

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

**PRELIMINARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT**

on
LILIHA SQUARE
Honolulu, Hawaii

REGISTRATION NO. 517

IMPORTANT — Read This Report Before Buying

This Report Is Not an Approval or Disapproval of This Condominium Project

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project but may only take reservations therefore after

- (1) A copy of this Report has been given to the prospective purchaser,
- (2) The latter has been given an opportunity to read same, and,
- (3) His receipt taken therefor.

Issued: May 2, 1973

Expires: June 2, 1974

SPECIAL ATTENTION

A comprehensive reading of the report is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser and prospective purchaser is particularly directed to the following:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JANUARY 17, 1973. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT SET FORTH IN CHAPTER 514, HAWAII REVISED STATUTES.

1. LILIHA SQUARE involving a high-rise building and a separate low-rise building, is a proposed leasehold condominium, and will consist of 136 residential apartments on the third through twentieth floors of the high-rise building, and one commercial apartment on the first and second floors of each building.

2. The basic documents (Declaration of Horizontal Property Regimes, with By-Laws of Association of Apartment Owners attached, and a copy of the approved Floor Plans) have not yet been filed in the office of the recording officer.
3. No advertising and promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
4. The purchaser or prospective purchaser should acquaint himself with the provisions set forth by the Honolulu Redevelopment Agency affecting the redevelopment site in the Kauluwela Project in which Liliha Square Condominium project is located.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.
6. If a Final Public Report is not issued within one year from the date of this Preliminary Report, purchasers are entitled to refund of all monies paid by them.
7. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, unless a Final Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: LILIHA SQUARE

LOCATION: Honolulu at the intersection of Vineyard Boulevard and Liliha Street, containing 93,611 square feet.

TAX KEY: 1-7-23-8

ZONING: Part of land: Commercial (B-2)
Part of land: Apartment (A-2)
All of land: HRA Planned Development

DEVELOPER: Benjamin Kong, Suite 318, 116 South King Street, Honolulu, Hawaii 96813.

ATTORNEY REPRESENTING DEVELOPER: JENKS, KIDWELL, GOODSILL & ANDERSON (Attention: Walter E. Bliss), 16th Floor, Castle & Cooke Building, Financial Plaza of the Pacific, Honolulu, Hawaii. Telephone: 531-5066.

DESCRIPTION: There will be two buildings. The main building will house all the residential apartments, part of the commercial apartment, residential and commercial parking areas, and a recreation deck for the residential apartment owners. The second building

will house the remainder of the commercial apartment. Residential apartments are located on the third and higher floors of the main building, the first and second floors thereof all consisting of common elements and part of the commercial apartment. Each building shall be constructed primarily of reinforced concrete and steel. The buildings are appropriately spaced on the 93,611 square feet of land, and one should look at the condominium map for the location of the various apartments and buildings.

The first floor of the main building comprises part of the commercial unit, including a manager's office, commercial apartment elevator lobby, commercial elevator, commercial corridor, trash container storage room, elevator machinery room, stairwells and partitioned areas for use by commercial occupants.

The second floor of the main building comprises additional parts of the commercial unit, including bathrooms, commercial elevator, a lounge, electrical room, another manager's office, a laundry, an area for air-conditioning machinery serving the commercial apartment, stairwells and certain areas and rooms for which a use is not yet designated. It also has residential and commercial parking areas and driveways leading thereto, a loading area for the commercial elevator, residential elevators, access corridor, a transformer room, apartment maintenance room, trash container storage room, electrical room, certain areas and rooms for which a use is not yet designated, and stairwells.

The third floor of the main building contains eight residential units (6 two-bedroom units and 2 one-bedroom units), and the enclosed gardens or lanais for such apartments and residence, residential elevators, and elevator lobby, corridor, recreation deck (including teahouse and other facilities), electrical room, trash room, mailboxes, stairwells and residential parking area.

The fourth through twentieth floors, inclusive, each have 8 two-bedroom residential units and their respective lanais, electrical room, corridor, elevators and stairwells, storage room and trash room.

On the roof of the main building is the residential elevator machine room.

The bank building will have two floors, numbered 1 and 2, both of which will be part of the commercial unit.

Each of the apartment units shall include all of the areas or spaces enclosed by the walls, floors and ceiling which determine apartment boundaries as established hereafter and by said Condominium Map, and, in the case of the commercial unit, such adjacent surfaces as are indicated on said Map. Where a unit is bounded by walls, its boundaries shall be the inner decorated or finished surfaces of all boundary walls, whether or not load-bearing, and the inner surfaces of the floor and ceiling of each apartment. Each unit shall include all interior non-load-bearing walls or

partitions within its boundaries, all fixtures originally installed within said boundaries, all glass windows, panels or doors along the perimeter, and all plumbing, electrical or other utility, ventilating or air-conditioning equipment serving only that unit or the limited common elements thereof. No unit shall include any of the following:

- (a) The foundation, the exterior walls, roof, floors, load-bearing walls, beams and columns of any building of the Project, or any party walls separating two units, or separating a unit from any common elements.
- (b) All pipes, wires, conduits and other utility or service lines which are utilized for or serve another or more than one unit.

The apartment numbers, the approximate area of each apartment, exclusive of lanai or enclosed garden area, and the number of rooms contained in each apartment are as follows:

<u>Apartment Number</u>	<u>Apartment Area</u>	<u>Number of Rooms</u>
Commercial Apartment	51,910.70 sq. ft.	Not Applicable
3A through 20A, inclusive, but excluding 13A	689.13 sq. ft.	4
4B through 20B, inclusive, but excluding 13B	638.87 sq. ft.	4
3C through 20C, inclusive, but excluding 13C	638.87 sq. ft.	4
3D through 20D, inclusive, but excluding 13D	655.34 sq. ft.	4
3E through 20E, inclusive, but excluding 13E	638.87 sq. ft.	4
3B	519.00 sq. ft.	3
3F	522.65 sq. ft.	3
4F through 20F, inclusive, but excluding 13F	638.87 sq. ft.	4

<u>Apartment Number</u>	<u>Apartment Area</u>	<u>Number of Rooms</u>
3G through 20G, inclusive, but excluding 13G	638.87 sq. ft.	4
3H through 20H, inclusive, but excluding 13H	640.88 sq. ft.	4

Each of the residential apartments has immediate access to a corridor which is a part of the common elements, leading to the elevators and stairways, also part of the common elements.

The commercial apartment has access from the commercial parking area, which is a limited common element appurtenant to said apartment, from the corridor on the second floor of the main building and from the residential parking area, which corridor and area are part of the common elements.

DESCRIPTION OF PARKING STALLS: There are 255 parking stalls located on the first, second and third floors of the Project. One hundred thirty-six stalls, including 128 full-sized and 8 compact stalls, are allocated to the residential apartments. These 8 compact stalls are designated on the Condominium Map for the Project as Stalls 3A, 3B, 3C, 3D, 3H, 4A, 4C and 4D. One hundred nineteen of the stalls, including 112 full-sized and 7 compact stalls, are allocated to the commercial apartment, and are limited common elements appurtenant thereto, for its exclusive use. The stalls allocated to the residential apartments, one to each, are located on the second and third floors of the main building of the Project. The parking stalls allocated to the commercial apartment are located on the second floor of the main building and on the first floor of the Project, adjacent to the main building. The location of all parking stalls and their allocation to the apartments of the Project is more particularly described in the Condominium Map for the Project.

COMMON ELEMENTS: The common elements, within the meaning of that term as used in the Horizontal Property Act, include the land together with all improvements and vegetation thereon, excluding therefrom only the apartments as defined above.

LIMITED COMMON ELEMENTS: The Specimen Declaration establishes certain of the common elements as limited common elements. Some limited common elements are reserved for the exclusive use of one apartment, while others are reserved for the exclusive use of more than one but less than all apartments, all as provided in said Declaration. Some of the limited common elements

are appurtenant to all residential apartments in the Project. All costs and expenses of every description (other than the expenses of restoration of the Project pursuant to Section 3 of Article VII of the Project's By-Laws) which pertain to limited common elements shall be charged only to the Owners of the units to which such limited common elements are appurtenant. In no event shall the Owners of the residential units be charged for costs and expenses incurred solely for the benefit of the commercial unit, nor shall the Owner of the commercial unit be charged for costs and expenses incurred solely for the benefit of the residential units. If any cost or expense is charged to more than one unit, each such unit shall bear a portion of the cost equal to the ratio which its percentage share of the common elements bears to the total of the percentage share of the common elements of all units responsible for said cost, unless otherwise specified below or in the By-Laws filed herewith.

(a) The following limited common elements are appurtenant to and for the exclusive use of all residential units:

(i) all areas, rooms and corridors on the second floor, including landscaping adjacent thereto and facilities and equipment appurtenant thereto, except those areas which are part of the commercial unit or are limited common elements of said unit, as provided hereinafter;

(ii) all partition walls and fixtures on the second floor, other than walls or fixtures included in the commercial unit or its limited common elements;

(iii) the two residential apartment elevators serving Floors 2 through 20, the shafts on the second floor and above for such elevators, the elevator machinery room on the roof above the 20th floor, and appurtenant equipment; all interior non-load-bearing walls and partitions on the 3rd through 20th floors separating units from each other and from corridors, elevator shafts, stairs, and other mechanical equipment spaces; all ventilating fans and shafts, if any, providing ventilation to areas on the 3rd through 20th floors; all electrical wiring with appurtenant ducts and related equipment located on the 3rd floor or above, other than electrical wiring serving only one unit; all components of the hot and cold water circulation system serving only the residential units, including but not limited to pumps, waste lines, conduits, pipe chases, and pipes, all interior staircases connecting the first and second floors of the main building, other than those included in the commercial unit;

(iv) all landscaping and areas on the second

floor of the Project adjacent to the residential parking thereon;

(v) all parking areas on the third floor of the main building and the driveway leading thereto, but not including parking stalls appurtenant to any unit;

(vi) the recreation deck on the third floor of the main building, and facilities and equipment appurtenant thereto.

(b) The following limited common elements are appurtenant to and for the exclusive use of the commercial unit:

(i) all electrical wiring with appurtenant ducts and equipment providing electricity only to the commercial unit or limited common elements thereof;

(ii) the entire area on the first floor of the Project within the property lines thereof, including, but not limited to, the area on the first floor of either building of the Project, excluding, however, those areas which are part of the commercial unit;

(iii) all exterior staircases connecting the first and second floors of the Project and either building thereof;

(iv) the parking area on the second floor of the Project designated on the said Condominium Map as commercial parking;

(v) all interior non-load-bearing walls and partitions on the first and second floors separating the commercial unit from any common elements;

(vi) all landscaping, fixtures, sidewalk or other paved area on the second floor of the Project but excluding the area designated on said Condominium Map for the second floor for residential parking, the driveway connecting the second and third floors of the Project, and the landscaping and areas adjacent thereto.

(c) The storage lockers located on each of Floors 4 through 20 will be limited common elements appurtenant to and for the exclusive use of the units located on the same floor as the lockers, and the Board of Directors shall have the right to designate a space within such lockers for each unit on that floor.

- (d) Each of the residential units shall have, as a limited common element appurtenant thereto, the balcony, lanai, or (in the case of units on the 3rd floor) enclosed garden area adjacent thereto, and one parking stall bearing the same designation as that unit, all as shown on said Condominium Map.

INTEREST TO BE CONVEYED TO PURCHASER: Each residential apartment shall have appurtenant thereto an undivided 0.50625% interest in all common elements of the Project and in all common profits and expenses of the Project and for all other purposes, including voting. The commercial apartment shall have appurtenant thereto an undivided 31.15% interest in all common elements of the Project and in all common profits and expenses of the Project and for all other purposes, including voting. Each residential apartment purchaser will receive a lease on his apartment with a term which expires June 30, 2049. Lease rent to June 30, 2014 is \$30.00 per month.

CONTRACT WITH HONOLULU REDEVELOPMENT AGENCY: The Developer has advised that he has entered into a Contract dated April 6, 1973 with Honolulu Redevelopment Agency which provides that he will sell leases on 39 of the residential apartments to Honolulu Redevelopment Agency or to persons nominated by a committee appointed jointly by Honolulu Redevelopment Agency and the Developer. The purchase price to be paid by Honolulu Redevelopment Agency or said nominees will be less than the purchase price paid for leases on residential apartments sold to others. Each of said 39 leases, however, will provide that in the event the holder of the lease, within ten years from the date of said lease, desires to sell, assign, transfer or otherwise dispose of any interest in the apartment or lease, other than certain stated exceptions set forth in the lease, the Honolulu Redevelopment Agency shall have the right and option of first refusal to purchase the lease for the original purchase price as adjusted for any increase in the wholesale commodity price index for all commodities as computed and published by the United States Department of Labor, Bureau of Labor Statistics, at the time Honolulu Redevelopment Agency exercises its right of first refusal.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The Specimen Declaration requires that the residential apartments be used only for residential purposes. The commercial apartment may be used for any purpose permitted by law.

FINANCING OF PROJECT: Construction financing for the Project, pursuant to a loan commitment already obtained, shall be by Hawaii National Bank, Honolulu.

OWNERSHIP OF TITLE: The Notice of Intention states that the

ownership of title is vested in the Honolulu Redevelopment Agency of the City and County of Honolulu. The Preliminary Title Report dated March 27, 1973, prepared by Title Guaranty of Hawaii, Incorporated, confirms the fact that said Agency owns title to the land involved. Prior to completion of the construction of improvements on the Project land, title thereto will be acquired by Benjamin Kong, the Developer. It has been agreed that, upon or after completion of the construction of said improvements, title will be acquired by California-Western States Life Insurance Company, a California corporation.

ENCUMBRANCES AGAINST TITLE: The Project land is comprised of twelve separate land parcels. The following encumbrances affect all twelve parcels:

1. Real property taxes for the current fiscal year, not delinquent.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Urban Renewal Plan dated May 11, 1965, recorded in Liber 5302, page 33, filed as Land Court Document No. 387090, as amended by instrument dated March 10, 1971, recorded in Liber 7442, page 258, filed as Land Court Document No. 529449.
4. Declaration of Covenants dated September 9, 1968, recorded in Liber 6599, page 78, filed as Land Court Document No. 477909.

The following encumbrances affect only certain of the parcels:

1. As to Lot A-1: The conditions contained in that certain instrument dated September 22, 1944, filed as Land Court Document No. 76277.
2. As to Lot A-1 and B: Rights of way for road purposes and for public utilities over and across said lots.
3. As to Parcel "First": Restriction of abutter's rights of vehicular access into and from the intersection of Liliha Street and Vineyard Boulevard, over and across the Northwest corner of Lot 3-A, as shown on Map 7 of Land Court Application 251, as set forth by Land Court Order No. 35013.
4. As to Parcel "Second": Restriction of abutter's rights of vehicular access into and from Liliha Street, over and across the Northwest side of Lot 1-B-1-A-1, as shown on Map 9 of Land Court Application No. 252 as set forth by Land Court Order No. 35014.
5. As to Parcel "Third": Restriction of abutter's rights

of vehicular access into and from Liliha Street, over and across the Northwest side of Lot 1-A-1-B, as shown on Map 9 of Land Court Application No. 252, as set forth by Land Court Order No. 35014.

6. As to Parcel "Eleventh": Restriction of abutter's rights of vehicular access into and from Liliha Street over and across Course 1 of Parcel 3.

The purchaser and prospective purchaser may consult the Certificate of Title with respect to the Project land, which is on file with the Real Estate Commission of the State of Hawaii, for detailed information as to the parcels affected by said encumbrances.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated January 2, 1973 identifies Title Guaranty Escrow Services, Inc., a Hawaii corporation, as the escrow agent. On examination, the specimen Deposit Receipt and Contract of Sale and executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly Section 514-4.

The Escrow Agreement provides that, if the Purchaser purchases prior to the issuance of a Final Public Report, he can cancel the contract and obtain a refund of his money if (a) (i) the Final Public Report is not issued within one year from the date of issuance of the Preliminary Public Report, or (ii) there is any change in the condominium building plans requiring the approval of a county officer having jurisdiction over the issuance of permits for construction of building, such change occurring subsequent to the execution of the sales contract and prior to the issuance of said Final Public Report, and Seller fails to obtain Purchaser's written approval or acceptance of the specific change, or (iii) the Final Public Report differs in any material respect from the Preliminary Public Report, and (b) Purchaser delivers notice in writing to Seller and Escrow Agent prior to the expiration of ten (10) days after receipt by Purchaser, or any one of them if Purchaser is more than one person, of a copy of said Final Public Report.

Among other provisions the sales contract provides that if Seller shall not have entered into contracts similar to this contract of sale for the purchase of at least one hundred eight (108) of the residential apartments within the Project on or before October 1, 1973, or if Seller has entered into said contracts by said date, but the Purchasers therein who have agreed to obtain mortgage loans have not secured commitments therefor satisfactory to Seller, Seller may, if this sale has not closed prior thereto, at his option, cancel this contract by notice to Purchaser, in which event all sums theretofore paid by Purchaser hereunder shall be refunded without interest.

It is incumbent upon the Purchaser and prospective Purchaser that he reads with care the sales agreement and the executed

Escrow Agreement. The Escrow Agreement establishes how the proceeds from the sale of the apartments are placed in trust as well as the retention and disbursement of said trust fund.

MANAGEMENT AND OPERATION: Declarant discloses that the administration of the Project shall be vested in the Association of Apartment Owners. The said Association does not, however, have authority to manage, operate or control the commercial apartment or its limited common elements, except in limited instances. The attention of the Purchaser or prospective Purchaser is directed to the Specimen Declaration and By-Laws for more detailed information with respect thereto. The said By-Laws empower the Board of Directors to employ a managing agent to manage and control the Project, subject to control by the Board. Loyalty Enterprises, Ltd., a Hawaii corporation, is identified as the initial managing agent.

STATUS OF PROJECT: In the Notice of Intention, the Developer advised the Commission that it estimated construction would start in May of 1973, and it estimated that the project would be completed in October of 1974.

The Purchaser or prospective Purchaser should be cognizant of the fact that this public report represents information disclosed by the Developer in the required Notice of Intention submitted January 17, 1973 and additional information subsequently filed as of April 2, 1973.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 517 filed with the Commission on January 17, 1973. The report, when reproduced, shall be a true copy of the Commission's Public Report. In making facsimiles the paper stock shall be yellow in color.


(For) DOUGLAS R. SODETANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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Registration No. 517
May 2, 1973