPENSES

322 & 322A ILIWAHI LOOP

For Period November 1, 1990 to October 31, 1991  
As Prepared by Developer

Estimated Annual Expenses

Ground Maintenance and	
*Water/Sewer and Electricity:	\$ -0-
**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:
- \* All utilities will be separately metered or otherwise charged, and the common elements will incur no separate utility charges.
  - \*\* It is contemplated that each apartment owner will purchase and maintain his own homeowner's insurance policy which will include fire and liability coverage, and naming the Association of Apartment Owners as an additional insured. If it is necessary for the Association to have its own public liability coverage (which could occur), this will become a common expense of the Association to be shared by the Apartment Owners.

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

Thomas S. McCall  
THOMAS S. McCALL

Corinne L. McCall  
CORINNE L. McCALL

"Developer"