

CONDOMINIUM PUBLIC REPORT

Prepared &  
Issued by:

Developer Cal-Cam Builders, a Hawaii registered partnership  
Address P. O. Box 4737, Kailua-Kona, Hawaii 96745

Project Name(\*): CAL-CAM CENTRE III  
Address: 73-5568 Maiau Street, Kailua-Kona, Hawaii 96740

Registration No. 2798

Effective date: March 16, 1993

Expiration date: April 16, 1994

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

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

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

X PRELIMINARY: The developer may not as yet have created a condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer 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.  
 This report supersedes all prior public reports.  
 This report must be read together with \_\_\_\_\_

\_\_\_\_\_ SUPPLEMENTARY: This report updates information contained in the:  
(pink)  
 Preliminary Public Report dated: \_\_\_\_\_  
 Final Public Report dated: \_\_\_\_\_  
 Supplementary Public Report dated: \_\_\_\_\_

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

\_\_\_\_\_ (\*) exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report                       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 developer.

Changes made are as follows:

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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 the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land 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 owners/tenants) 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 at the lessee's expense. 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.

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

Your apartment will, however, be part of the group of apartments that compose the condominium project. Study the project's 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.

## 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 rights to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the 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 important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I PERSONS CONNECTED WITH THE PROJECT

**Developer:** Cal-Cam Builders, a Hawaii registered partnership Phone: (808) 329-0966  
Name (Business)  
P.O. Box 4737  
Business Address  
Kailua-Kona, Hawaii 96745

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

Mr. Dominic Cameli  
Mr. Calvin B. Detwiler  
\_\_\_\_\_  
\_\_\_\_\_

**Real Estate Broker:** Marvl Realty, Ms. Phyllis G. Sellens -- Broker Phone: (808) 329-9370  
Name (Business)  
75-5751 Kuakini Hwy  
Business Address  
Kailua-Kona, Hawaii 96740

**Escrow:** Title Guaranty Escrow Service, Inc. Phone: (808) 329-6666  
Name (Business)  
75-170 Hualalai Rd., Building C, Suite 310  
Business Address  
Kailua-Kona, Hawaii 96740

**General Contractor:** Detwiler Construction Company Phone: (808) 325-7634  
Name (Business)  
P. O. Box 4978  
Business Address  
Kailua-Kona, Hawaii 96745

**Condominium Managing Agent:** Property Management Hawaii, Inc Phone: (808) 329-6488  
Name (Business)  
77-6435 Kuakini Highway  
Business Address  
Kailua-Kona, Hawaii 96740

**Attorney for Developer:** Colin L. Love Phone: (808) 329-2460  
Name (Business)  
P. O. Box 2072  
Business Address  
Kailua-Kona, Hawaii 96745

**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 Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and 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.

- 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. \_\_\_\_\_  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

The Declaration referred to above has been amended by the following instrument [state name of document, date and recording/filing information]:

NA.

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

The Condominium Map for this condominium project is:

Proposed  
 Recorded - Bureau of Conveyances Condo Map No. \_\_\_\_\_  
 Filed - Land Court Condo Map No. \_\_\_\_\_

The Condominium Map has been amended by the following instrument [state name of document, date and recording/filing information]:

NA.

- 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 manner in which meetings will be conducted, whether pets are prohibited or allowed 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. \_\_\_\_\_  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

NA.

D. **House Rules.** The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. 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>Majority vote</u>

\* The percentages for individual condominiums may be more than the minimum set by law for projects with five or fewer apartments.

2. **Developer:**

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

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

During the sales period, the Developer has reserved the right to make changes to the project documents and the project as may be required by law, a title insurance company, an institutional lender or any governmental agency; prior to the conveyance or transfers of the first apartment, for any reason and in any manner, as the developer deems necessary under the circumstances, provided that no such change shall substantially alter or reduce the usable space within the Buyer's Apartment, render unenforceable the Buyer's mortgage commitment, increase the Buyer's share of common expenses, or reduce the obligations of the Developer for common expense on unsold apartments.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

Fee Simple: Individual apartments and common elements, which include underlying land, will be in fee simple.

Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

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

Exhibit NA. contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: NA.

Rent Renegotiation Date(s) NA.

Lease Rent Payable:      Monthly                    Quarterly  
                                  Semi-Annually        Annually

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

For Subleaseholds:

Buyer's sublease may be canceled if the master lease between sublessor and fee owner is:  
                  Canceled                    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 canceled or foreclosed.

Individual Apartments in Fee Simple: Common Interest in the Underlying Land in Leasehold or Subleasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver 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 at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit NA. contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provisions(s).

Lease Term Expires: NA.

Rent Renegotiation Date(s): NA.

Lease Rent Payable:                    Monthly                    Quarterly  
    Semi-Annually        Annually

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

Other:

**IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS**

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of a leasehold condominium and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

**B. Underlying Land:**

Address: 73-5568 Maiiau Street Tax Map Key: (3rd) 7-3-51-44  
Kailua-Kona, Hawaii 96740 (TMK)

Address  TMK is expected to change because NA.

Land Area: 43,562.5 +/-  square feet  acre(s) Zoning: ML-1 acre

Lessor:

(Fee Owner): CAL-CAM Builders, a Hawaii registered partnership

Name

P. O. Box 4737

Address

Kailua-Kona, Hawaii 96745

Sublessor:

NA.

Name

Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: 1 Floors Per Building 2\*

Exhibit "A" contains further explanation.

3. Principal Construction Materials:

Concrete                       Hollow Tile                       Wood

Other Metal

4. Permitted Use by Zoning:

	No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>		No. of <u>Apts.</u>	Use Determined <u>By Zoning</u>
<input type="checkbox"/> Residential	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Other: <u>ML 1 acre**</u>	<u>9</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

Yes                                       No

\*Apartments 101 & 109 are end units, and each has a second floor mezzanine. Apartments 102, 103, 104, 105, 106, 107, and 108 do not have a mezzanine and therefore are single floor apartments.

\*\* Limited Industrial

5. Special Use Restrictions:

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

**Pets:** Pets are strictly prohibited

**Number of Occupants:** \_\_\_\_\_  
 Only commercial use permitted. Automotive repair use is prohibited. Retail sales must be

**Other:** incidental and subordinate to a permitted use. See Exhibit "H"

**There are no special use restrictions.**

6. Interior (fill in appropriate numbers)

Elevators: 0                      Stairways: 0                      Trash Chutes : 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>A</u>	<u>2</u>	<u>0</u>	<u>4200</u>	<u>0</u>
<u>B</u>	<u>5</u>	<u>0</u>	<u>2100</u>	<u>0</u>
<u>C</u>	<u>2</u>	<u>0</u>	<u>2036</u>	<u>0</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 9

\*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:** Each apartment includes, but is not limited to, the inner finished surfaces of all walls, floors and ceilings, the doors and door frames, windows and window frames along the perimeters, the air space within the perimeter, and all fixtures originally installed in the apartment. The apartments shall not include the undecorated or unfinished surfaces of the perimeter party or walls, the interior load-bearing columns, girders, beams and walls, the undecorated or unfinished surfaces of the floor and ceilings surrounding each apartment or any pipes, shafts, wires, conduits or other utility or service lines running through an apartment which are utilized for or serve more than one apartment.

**Permitted Alterations to Apartments:** Alterations or additions within an apartment may be made with prior written notice to the Board of Directors, as long as the structural integrity and soundness of the project is not adversely affected. A copy of the owner's plans and appropriate building permits and an estimate of time of construction shall be submitted with the written notice. An owner of two or more apartments separated by a party wall, floor or ceiling may remove the intervening wall if structural integrity and soundness of the project are not adversely affected. At the termination of the common ownership of adjacent apartments, the altered or removed wall(s) shall be restored by owner to substantially the same condition as existed prior to the alteration or removal.

7. **Parking Stalls:**

Total Parking Stalls: 33

	<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 each unit)	_____	_____	_____	_____	_____	_____	_____
Guest:	_____	_____	_____	_____	_____	_____	_____
Unassigned:	_____	<u>21</u>	_____	<u>9</u>	_____	_____	<u>30</u>
Extra for:	_____	_____	_____	_____	_____	_____	_____
Purchase	_____	_____	_____	_____	_____	_____	_____
Truck Loading:	_____	<u>2</u>	_____	_____	_____	_____	<u>2</u>
Handicapped:	_____	<u>1</u>	_____	_____	_____	_____	<u>1</u>
<b>Total Covered &amp; Open</b>	<u>24</u>		<u>9</u>				<u>33</u>

Each apartment will have the exclusive use of at least 0 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 Courts       Trash Chutes

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

9. **Compliance With Building Code and Municipal Regulations; Cost to Cure Violations:**

There are no violations.

Violations will not be cured.

Violations and costs to cure are listed below.

Violations will be cured by \_\_\_\_\_

10. **Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations**  
(For conversions of residential apartments in existence for at least five years):

11. 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>	_____	_____
Structures	<u>  X  </u>	_____	_____
Lot	<u>  X  </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 lots.

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

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration are:

described in Exhibit   "B"  

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 use them, as described in the Declaration, are:

described in Exhibit \_\_\_\_\_.

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 used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration are:

described in Exhibit "C"

as follows:

E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit "D" describes the encumbrances against the title contained in the title report dated \_\_\_\_\_ and issued by \_\_\_\_\_ Title Guaranty and Escrow, Incorporated \_\_\_\_\_

**Blanket Liens:**

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien 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. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.**

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
First Mortgage	If Developer defaults or the mortgage lien is foreclosed prior to conveyance to Buyer, Buyer's contract to purchase will be terminated, and all of Buyer's funds will be refunded to Buyer.

**F. 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 developer shall require from the general contractor for the project a written warranty with respect to any defects in each apartment and the common elements due to faulty materials and/or workmanship which are discovered and reported within one (1) year from the "Date of Substantial Completion" as defined in the construction contract. The Developer makes no warranties itself; however, the Developer will assign to each apartment owner any and all warranties given the Developer by the general contractor for the project and by any subcontractors, and the Developer will cooperate with each apartment owner during the effective period of any such warranties in asserting any claims on such warrants.

**2. Appliances:** NA.

**G. Status of Construction and Estimated Completion Date:**

**Construction of the project has not started.**

**H. Project Phase:**

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

**Summary of Developer's plans or rights to perform for future development (such as additions, mergers or phasing):**



V. MISCELLANEOUS

A. 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

[ X ] Specimen Sales Contract

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

[ X ] Escrow Agreement dated January 25, 1993

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

[ X ] Other Specimen Deed

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales 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 or Supplementary Report to a Final Report: Sales made by the developer are binding if:

A) The Developer delivers to the buyer a copy of:

1) Either the Final Public Report OR Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission,

AND

2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s), AND

C) One of the following has occurred :

1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or

2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or

3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

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

A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND

B) 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.

2 **Rights Under the Sales Contract:** Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime.
- C) Bylaws of the Association of Apartment Owners.
- D) House Rules.
- E) Condominium Map.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other \_\_\_\_\_

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 Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 2798 filed with the Real Estate Commission on January 29, 1993 .

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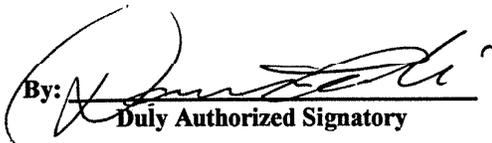
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**C. Additional Information Not Covered Above**

- D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

Cal-Cam Builders, a Hawaii registered partnership

Name of Developer

By:   
Duly Authorized Signatory

1/25/93  
Date

DOMINIC CAMELI, general partner

print name & title of person signing above

**Distribution:**

Department of Finance, County of Hawaii  
Planning Department, County of Hawaii  
Federal Housing Administration

EXHIBIT "A"

**DESCRIPTION OF BUILDING AND APARTMENTS**

**I. DESCRIPTION:**

CAL-CAM CENTRE III will consist of one (1) building primarily constructed of metal, with total square footage of 23,100 square feet, 22,972 square feet of which are living area. The building will be divided into nine (9) apartments, two of which have a mezzanine of 2,100 square feet (net living area) and 2,100 square feet (net living area) on the ground floor. Five of the remaining apartments have a ground floor of 2,100 square feet (net living area), and two have a ground floor off 2,036 square feet (see below). The building also contains a common area men's room and a common area women's room, each of which are 64 square feet. The apartments are divided by one (1) hour fire walls, and feature either roll-up doors with a pedestrian door or a store front, depending on the requirements of the individual occupants. Individual occupants may erect additional interior walls within the Apartments as long as the appropriate building permits and approvals are obtained. There are no basements

**APPROXIMATE NET FLOOR AREAS\***

<u>Apartment Numbers</u>	<u>Number of Rooms</u>	<u>Ground Floor Area*</u>	<u>Mezzanine Floor Area*</u>	<u>Net Living Area*</u>
101	2	2,100	2,100	4,200
102	1	2,100		2,100
103	1	2,100		2,100
104	1	2,036		2,036
105	1	2,036		2,036
106	1	2,100		2,100
107	1	2,100		2,100
108	1	2,100		2,100
109	2	<u>2,100</u>	<u>2,100</u>	<u>4,200</u>
	Total	18,772	4,200	22,972

\* The approximate net floor areas of each Apartment in square feet as set forth above are measured from the interior surface of the Apartment perimeter walls.

NOTE: THE FLOOR AREAS ARE APPROXIMATE ONLY. THE DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE FLOOR AREA OF ANY PARTICULAR APARTMENT.

END  
EXHIBIT "A"

## EXHIBIT "B"

### COMMON ELEMENTS:

The Common Elements to which the Apartments are all appurtenant include the land described in fee simple and all other portions of the project, other than the Apartments, including, specifically, but not limited to, the elements described as Common Elements in the Condominium Property Act that are actually constructed on the land, and all other portions of the Project necessary or convenient to its existence, maintenance and safety or normally in common use and which are not included as part of an Apartment, including but not limited to the following:

(a) All structural components, such as foundations, girders, columns, beams, floor slabs, supports, perimeter walls, load-bearing walls, floors and ceilings (except the inner or decorated surfaces of the perimeter walls, load-bearing wall, floors and ceilings), roofs, and entrances and exits of the building.

(b) All exterior stairs, stairways, landings, and railings, if any are included in the project, and any other building appurtenances, including but not limited to, the electrical cabinets and compartments for water heaters located on the exteriors of the buildings. Common elements do not include lanai railings if lanais are included within the net living area of the Apartments. They do include the lanai railings if lanais are common areas or limited common areas.

(c) All yards, grounds, gardens, planters, plants, landscaping, refuse facilities, trash enclosures shown on the Condominium Map, and fences, including those fences which may enclose the limited common element yard areas adjoining ground floor Apartments .

(d) All parking areas, parking stalls, including any parking stalls designated as "Guest" parking, loading zones designated as such on the Condominium Map, and all other roadways, paths, driveways and walkways within the project.

(e) All ducts, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one (1) Apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution, if any.

(f) Men's and women's rest room facilities, janitor's facilities and the common storage area and as depicted in the File Plan or Condominium Map.

(g) All the rights, benefits and privileges, if any, inuring to the Land of the Condominium from all easements shown on the File Plan, or acquired subsequent to the creation of those document.

(h) Any and all other portions of the land and improvements that are not specifically designated for use by one or more specific Apartments, but which are intended for common use, including any directory facilities that may be established, and all other apparatus and installations the use of which exists for, is rationally allocated to or is necessary to the existence, upkeep and safety of more than one Apartment of the Condominium Project or which may otherwise be of common use.

Unless clearly repugnant to the context thereof, the term "Common Elements" also means and includes the limited common elements hereinafter described.

END  
EXHIBIT "B"

**EXHIBIT "C"**

**UNDIVIDED COMMON INTEREST**

1. The common interest for each Apartment is determined by dividing the net living area in square feet for that Apartment by the total net living area for all Apartments and rounding off so that the total of all common interests equals 100%.

2. The common interest of each Apartment shall determine its percentage share of all common profits and expenses for the Condominium, and its interest in the Condominium for all other purposes, including voting, but all costs and expenses of limited common elements to the extent incurred by the Association may be charged in a different manner as hereinafter set forth. The terms "majority" or "minority of the Apartment Owners" as used in this Declaration shall mean the Owners of Apartments to which have appurtenant more than fifty percent (50%) of the common interest, and any specified percentage of Apartment Owners shall mean the Owners of Apartments to which are appurtenant such percentage of the common interest.

<u>Apartment Numbers</u>	<u>Undivided Common Interest of Each Apartment</u>	
101	0.18283	18.283 %
102	0.09142	9.142 %
103	0.09142	9.142 %
104	0.08863	8.863 %
105	0.08863	8.863 %
106	0.09142	9.142 %
107	0.09142	9.142 %
108	0.09142	9.142 %
109	<u>0.18283</u>	<u>18.283 %</u>
Total	1	100 %

END  
EXHIBIT "C"

EXHIBIT "D"

ENCUMBRANCES AGAINST TITLE

1. Real property taxes that may be due and owing. Refer to the County of Hawaii Director of Finance for further information..

Tax Key (3rd) 7-3-51:44 covers the parcel.

2. Reservations in favor of the State of Hawaii in all mineral and metallic mines.

3. Ordinance No. 83-38 of the County of Hawaii, and any amendments thereto, as set forth in Deed Dated June 27,1984, recorded in Liber 18148, Page 659.

4. Covenants, conditions and restrictions set forth in Declaration dated September 24, 1984, recorded in Liber 18185, Page 204. Said Declaration was amended by instrument dated November 2, 1984, recorded in Liber 18251, Page 727.

5. Mortgage, Security Agreement and Financing Statement, CAL-CAM BUILDERS, a Hawaii general partnership, Mortgagor, BANK OF HAWAII, a Hawaii corporation, Mortgagee, dated December 8, 1992, and recorded as Document Number 92-204268.

6. Assignment of Lessor's Interest in Leases dated December 8, 1992, and recorded as Document Number 92-204269, by CAL-CAM BUILDERS, a Hawaii general partnership, "Assignor", to BANK OF HAWAII, a Hawaii corporation, "Assignee", all of the rights, titles and interests in, to and under each and all of the leases now or hereinafter in effect covering all or any part of the property as security to repay the loan referred to in Paragraph 5 hereof.

END  
EXHIBIT "D"

Exhibit "E"

**ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

Estimate of Initial Maintenance Fees

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>	
101	\$359.26	\$4,311.16
102	\$179.63	\$2,155.58
103	\$179.63	\$2,155.58
104	\$174.16	\$2,089.89
105	\$174.16	\$2,089.89
106	\$179.63	\$2,155.58
107	\$179.63	\$2,155.58
108	\$179.63	\$2,155.58
109	<u>\$359.26</u>	<u>\$4,311.16</u>
Total	\$1,965.00	\$23,580.00

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency

Exhibit "E"

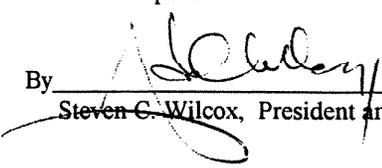
Estimate of Monthly Fee Disbursements

<b>Liability and Service</b>	<b>Monthly Fee x 12 months =</b>	<b>Yearly Total</b>
Air Conditioning (Service)	\$0.00	\$0.00
Electricity		
<input type="checkbox"/> common element and apartments		
<input checked="" type="checkbox"/> common elements only	55.00	660.00
Elevator	0.00	0.00
Gas	0.00	0.00
Refuse Collection	100.00	1200.00
Telephone	0.00	0.00
Water and Sewer	150.00	1800.00
 <b>Maintenance, Repairs and Supplies</b>		
Building	350.00	4200.00
Grounds	150.00	1800.00
 <b>Management</b>		
Management Fee	425.00	5100.00
Payroll and Payroll Taxes	0.00	0.00
Office Expenses	0.00	0.00
Insurance	425.00	5100.00
Reserve (*)	280.00	3360.00
Based on 2 months operating expense		
No reserve study done.		
Taxes and Government Assessments	0.00	
Audit Fees	0.00	0.00
 <b>Other</b>		
Postage	5.00	60.00
Tax preparation	25.00	<u>300.00</u>
 <b>TOTAL</b>		 <b>\$23,580.00</b>

WE, PROPERTY MANAGEMENT HAWAII, INC., a Hawaii corporation, as managing agents for the CAL-CAM CENTRE III condominium project, hereby certify that the above estimate of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

PROPERTY MANAGEMENT HAWAII, INC.  
a Hawaii corporation

Date: January 20, 1993

By   
Steven C. Wilcox, President and Principal Broker

(\*) Mandatory reserves in effect January 1, 1993

**EXHIBIT "F"**

**SUMMARY OF DEPOSIT RECEIPT AND SALES CONTRACT**

The Deposit Receipt and Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the project. Among other things, the Deposit Receipt and sales Contract states:

1. The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of an apartment.
2. That the purchaser acknowledges having received and read a final public report for the Project prior to signing the Deposit Receipt and Sales Contract.
3. That the Developer makes no representations concerning rental of an apartment, income or profit from an apartment, or any other economic benefits to be derived from the purchase of an apartment.
4. That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.
5. Requirements relating to the purchaser's financing of the purchase of an apartment.
6. That the apartment and the Project will be subject to various legal documents which purchaser should examine, and that the Developer may change these documents under certain conditions.
7. That the Developer makes no warranties regarding the apartment, the Project or anything installed or contained in the apartment or the Project.
8. That the Project will be subject to ongoing sales activities which may result in certain annoyance to the purchaser.
9. That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
10. If the Buyer defaults on the Sales Contract, then the Seller is entitled to cancel the Sales Contract and retain all sums paid thereunder (up to a maximum of twenty percent [20%] of the Total Purchase Price) as liquidated damages.

The Deposit Receipt and Sales Contract contain various other important provisions relating to the purchase of an apartment in the Project. It is incumbent upon purchasers and prospective purchasers to read with care the specimen Deposit Receipt and Sales Contract on file with the Real Estate Commission.

**END  
EXHIBIT "F"**

## EXHIBIT "G"

### SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits a purchaser makes pursuant to the Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement, these things will or may happen:

1. Escrow will let the purchaser know when payments are due.
2. Escrow will arrange for the purchaser to sign all necessary documents.
3. The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Contract.

The Escrow Agreement also establishes the procedures for the retention or disbursement of a purchaser's funds and says what will happen to the funds upon a default under the Sales Contract. The Escrow agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. It is incumbent upon purchasers and prospective purchasers to read with care the executed Escrow Agreement on file with the Real Estate Commission.

END  
EXHIBIT "G"

EXHIBIT "H"

Bernard K. Akana

Mayor

Duane Kanuha

Director

William L. Moore

Deputy Director



## Planning Department

25 Aupuni Street, Rm. 109 • Hilo, Hawaii 96720 • (808) 961-8288

November 29, 1989

Mr. Calvin Kimura, Executive Secretary  
Real Estate Commission  
Professional & Vocational Licensing Division  
Dept. of Commerce & Consumer Affairs  
P. O. Box 3469  
Honolulu, HI 96801

Dear Mr. Kimura:

Condominium Property Regime  
Cal-Cam Center, Reg. No. 2148  
TMK: 3-7-3-051-033  
Kauhola Street, Kailua-Kona, HI



We have reviewed the subject document and have the following comments to offer:

Under item C4 Special Use Restrictions, it states that only commercial, retail and industrial uses are permitted under this proposed condominium property regime. It should be noted that retail sales per se is not a permitted use within the limited industrial use. The retail sales permitted must be incidental and subordinate to a permitted use. A copy of the permitted uses for the Limited Industrial zoned district is attached for your information.

Should you have any further questions, please feel free to contact this office.

Sincerely,

DUANE KANUHA  
Planning Director

MO:aeb

encl.

Section 25-213. Other regulations. Plan approval is required of all structures and uses in MG districts. (1975 C.C.,c.8, art. 15, sec. 8.)

Article 16. ML, Limited Industrial Districts.

Section 25-214. Purpose and applicability. The ML (limited industrial) district applies to areas for business and industrial uses which are generally in support of but not necessarily compatible with those permissible activities and uses in other commercial districts. (1975 C.C.,c.8, art. 14, sec. 1.)

Section 25-215. Designation of ML districts. ML (limited industrial) districts shall be designated by the symbols "ML" followed by a number indicating the minimum number of thousands of square feet required per building site.

Section 25-216. Permitted uses.

- (a) The following are permitted uses in ML districts:
- (1) Any manufacturing, processing, assembling, research, laboratory, bottling, or packaging uses which are conducted in a building and from which there is no odor, dust, smoke, gas, noise, vibration, radiation, or other effect which has measurable nuisance qualities beyond the property line.
  - (2) Animal hospitals with facilities for treatment or boarding of not more than twenty animals.
  - (3) Automobile parking lots, service stations, and all uses and buildings for the repair, maintenance, service, and storage of automobiles and trucks.
    - (4) Bakeries, laundries, cleaning, or dyeing plants.
    - (5) Carpentry, hardwood product, electrical, plumbing, painting, air conditioning, furniture, and upholstering shops and storage.
    - (6) Contractors' yards for equipment, material, and vehicle storage, repair, or maintenance.
    - (7) Draying, freighting, or trucking yard or terminal.
    - (8) Living quarters for watchmen or custodians of industrial properties.
    - (9) Lumber yards and building materials yards but not including concrete or asphalt mixing and the fabrication by riveting or welding of steel building frames.

(10) Machine, welding, sheet metal, and metal plating and treating shops except the fabrication by riveting or welding of steel building frames.

(11) Newspaper and publishing houses, printing shops, cartographing, and duplicating processes such as blueprinting or photostating shops.

(12) Public and private utility lines and facilities including offices or yards for equipment, material, vehicle storage, repair or maintenance.

(13) Sales and servicing or rental of any type of vehicle, implement, machinery or equipment.

(14) Terminal, storage or maintenance yards for a fleet of vehicles.

(15) Transportation and tour terminals.

(16) Wholesaling, warehousing, and storage buildings and yards except those for highly flammable or explosive products.

(17) Airfields, heliports, and private landing strips.

(18) Lava rock or stone cutting or shaping.

(19) Retail sales incidental and subordinate to a permitted use.

(20) Incidental and necessary services for persons working in a ML district which are conducted within an integral part of a main structure with entrances from the interior of the building and having no display or advertising visible from the street.

(21) Restaurants.

(22) Aquaculture activity.

(23) Buildings and uses normally considered directly accessory to the above permitted uses. (1975 C.C.,c.8, art. 14, sec. 3; Am. 1977, Ord. No. 297, sec. 2; Am. 1983, Ord. No. 83-2, secs. 1 and 2; Am. 1984, Ord. No. 84-67, sec. 6.)

Section 25-217. Height limits. The height limits in ML districts shall be forty-five feet. (1975 C.C.,c.8, art. 14, sec. 4; Am. 1983, Ord. No. 83-35, sec. 16.)

Section 25-218. Minimum building site area. The minimum building site area in ML districts shall be ten thousand square feet. (1975 C.C.,c.8, art. 14, sec. 5.)

Section 25-219. Minimum building site average width. The minimum building site average width in ML districts shall be seventy-five feet. (1975 C.C.,c.8, art. 14, sec. 6.)

**Section 25-220. Minimum yards.**

(a) Minimum yards in ML districts shall be as follows:

- (1) Front yard: fifteen feet.
- (2) Side and rear yards: none, except as required by plan approval. (1975 C.C..c.8, art. 14, sec. 7; Am. 1984, Ord. No. 84-66, sec. 3.)

**Section 25-221. Other regulations.**

(a) Plan approval is required of all structures and uses in ML districts. (1975 C.C..c.8, art. 14, sec. 8; Am. 1983, Ord. No. 83-2, sec. 3; Am. 1984, Ord. No. 84-62, sec. 5.)

**Article 17. O. Open Districts.**

**Section 25-222. Purpose and applicability.** The O (open) district applies to areas that contribute to the general welfare, the full enjoyment, or the economic well-being of open land type use which has been established, or is proposed. The object of this district is to encourage development around it such as a golf course, country club, and park, and to protect investments which have been or shall be made in reliance upon the retention of such open type use, to buffer an otherwise incompatible land use or district, to preserve a valuable scenic vista or an area of special historical significance, or to protect and preserve submerged land, fishing ponds, and lakes (natural or artificial tide lands). (1975 C.C..c.8, art. 16, sec. 1.)

**Section 25-223. Designation of O districts.** O (open) districts shall be designated by the symbol "O".

**Section 25-224. Permitted uses.**

(a) The following are permitted uses in O districts:

- (1) Public parks.
- (2) The growing of plants provided such growth does not impair a view included in the stated purposes for adopting the districts.
- (3) Golf courses and country clubs if compatible with the stated purposes of adoption.
- (4) Helms, historical areas, structures, and monuments.
- (5) Existing churches and temples of historical significance.
- (6) Natural features, phenomena, and vistas as tourist attractions.

**CAL-CAM CENTRE III  
DISCLOSURE ABSTRACT**

1. **NAME OF PROJECT:** CAL-CAM CENTRE III  
73-5568 Maiau Street  
Kailua-Kona, Hawaii 96740
2. **DEVELOPER:** Cal-Cam Builders, a Hawaii registered partnership
3. **MANAGING AGENT:** Property Management Hawaii, Inc.
4. **USE OF APARTMENTS:**

The nine (9) apartments in the Project may be occupied and used for commercial, industrial, and retail purposes. No Apartment may be used for residential purposes. No Apartment may be used for residential purposes. The Apartments are subject to additional restrictions on their use as set forth in (a) the Declaration of Horizontal Property Regime of CAL-CAM CENTRE III, (c) the Apartment Deed for the individual Apartments, (d) the Deposit Receipt and Sales Contract for the individual Apartments, and (e) the Project Rules. Copies of the foregoing documents are on file with the Real Estate Commission of the State of Hawaii.

5. **WARRANTIES:**

THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, COMMON ELEMENTS, APPLIANCES, FURNISHINGS OR OTHER PRODUCTS, OR ANYTHING INSTALLED IN OR UPON THE PREMISES OR USED IN CONNECTION WITH THE PROJECT IN ANY MANNER, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR PURPOSE OR USE.

6. **ESTIMATED MAINTENANCE FEES:**

See attached Exhibit 1 & 2

The breakdown of estimated initial maintenance fees and maintenance fee disbursements for @7, and is based on generally accepted accounting principals. It is subject to revision based on actual cost for the items enumerated. The Developer can make no assurances regarding the estimated maintenance fees and maintenance fee disbursements. Variables such as inflation, uninsured casualty loss or damages, increased or decreased services from those contemplated by the Developer, Apartment Owner delinquencies and other factors may cause the actual maintenance fees to be greater or lesser than the estimated maintenance fees. The breakdown of the estimated fees for each Apartment does not include the Buyer's obligation for the payment of real property taxes; estimates of such real property taxes will be provided by the Developer upon request. The estimate of annual maintenance fees and other monthly costs will be updated at least every twelve (12) months and provided to each prospective initial purchaser until all of the apartments are sold.

**NOTE: THE DEVELOPER ADVISES THAT COSTS AND EXPENSES OF MAINTENANCE AND OPERATION OF A CONDOMINIUM PROJECT ARE DIFFICULT TO ESTIMATE INITIALLY AND EVEN IF THE MAINTENANCE FEES ARE ACCURATELY ESTIMATED, SUCH FEES WILL TEND TO INCREASE IN AN INFLATIONARY ECONOMY AND AS THE IMPROVEMENTS AGE, MAINTENANCE FEES CAN VARY, DEPENDENT ON SERVICE DESIRED BY APARTMENT OWNERS. THE BUYERS SHOULD CHECK THE ATTACHED MAINTENANCE FEE SCHEDULE TO SEE IF SERVICES ARE INCLUDED THEREIN. THE INITIAL ESTIMATES HAVE BEEN MADE WELL IN ADVANCE OF THE COMPLETION OF THE PROJECT.**

Exhibit "1"

**ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

Estimate of Initial Maintenance Fees

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>	
101	\$359.26	\$4,311.16
102	\$179.63	\$2,155.58
103	\$179.63	\$2,155.58
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109	<u>\$359.26</u>	<u>\$4,311.16</u>
Total	\$1,965.00	\$23,580.00

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency

End  
Exhibit "1"

Exhibit 2

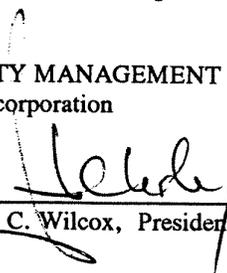
Estimate of Monthly Fee Disbursements

<b>Liability and Service</b>	<b><u>Monthly Fee x 12 months =</u></b>	<b><u>Yearly Total</u></b>
Air Conditioning (Service)	\$0.00	\$0.00
Electricity		
<input type="checkbox"/> common element and apartments		
<input checked="" type="checkbox"/> common elements only	55.00	660.00
Elevator	0.00	0.00
Gas	0.00	0.00
Refuse Collection	100.00	1200.00
Telephone	0.00	0.00
Water and Sewer	150.00	1800.00
 <b>Maintenance, Repairs and Supplies</b>		
Building	350.00	4200.00
Grounds	150.00	1800.00
 <b>Management</b>		
Management Fee	425.00	5100.00
Payroll and Payroll Taxes	0.00	0.00
Office Expenses	0.00	0.00
Insurance	425.00	5100.00
Reserve (*)	280.00	3360.00
Based on 2 months operating expense		
No reserve study done.		
Taxes and Government Assessments	0.00	
Audit Fees	0.00	0.00
Other		
Postage	5.00	60.00
Tax preparation	25.00	300.00
<b>TOTAL</b>		<b>\$23,580.00</b>

WE, PROPERTY MANAGEMENT HAWAII, INC., a Hawaii corporation, as managing agents for the CAL-CAM CENTRE III condominium project, hereby certify that the above estimate of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

PROPERTY MANAGEMENT HAWAII, INC.  
a Hawaii corporation

Date: January 20, 1993

By   
Steven C. Wilcox, President and Principal Broker

(\*) Mandatory reserves in effect January 1, 1993

End of Exhibit 2