



**REAL ESTATE COMMISSION  
STATE OF HAWAII**  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
1010 Richards Street  
P. O. Box 3489  
Honolulu, Hawaii 96801

**CONDOMINIUM PUBLIC REPORT**

on

LILIHA MEDICAL BUILDING  
1712 Liliha Street  
Honolulu, Hawaii

Registration No. 1955 (Conversion)

Issued: August 30, 1988  
Expires: September 30, 1989

**Report Purpose:**

This report is based on information and documents submitted by the developer to the Real Estate Commission as of August 24, 19 88 and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

**Type of Report:**

- PRELIMINARY:** The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.  
(yellow)
- FINAL:** The developer has legally created a condominium and has filed complete information with the Commission.  
(white)  
 ~~Supersedes all prior public reports~~  
 ~~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:

[ X ] 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.

There are no prior public reports issued on this project.

\*\*\*\*\*  
\*  
\* SPECIAL ATTENTION \*  
\*  
\* The developer has disclosed a reversionary clause \*  
\* provision in this condominium project. This means \*  
\* that at the end of the lease term, the sublessees \*  
\* will deliver to the sublessor their interests in \*  
\* the land, together with their interests in the \*  
\* improvements of the project, including all apart- \*  
\* ments. The prospective purchaser is cautioned to \*  
\* carefully review all documents for further infor- \*  
\* mation with regard to the foregoing. \*  
\*  
\*\*\*\*\*

## TABLE OF CONTENTS

	page
Report Purpose .....	1
Type of Report .....	1
Summary of Changes from Earlier Public Reports. ....	2
Table of Contents .....	3
General Information on Condominiums .....	4
Summary of the Condominium Project. ....	5
I. PEOPLE CONNECTED WITH THE PROJECT. ....	6
Developer	
Real Estate Sales Agent	
Escrow Company	
Managing Agent	
Attorney for Developer	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration .....	7
B. Condominium Map (File Plan) .....	7
C. Bylaws .....	7
D. House Rules .....	8
E. Changes to Condominium Documents. ....	8
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer .....	9
B. Underlying Land .....	10
C. Buildings and Other Improvements .....	10
D. Common Elements, Limited Common Elements, Common Interest .....	14
E. Encumbrances Against Title .....	15
F. Management of the Common Elements. ....	15
G. Maintenance Fees .....	16
H. Utility Charges .....	16
I. Construction Warranties .....	16
J. Status of Construction .....	17
K. Project Phases .....	17
L. Sales Documents Filed with the Real Estate Commission .....	17
IV. ADDITIONAL INFORMATION NOT COVERED ABOVE .....	18
Buyer's Right to Cancel Sales Contract .....	19
Signature of Real Estate Commission Chairman .....	20
EXHIBIT A: Description of the Property and the Encumbrances Affecting Same	
EXHIBIT B: Physical Description of the Project and the Apartments	
EXHIBIT C: Parking Stall Assignments, Area and Percentage Interests	
EXHIBIT D: Description of the Common Elements and Limited Common Elements	
EXHIBIT E: Limits of Apartments	
EXHIBIT F: Estimated Annual Maintenance Budget and Monthly Maintenance Fees	
EXHIBIT G: Summary of Provisions in the Sales Contract	
EXHIBIT H: Summary of Provisions in the Escrow Agreement	
EXHIBIT I: Surrender Provisions under Apartment Sublease	
EXHIBIT J: Disclosure Abstract	

## GENERAL INFORMATION ON CONDOMINIUMS

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

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

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

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

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

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

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

### Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

**SUMMARY OF THE CONDOMINIUM PROJECT**

(cite to appropriate pages  
in text of report)

Interest to be Conveyed to Buyer: A leasehold interest in an individual apartment and an undivided percentage interest in common elements of the project.

**Type of Project:**

- 1.  New Building(s)  Conversion  
 Both New Building(s) and Conversion
- 2.  Residential  Commercial  
 Mixed Residential and Commercial  
 Other \_\_\_\_\_
- 3.  High Rise (5 stories or more)  Low Rise
- 4.  Single or  Multiple Buildings
- 5. Apartment Description See Exhibits "B" and "C"

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 18

\*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>19</u>
Guest Stalls	<u>44</u>
Unassigned Stalls	<u>1</u>
Extra Stalls Available for Purchase	_____
Other: _____	_____
<b>Total Parking Stalls</b>	<u>64</u>

7. Recreational amenities: None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: 1714 Associates Phone: 524-1010  
Name (Business)  
1712 Liliha Street, Suite 201  
Business Address  
Honolulu, Hawaii 96817

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

Worldster Lee, General Partner  
Theodore Tseu, General Partner  
Conchita G. Cachero, General Partner

Real Estate Sales Agent: None Phone: \_\_\_\_\_  
Name (Business)  
Business Address

Escrow: Title Guaranty Escrow Services, Inc. Phone: 521-0211  
Name (Business)  
235 Queen Street  
Business Address  
Honolulu, Hawaii 96813

Managing Agent: Hawaiiana Management Company Phone: 528-3800  
Name (Business)  
1270 Ala Moana Boulevard  
Business Address  
Honolulu, Hawaii 96814

Attorney for Developer: Edward R. Brooks and Stanley K. W. Chong  
Name Cades Schutte Fleming & Wright  
1000 Bishop Street  
Business Address  
Honolulu, Hawaii 96813

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

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

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

The Declaration for this condominium is:

Proposed  
 Recorded – Bureau of Conveyances – Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed – Land Court – Document Number 1570855

Amendment date(s) and recording/filing information:

Amendment of Declaration of Condominium Property Regime of Liliha Medical Building dated August 23, 1988, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1574276.

- 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. \_\_\_\_\_  
 Filed – Land Court Condo Map No. 677

Amendment date(s) and recording/filing information:

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

The Bylaws for this condominium are:

Proposed  
 Recorded – Bureau of Conveyances – Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed – Land Court – Document Number 1570856

Amendment date(s) and recording/filing information:

Amendment of Bylaws of the Association of Apartment Owners of Liliha Medical Building dated August 23, 1988, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1574277.

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:   None  
 Proposed        Adopted

Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

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

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

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

The Declaration provides that at any time prior to the recording of the first Apartment Sublease conveying an apartment to a party other than the Developer, the Developer and the Sublessor may amend the Declaration (including all exhibits) without the consent or joinder of any purchaser of Apartments in the Project, including the change of parking designation appurtenant to the Apartments.

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

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

Exhibit I contains further explanations.

Lease Term Expires: September 30, 2050  
Rent Renegotiation Date(s): October 1, 2010, and on the same day every five years thereafter.

Lease Rent Payable:  Monthly  Quarterly  
 Semi-Annually  Annually

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

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

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

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

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

Lease Rent Payable:  Monthly  Quarterly  
 Semi-Annually  Annually

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

Other:

For Subleaseholds:

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

**B. Underlying Land:**

Address: 1712 Liliha Street Tax Map Key: 1-7-035-002 (1)  
Honolulu, Hawaii 96817 (TMK)

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

Land Area: 19,376  square feet  acre(s) Zoning: B-2

Fee Owner: James Hiroshi Yoshida and Magoichi Yoshida, as Trustee  
name  
c/o Richard Sasaki, Esq.  
address  
1088 Bishop Street, Suite 604, Honolulu, Hawaii 96813

Sublessor: Sue Ann Cheong Lau, as Trustee  
name  
c/o Clifford Arinaga, Esq.  
address  
810 Richards Street, Suite 602, Honolulu, Hawaii 96813

**C. Buildings and Other Improvements:**

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

2. Buildings: 1 Floors Per Building: 4

Exhibit B contains further explanations.

3. Principal Construction Material:

Concrete  Hollow Tile  Wood

Other Reinforcing steel and glass

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input checked="" type="checkbox"/> Commercial	<u>18</u>	<input type="checkbox"/> Industrial	_____
<input type="checkbox"/> Residential	_____	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input type="checkbox"/> Other: _____			_____

5. Special Use Restrictions:

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

- Pets: \_\_\_\_\_
- Number of Occupants: \_\_\_\_\_
- Other: Use is restricted to professional medical care or other professional and commercial purposes.
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 18

Elevators 1 Stairways 2 Trash Chutes 0

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
<u>See Exhibit "B" and "C"</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

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

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

Boundaries of Each Apartment: See Exhibit "E"

**Permitted Alterations to Apartments:** Subject to the terms and conditions of the Declaration, Apartment Owners are permitted to make the following non-structural alterations:

1. Within a single apartment, rearrange mezzanines or other partitions.
2. An Owner of adjacent apartments may remove intervening walls, ceilings and floors.
3. An Owner of adjacent apartments may consolidate such apartments.
4. An Owner may subdivide his apartment into one or more apartments, each with an area of not less than 700 square feet.

7. Parking Stalls:

Total Parking Stalls: 64

	<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>3</u>	<u>10</u>	<u>6</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>19</u>
Guest Unassigned	<u>26</u>	<u>      </u>	<u>17</u>	<u>1</u>	<u>      </u>	<u>      </u>	<u>44</u>
Extra Available for Purchase	<u>      </u>	<u>      </u>	<u>1</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>1</u>
Other:	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Total Covered & Open	<u>39</u>	<u>      </u>	<u>25</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </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.

[X] Exhibit C contains additional information on parking stalls for this condominium project. \*

8. Recreational and Other Common Facilities:

[X] There are no recreational or common facilities.

[ ] Swimming pool

[ ] Storage Area

[ ] Recreation Area

[ ] Laundry Area

[ ] Tennis Court

[ ] Trash Chute

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

\* Act 134 of the 1988 Regular Session, Fourteenth State Legislature, has amended HRS § 514A-145 to apply only to "apartments intended for use for dwelling purposes." Since this Project is a commercial condominium, there is no requirement that a parking stall be made appurtenant to each apartment.

9. Present Condition of Improvements

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

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

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

10. Conformance to Present Zoning Code

a.  No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

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

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

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

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

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

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

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

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

Exhibit   D   describes the common elements.

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

There are no limited common elements in this project.

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

described in Exhibit   D  

as follows:

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

Exhibit s B & C describes the common interests for each apartment.

as follows:

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

Exhibit A describes the encumbrances against the title contained in the title report dated July 20, 1988.

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 from Developer to First Interstate Bank of Hawaii, a Hawaii banking corporation, in the amount of \$2,800,000.00.	Buyers will not be issued apartment subleases unless the mortgage is paid in full.

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:

[X] not affiliated with the Developer.

[ ] the Developer or the Developer's affiliate.

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

**G. Estimate of Initial Maintenance Fees:**

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

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

Exhibit  F  contains a schedule of maintenance fees and maintenance fee disbursements.

**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 checked="" type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable         |
| <input checked="" type="checkbox"/> Gas         | <input checked="" type="checkbox"/> Water & Sewer |
| <input type="checkbox"/> Other _____            |   |

**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:** None

2. **Appliances:** None

J. Status of Construction and Estimated Completion Date: Building is completed.

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 G contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated August 5, 1988

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

Other \_\_\_\_\_

**IV. ADDITIONAL INFORMATION NOT COVERED ABOVE**

See the Disclosure Abstract: Exhibit "J"

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This Public Report is a part of Registration No. 1965 filed with the Real Estate Commission on August 11, 1988.

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

yellow paper stock                       white paper stock                       pink paper stock

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

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

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

Distribution:

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

ALL of those certain parcels of land situate at Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOTS:           1-B-3, area 2,889 square feet, as shown  
                  on Map 6,  
                  1-B-1-A, area 15,681 square feet, and  
                  1-B-2-B, area 806 square feet, as shown  
                  on Map 7,

such Maps being filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 467 of Guardian Trust Company, Limited, Trustee for Jonathan Shaw;

BEING the same land described in and covered by Transfer Certificate of Title No. 253,352 issued to James Hiroshi Yoshida, husband of Harriet Harue Yoshida, and Magoichi Yoshida, Trustee under that certain Trust Agreement filed as Land Court Document No. 689579.

SUBJECT, HOWEVER, to:

1. Terms, conditions and provisions contained in that certain Trust Agreement filed as Land Court Document No. 689579.

2. Lease dated October 1, 1983, made by and between James Hiroshi Yoshida, husband of Harriet Harue Yoshida, and Magoichi Yoshida, Trustee under unrecorded Trust Instrument dated December 19, 1969, made by Magojiro Yoshida and Ishi Yoshida, husband and wife, and Magoichi Yoshida, as Settlers, filed as Land Court Document No. 689579, as amended, as Lessors, and George Kwock Hing Lau and Sue Ann Cheong Lau, husband and wife, as Lessees, filed as Land Court Document No. 1196194, which said Lease was assigned to Sue Ann Cheong Lau, Trustee under that certain unrecorded Self-Trusteed Trust dated December 2, 1985, executed by Sue Ann Cheong Lau, as Settlor, by instrument dated December 2, 1985, filed as Land Court Document No. 1341905, and which Lease was amended by instrument dated October 13, 1987, filed as Land Court Document No. 1531406.

3. Sublease dated November 30, 1983, made by and between George Kwock Hing Lau and Sue Ann Cheong Lau, husband and wife, as Sublessors, and Patrick Alvin Hart, husband of Doris Jean Hart, and Valentine Peroff, Jr., husband of Barbara Joanna Peroff, as Sublessees, filed as Land Court Document No. 1205494, which Sublease was assigned to 1714 Associates, a Hawaii general partnership, by instrument dated May 14, 1986, filed as Land Court Document No. 1378830, and which Sublease was amended by instrument dated February 11, 1988, filed as Land Court Document No. 1531407. Said Sublease being subject to that certain Mortgage, Security Agreement and Financing Statement dated August 20, 1986, in favor of First Interstate Bank of Hawaii, a Hawaii banking corporation, filed as Land Court Document No. 1395265.

4. Unrecorded Sub-sublease dated October 1, 1983, in favor of Magoichi Yoshida, covering an area of 2,192 square feet, as shown outlined on the sketch attached hereto as Exhibit "A-1" and made a part hereof.

EXHIBIT "A"

5. Mortgage, Security Agreement and Financing Statement dated August 20, 1986, made by 1714 Associates, a Hawaii general partnership, as mortgagor, in favor of First Interstate Bank of Hawaii, a Hawaii banking corporation, as mortgagee, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1395265.

## Physical Description

### A. The Project.

The Project consists of one (1) four-story building, with one underground parking basement, and sixty-four parking stalls. Forty-seven (47) parking stalls are located in the underground parking basement. Eighteen (18) parking stalls are located on the first or ground level of the building. Seventeen (17) of the forty-seven (47) basement parking stalls are compact size; seven (7) of the seventeen (17) ground level parking stalls are compact size. Such compact stalls are indicated in the Condominium Map by a "C." All but three (3) basement parking stalls (designated on the Condominium Map as nos. B-1, B-2, and B-3) are unassigned and common elements, for the common use of all Apartment Owners and their tenants, employees and patients. Basement parking stall nos. B-1, B-2, B-3, stalls 1-C through 6-C located on the ground level, and stalls 8 through 17 located on the ground level are limited common elements appurtenant to particular Apartments. Stall 7-C located on the ground level is unassigned and a common element, and shall be used as determined by the Board from time to time. The building is located at 1712 Liliha Street, Honolulu, Hawaii 96817. The building is constructed principally of concrete, steel and glass. There are eighteen (18) Apartments in the Project.

### B. The Apartments.

There are four (4) Apartments located on the first or ground floor (Apt. 101 through 104, inclusive), seven (7) Apartments located on the second floor (Apt. 201 through 207, inclusive), six (6) Apartments located on the third floor (Apt. 301 through 306), and one (1) Apartment located on the fourth floor (Apt. 400). The Apartments on the ground floor have immediate access to a common element (the ground floor lobby or an exterior sidewalk). The Apartments on the second floor have immediate access to a limited common element foyer that leads to common element stairwells and elevators. The Apartments on the third floor have immediate access to a limited common element foyer that leads to common element stairwells and elevators. Apt. 400 on the fourth floor has immediate access to common element stairwells and elevators. The building contains one elevator and two stairwells on opposite sides of the building.

Each Apartment is intended to be used for professional medical care or other professional or commercial purposes. Thus, there are no bedrooms, bathrooms or kitchens in the Apartments.

The percentage of common interest for each Apartment was based upon a fraction whose numerator and denominator were determined as follows:

The numerators for Apartment Nos. 101, 102, 103, 104 and 400, respectively, are the approximate areas of such Apartments, as set forth in Exhibit "C". The numerators for Apartment Nos. 201, 202, 203, 204, 205, 206, 207, 301, 302, 303, 304, 305 and 306, respectively, are the approximate areas of such Apartments plus each such Apartment's percentage share of the foyer area located on the same floor. For example, the foyer area located on the second floor has an area of 799 square feet. The total area of all Apartments located on the second floor is 5,475 square feet. Apartment 201, having an area of 1,219 square feet, has a 22.26 percent proportionate share of the foyer area, or 178 square feet. Hence, the numerator for Apartment 201 is the area (1,219 square feet) plus the proportionate share of the foyer (178), for a total of 1,397 square feet.

The denominator for each Apartment is the total area of all Apartments (20,087 square feet), plus the area of the second floor foyer (799 square feet) plus the area of the third floor foyer (1,027 square feet), for a total of 21,913 square feet.

The numerator for an Apartment divided by the denominator equals the percentage common interest for such Apartment. For example, the numerator for Apartment 201 (1,397 square feet) divided by the denominator (21,913 square feet) equals 0.063752, or 6.3752 percent.

EXHIBIT "B"

Parking Stall Assignments, Area  
and Percentage Interest in Common Elements

<u>Apartment Number</u>	<u>Parking Stall Number</u>	<u>Approximate Area (sq.ft.)</u>	<u>Apartment Plus Propor- tionate Foyer Area</u>	<u>Percentage Interest in Common Elements</u>
101	10	1,252		5.7135
102	8	503		2.2954
103	9	613		2.7974
104	None	111		0.5065
201	5-C, 11	1,219	1397	6.3752
202	6-C	1,048	1201	5.4808
203	4-C	1,007	1154	5.2663
204	12	1,013	1161	5.2982
205	3-C	981	1124	5.1294
206	None	65	74	0.3377
207	None	142	163	0.7439
301	17	1,219	1458	6.6536
302	16	1,039	1242	5.6679
303	1-C	1,007	1204	5.4945
304	15	849	1015	4.6320
305	None	430	514	2.3456
306	13	705	843	3.8470
400	2-C, 14, B-1, B-2 & B-3	6,884		31.4151

EXHIBIT "C"

Common Elements.

One freehold estate is hereby designated in all remaining portions and appurtenances of the Project, herein called the "common elements", including specifically, but not limited to:

- a. The Land in fee simple.
- b. All foundations, floor slabs, sewers, columns, girders, beams, supports, unfinished perimeter, party and load-bearing and walls.
- c. All grounds, trees, gardens, landscaping, planters and entries.
- d. The machine room, mechanical/electrical room, storage room and transformer room located in the basement parking structure.
- e. All refuse containers and trash enclosures on the grounds of the Project.
- f. All parking areas, parking stalls, driveways, walkways, hallways, foyers, vestibules, stairways, elevators, building entries and corridors.
- g. All ducts, electrical equipment, wiring, pipes, vents, shafts, and other central appurtenant transmission facilities over, under, through and across the Project which serve more than one Apartment for services such as power, air conditioning, light, water, sewer, telephone and television signal distribution.
- h. Any and all other appurtenant installations of common use and all other parts of the Project necessary and convenient to its existence, maintenance and safety or normally in common use.

Limited Common Elements.

Certain parts of the common elements, herein called and designated "limited common elements", are hereby set aside and reserved for the exclusive use of certain Apartments and such Apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements shall consist of:

EXHIBIT "D"

a. The automobile parking stall(s) designated on Exhibit "C" as being appurtenant to an Apartment shall be appurtenant to and for the exclusive use of such Apartment. Automobile stalls may be transferred from one Apartment to another pursuant to paragraph 24 of this Declaration.

b. The foyer located on the second floor, having an approximate area of 799 square feet, shall be appurtenant to and for the exclusive use of Apartments located on the second floor, and the foyer located on the third floor, having an approximate area of 1027 square feet, shall be appurtenant to and for the exclusive use of Apartments located on the third floor. The Apartment Owners of Apartments located on the second floor shall have the right and obligation to furnish and maintain all furniture, carpet, wall coverings, planters and other furnishings located on or being a part of the second floor foyer. The Apartment Owners of Apartments located on the third floor shall have the same rights and obligations with respect to the third floor foyer.

Notwithstanding any provisions herein or in the Bylaws to the contrary, all costs and expenses, including, but not limited to, maintenance, repair, replacement, additions and improvements to any of the limited common elements of the Project shall be charged to the Owner(s) of the Apartment or Apartments to which such limited common element is appurtenant. Expenses which are attributable to more than one parking stall shall be allocated among the affected parking stalls on a per stall basis. Expenses which are attributable to the maintenance, upkeep and replacement of the foyers and the furnishings located therein (or to any new limited common element created pursuant to paragraph 19(b)) shall be allocated among the Owners of the Apartments to which such foyer is a limited common element. Each Apartment Owner's proportionate share of such expenses shall be based upon a fraction where the numerator is the area of the Apartment and the denominator is the sum of the area of all Apartments to which such limited common element is appurtenant. Any expense which cannot be separately identified or attributed to a limited common element shall be charged as a common expense.

EXHIBIT "D"

### Limits of Apartments

Each Apartment shall be deemed to include: (i) all the walls, columns and partitions which are not load-bearing within its perimeter walls, (ii) the inner decorated or finished surfaces of all walls, floors and ceilings, (iii) any doors, door frames, windows and window frames along the perimeters, and (iv) the airspace within the perimeters. The respective Apartments shall not be deemed to include: (a) the undecorated or unfinished surfaces of the perimeter (party and nonparty) walls, (b) the interior load-bearing columns, girders, beams and walls, (c) the undecorated or unfinished floors and ceilings surrounding each Apartment, or (d) any pipes, shafts, wires, conduits or other utility or service lines running through such Apartment which are utilized for or serve more than one Apartment, the same being deemed common elements as hereinafter provided.

EXHIBIT "E"

LILIHA MEDICAL CENTER

ESTIMATED ANNUAL MAINTENANCE BUDGET

Accounting and Legal Fees	\$ 1,000.00
Janitorial - Common Areas	18,000.00
Janitorial Supplies	2,400.00
Windows	5,184.00
Lighting	600.00
HVAC Maintenance Contract	10,584.00
Elevator	5,316.00
Fire Alarm	2,940.00
Water/Sewer	2,460.00
Refuse	2,256.00
Security	4,800.00
General Repairs	1,200.00
Landscape	4,800.00
Management Fees	9,384.00
Telephone (Enterphone)	1,020.00
Electricity	39,960.00
Insurance	24,000.00
Office and Administrative	600.00
Pest	2,400.00
Equipment Lease - Security	2,424.00
Roof Replacement Reserves	6,000.00
Parking Lot Replacement Reserves	4,000.00
General Building Reserves	2,035.00
	<u>\$153,363.00</u> ÷ 12 = \$12,780.25

Total Maintenance and Lease Rent \$206,488.20 (Annual)  
\$ 17,207.35 (Monthly)

wp/60108091.136

LILIHA MEDICAL BUILDING  
MONTHLY MAINTENANCE FEE AND LEASE RENT CHARGES

<u>Unit #</u>	<u>% of Common Interest</u>	<u>Monthly Maint. Fee</u>	<u>Monthly Lease Rent</u>	<u>Total Maint. Fee &amp; Lease Rent</u>
101	5.7135	730.20	252.94	983.14
102	2.2954	293.36	101.62	394.98
103	2.7974	357.52	123.85	481.35
104	0.5065	64.73	22.42	87.15
201	6.3752	814.76	282.24	1,097.00
202	5.4808	700.46	242.64	943.10
203	5.2663	673.05	233.15	906.19
204	5.2982	677.12	234.56	911.68
205	5.1294	655.55	227.08	882.63
206	0.3377	43.16	14.95	58.11
207	0.7439	95.07	32.93	128.00
301	6.6536	850.35	294.56	1,144.91
302	5.6679	724.37	250.92	975.29
303	5.4945	702.21	243.25	945.46
304	4.6320	591.98	205.06	797.04
305	2.3456	299.77	103.84	403.61
306	3.8470	491.66	170.31	661.97
400	<u>31.4151</u>	<u>4,014.93</u>	<u>1,390.78</u>	<u>5,405.71</u>
	100.00%	12,780.25	4,427.10	17,207.35

/ak  
WP/60108091.258

CERTIFICATE

I, the undersigned, duly sworn on oath, depose and affirm as follows:

1. That I am the President of Hawaiiana Management Company, Ltd., a Hawaii corporation, designated as managing agent for the Liliha Medical Building condominium project (the Project) to act as the managing agent for the management and administration of the Project.
2. That I hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles and are reasonable estimates as of August 9, 1988.

DATED: Honolulu, Hawaii, this 9th day of August 1988.

HAWAIIANA MANAGEMENT COMPANY, LTD.

By Richard M. Bouley  
Its President

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

Subscribed and sworn to before me this 9<sup>th</sup> day of August, 1988.

Karl H. Kling  
Notary Public  
State of Hawaii

My commission expires: 7-21-89

### Summary of Sales Contract Provisions

The Deposit Receipt and Sales Contract used in connection with the Project contains, among other things, acknowledgments by each purchaser that:

(i) Time is of the essence in the Sales Contract, and if the purchaser fails to perform any obligation required in the Sales Contract, the Developer may, upon written notice of 10 days, terminate the Sales Contract and keep all sums previously paid by the purchaser as liquidated damages;

(ii) The Developer has authorized no agents, salesmen or brokers to make any representations as to rental or other income from any apartment or any other economic benefit, including possible advantages from the ownership of an apartment under federal or state tax laws, to be derived from the purchase of any apartment in the Project;

(iii) The purchaser acknowledges that no such representations or warranties have been made and that the Developer expressly disclaims and repudiates any representation from any source as to any possible economic benefit arising from ownership of an apartment in the Project;

(iv) The purchaser's right, title and interest under the Sales Contract shall be subject and subordinate to the liens and security interests of any mortgages or other security instruments made by the Developer in favor of any lending institution to secure one or more loans for the purpose of completing the conversion of the Project;

(v) The Project and the apartment and anything installed or contained therein are being sold on an "AS IS" basis, without any warranties, express or implied; and

(vi) The purchaser acknowledges that the apartments in the Project shall be used only for professional medical care or other professional and commercial purposes and may not be used as a residence.

Summary of Condominium Escrow Agreement

Among other provisions, the Condominium Escrow Agreement dated August 5, 1988, by and between Title Guaranty Escrow Services, Inc. ("Escrow") and 1714 Associates (the "Developer") provides that a purchaser shall be entitled to a return of his funds, and Escrow shall pay such funds to such purchaser, and upon the terms and conditions provided for in the Sales Contract, if any one 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.

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (a) or (b) above or upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in (c) or (d) above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee of Escrow of not less than \$25.00 per unit or a cancellation fee commensurate with the work done by Escrow prior to such cancellation, whichever fee is greater) and thereupon said sales contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held hereunder; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.

Surrender of Property at End of Term or  
Sooner Termination of Apartment Sublease

Paragraph 22 of the Apartment Sublease provides:

"22. Surrender. At the end of the term (or sooner if this Apartment Sublease terminates before the end of the term) Apartment Owner will return the Property to Sublessor, with all improvements that have been made to it. The Property must be returned to Sublessor in good condition except for normal wear and tear. If the Apartment Owner is not in default under this Apartment Sublease when the Apartment Sublease is returned to Sublessor, the Apartment Owner may remove any trade fixtures installed on the Apartment during the term on the condition that the Apartment Owner shall also promptly restore the Apartment to the condition prior to such removal, to the satisfaction of Sublessor."

LILIHA MEDICAL BUILDING

DISCLOSURE ABSTRACT

(Section 514A-61, Hawaii Revised Statutes)

1. Name of Project: Liliha Medical Building  
1712 Liliha Street  
Honolulu, Hawaii 96817
- Developer: 1714 Associates  
1712 Liliha Street, Suite 201  
Honolulu, Hawaii 96817  
Telephone: (808) 524-1010
- Project Manager: Hawaiiana Management Company  
1270 Ala Moana Boulevard  
Honolulu, Hawaii 96814  
Telephone: (808) 528-3800

2. Maintenance Fees:

Attached is a proposed operating budget prepared by the Developer as of August 9, 1988. As indicated in the operating budget, the annual maintenance fee estimated for the entire Project is \$153,363.00. Based on the percentage common interest appurtenant to the apartments as described in the Declaration, the monthly estimated maintenance fee for each apartment is set forth in the attached budget. The maintenance fees cover the "common expenses" as defined in the Bylaws of the Association of Apartment Owners of Liliha Medical Building.

Because the Association of Apartment Owners will be newly organized and will have no history of operation, the Developer can make no assurances regarding the estimated maintenance fees. In addition, such variables as inflation, uninsured casualty loss or damages, increased or decreased services from those contemplated by the Developer, apartment owner delinquencies and other factors may also cause the maintenance fees to be greater or lesser than the estimated maintenance fees. The maintenance fees for each apartment set forth in the attached proposed operating budget do not include the purchaser's obligations for the payment of lease rent, real property taxes or mortgage loans. The lease rent for each apartment, including general excise tax of 4.167%, is set forth in the attached proposed operating budget for informational purpose only.

3. Warranties:

The Project consists of eighteen (18) apartments contained in one (1) four-story building, without a basement (but with an underground parking structure). The building was constructed in 1986. The Project, the apartments and anything installed or contained therein are being sold on an "As Is" basis, without any warranties whatsoever, express or implied. Paragraphs 13 and 14 of the Deposit Receipt and Sales Contract used in connection with the Project provides as follows:

EXHIBIT "J"

"13. Apartment Being Sold "As Is". THE APARTMENTS AND THE STRUCTURES WHICH ARE LOCATED AT 1712 LILIHA STREET WERE INITIALLY CONSTRUCTED IN 1986. THE APARTMENT AND THE PROJECT ARE NOW BEING SOLD IN "AS IS" CONDITION. THIS MEANS THAT THE SELLER SHALL NOT CORRECT ANY DEFECTS IN THE PROJECT, THE APARTMENT OR ANYTHING INSTALLED OR CONTAINED THEREIN. THE EXISTENCE OF ANY DEFECT IN THE PROJECT, THE APARTMENT OR ANYTHING INSTALLED OR CONTAINED THEREIN SHALL NOT EXCUSE THE BUYER'S OBLIGATION TO PERFORM ALL OF HIS OBLIGATIONS UNDER THIS CONTRACT.

"14. Seller's Disclaimer of Warranties. THE BUYER UNDERSTANDS AND AGREES THAT THE SELLER IS DISCLAIMING ANY WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE PROJECT, THE APARTMENT OR ANYTHING INSTALLED OR CONTAINED THEREIN. EACH APARTMENT WILL BE DEEMED TO BE SOLD "AS IS", AND THE SELLER WILL NOT BE LIABLE TO THE BUYER FOR ANY CONSTRUCTION OR OTHER DEFECTS, INCLUDING ANY LATENT OR HIDDEN DEFECTS IN THE PROJECT, THE APARTMENT OR ANYTHING INSTALLED OR CONTAINED THEREIN. THIS MEANS THAT THE BUYER WILL NOT HAVE THE RIGHT TO FILE ANY LAWSUIT FOR DAMAGES AGAINST THE SELLER FOR ANY DEFECTS LATER DISCOVERED BY THE BUYER."

4. Apartments:

There are eighteen (18) apartments contained in the building. The apartments in the Project may be used only for professional medical care or other professional or commercial purposes and may not be used as a residence. The Developer has authorized no agents, salesmen or brokers to make any representations as to rental or other income from any apartment or any other economic benefit, including possible advantages from the ownership of an apartment under federal or state tax laws, to be derived from the purchase of an apartment in the Project. The Developer hereby expressly disclaims and repudiates any representation from any source as to any possible economic benefit arising from ownership of an apartment in the Project.

5. Existing Structure:

No representations are made by the Developer with respect to the expected useful life of the structural components or the mechanical and electrical installations in the Project.

6. Common Expenses:

The respective apartment owners shall thereafter be obligated to pay for the portions of the common expenses which are allocated to their respective apartments upon recording of their respective Apartment Subleases.

LILIHA MEDICAL CENTER

ESTIMATED ANNUAL MAINTENANCE BUDGET

Accounting and Legal Fees	\$ 1,000.00
Janitorial - Common Areas	18,000.00
Janitorial Supplies	2,400.00
Windows	5,184.00
Lighting	600.00
HVAC Maintenance Contract	10,584.00
Elevator	5,316.00
Fire Alarm	2,940.00
Water/Sewer	2,460.00
Refuse	2,256.00
Security	4,800.00
General Repairs	1,200.00
Landscape	4,800.00
Management Fees	9,384.00
Telephone (Enterphone)	1,020.00
Electricity	39,960.00
Insurance	24,000.00
Office and Administrative	600.00
Pest	2,400.00
Equipment Lease - Security	2,424.00
Roof Replacement Reserves	6,000.00
Parking Lot Replacement Reserves	4,000.00
General Building Reserves	2,035.00
	<u>\$153,363.00</u> ÷ 12 = \$12,780.25

Total Maintenance and Lease Rent \$206,488.20 (Annual)  
\$ 17,207.35 (Monthly)

wp/60108091.136

LILIHA MEDICAL BUILDING

MONTHLY MAINTENANCE FEE AND LEASE RENT CHARGES

<u>Unit #</u>	<u>% of Common Interest</u>	<u>Monthly Maint. Fee</u>	<u>Monthly Lease Rent</u>	<u>Total Maint. Fee &amp; Lease Rent</u>
101	5.7135	730.20	252.94	983.14
102	2.2954	293.36	101.62	394.98
103	2.7974	357.52	123.85	481.35
104	0.5065	64.73	22.42	87.15
201	6.3752	814.76	282.24	1,097.00
202	5.4808	700.46	242.64	943.10
203	5.2663	673.05	233.15	906.19
204	5.2982	677.12	234.56	911.68
205	5.1294	655.55	227.08	882.63
206	0.3377	43.16	14.95	58.11
207	0.7439	95.07	32.93	128.00
301	6.6536	850.35	294.56	1,144.91
302	5.6679	724.37	250.92	975.29
303	5.4945	702.21	243.25	945.46
304	4.6320	591.98	205.06	797.04
305	2.3456	299.77	103.84	403.61
306	3.8470	491.66	170.31	661.97
400	<u>31.4151</u>	<u>4,014.93</u>	<u>1,390.78</u>	<u>5,405.71</u>
	100.00%	12,780.25	4,427.10	17,207.35

/ak  
wp/60108091.258

CERTIFICATE

I, the undersigned, duly sworn on oath, depose and affirm as follows:

1. That I am the President of Hawaiiana Management Company, Ltd., a Hawaii corporation, designated as managing agent for the Liliha Medical Building condominium project (the Project) to act as the managing agent for the management and administration of the Project.
2. That I hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles and are reasonable estimates as of August 9, 1988.

DATED: Honolulu, Hawaii, this 9th day of August 1988.

HAWAIIANA MANAGEMENT COMPANY, LTD.

By Richard M. Gouley  
Its President

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

Subscribed and sworn to before me this 9<sup>th</sup> day of August, 1988.

Karl H. Gouley  
Notary Public  
State of Hawaii

My commission expires: 7-21-89

wp/60108091.258

LILIHA MEDICAL BUILDING

MONTHLY MAINTENANCE FEE AND LEASE RENT CHARGES

<u>of Common Interest</u>	<u>Monthly Maint. Fee</u>	<u>Monthly Lease Rent</u>	<u>Total Maint. Fee &amp; Lease Rent</u>
5.7135	730.20	252.94	983.14
2.2954	293.36	101.62	394.98
2.7974	357.52	123.85	481.35
0.5065	64.73	22.42	87.15
6.3752	814.76	282.24	1,097.00
5.4808	700.46	242.64	943.10
5.2663	673.05	233.15	906.19
5.2982	677.12	234.56	911.68
5.1294	655.55	227.08	882.63
0.3377	43.16	14.95	58.11
0.7439	95.07	32.93	128.00
6.6536	850.35	294.56	1,144.91
5.6679	724.37	250.92	975.29
5.4945	702.21	243.25	945.46
4.6320	591.98	205.06	797.04
2.3456	299.77	103.84	403.61
3.8470	491.66	170.31	661.97
<u>31.4151</u>	<u>4,014.93</u>	<u>1,390.78</u>	<u>5,405.71</u>
100.00%	12,780.25	4,427.10	17,207.35

CERTIFICATE

I, the undersigned, duly sworn on oath, depose and affirm as follows:

1. That I am the President of Hawaiiana Management Company, Ltd., a Hawaii corporation, designated as managing agent for the Liliha Medical Building condominium project (the Project) to act as the managing agent for the management and administration of the Project.
2. That I hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles and are reasonable estimates as of August 9, 1988.

DATED: Honolulu, Hawaii, this 9th day of August 1988.

HAWAIIANA MANAGEMENT COMPANY, LTD.

By Richard M. Gouley  
Its President

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

Subscribed and sworn to before me this 9<sup>th</sup> day of August, 1988.

Kas H. Hui  
Notary Public  
State of Hawaii

My commission expires: 7-21-89

wp/6008091.258