



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

CONDOMINIUM PUBLIC REPORT

1846/1850 LILIHA
 1846 & 1850 Liliha Street
 Honolulu, Hawaii 96817

Registration No. 2704

Issued: October 7, 1992
 Expires: November 7, 1993

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of September 14, 1992, 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:** (yellow) 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.
- FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.
 No prior reports have been issued
 Supersedes all prior public reports
 Must be read together with _____
- SUPPLEMENTARY:** (pink) Updates information contained in the
 Prelim. Public Report dated _____
 Final Public Report dated _____
 Supp. Public Report dated _____
- And Supersedes all prior public reports
 Must be read together with _____
 This report reactivates the _____
 public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

] No prior reports have been issued by the Commission.

] Changes made are as follows:

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and does not represent a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustration purposes only and should not be construed to be formal subdivision lines.

This Public Report does not constitute an approval of the Project by the Real Estate Commission or any other government agency, nor does it ensure that all County codes, ordinances and subdivision requirements have necessarily been complied with.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS FOR FURTHER INFORMATION WITH REGARDS 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: Boundaries of Each Apartment | |
| EXHIBIT B: Common Elements | |
| EXHIBIT C: Limited Common Elements | |
| EXHIBIT D: Encumbrances Against Title | |
| EXHIBIT E: Estimate of Initial Maintenance Fees & Estimate of Maintenance Fee Disbursements | |
| EXHIBIT F: Summary of Provisions of the Sales Contract | |
| EXHIBIT G: Summary of Provisions of the Escrow Contract | |
| EXHIBIT H: | |
| EXHIBIT I: | |
| EXHIBIT J: | |

GENERAL INFORMATION ON CONDOMINIUMS

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

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

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.

Operation of the Condominium Project

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

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

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

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

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

Types of Project:

- 1. New Building(s) Conversion
 Both New Building(s) and Conversion
- 2. Residential Commercial Ohana
 Mixed Residential and Commercial Agricultural
 Other _____

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

- 4. Single or Multiple Buildings

5. Apartment Description

| <u>Apt. Type</u> | <u>Quantity</u> | <u>BR/Bath</u> | <u>Dwelling's Net Living Area (sf)*</u> | <u>Garage</u> | <u>Total</u> |
|------------------|-----------------|----------------|---|---------------|--------------|
| Apt. 1846 | 1 | 5/2 | 1st floor 624 2nd floor 1056 | 432 | 2112 |
| Apt. 1850 | 1 | 5/2-1/2 | 1st floor 624 2nd floor 1152 | 432 | 2208 |

Total Apartments: 2

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

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

6. Parking:

| | <u>Number of Stalls</u> |
|-------------------------------------|-------------------------|
| Assigned Stalls (Individual Units) | 0 |
| Guest Stalls | 0 |
| Unassigned Stalls | 0 |
| Extra Stalls Available for Purchase | 0 |
| Other: * _____ | 4 |
| Total Parking Stalls | 4 |

- 7. Recreational amenities: * Parking stalls are part of apartment

None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: PHILIP OVERBECK
Name
1142 Auahi Street, #2000
Business Address
Honolulu, Hawaii 96814

Phone: 526-1270
(Business)

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

Real Estate Broker: Cathy George & Associates, Inc.
Name
850 W. Hind Drive
Business Address
Honolulu, Hawaii 96821

Phone: 373-9844
(Business)

Escrow: Attn.: Hattie Dersch
Crown Escrow, Inc.
Name
888 Mililani Street
Business Address
Honolulu, Hawaii 96813

Phone: 521-3846
(Business)

General Contractor: Developer
Name
Business Address

Phone: _____
(Business)

Condominium Managing Agent: To be self-managed by Association
Name of Apartment Owners
Business Address

Phone: _____
(Business)

Attorney for Developer: Attn.: Lester Leu, Esq.
Leu & Okuda
Name
1060 Bishop Street, 4th Floor
Business Address
Honolulu, Hawaii 96813

Phone: 538-1921 (Lester Leu)
(Business)
521-1456 (James Lee)

Attn.: James Lee, Esq.
Devens, Lo, Youth, Nakano & Saito
220 S. King St., Suite 1600
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 Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

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

The Declaration for this condominium is:

- Proposed
- Recorded - Bureau of Conveyances - Document No. 92-126081
Book _____ Page _____
- Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

First Amendment to the Declaration dated September 9, 1992, as Document No. 92-148259 on September 10, 1992.

- 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. 1708
- Filed - Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

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

The Bylaws for this condominium are:

- Proposed
- Recorded - Bureau of Conveyances - Document No. 92-126082
Book _____ Page _____
- Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

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

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

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

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

| | <u>Minimum Set by Law</u> | <u>This Condominium</u> |
|--------------------------------|-------------------------------|-------------------------|
| Declaration (and Condo Map) | 75% | <u>100%</u> |
| Bylaws | 65% | <u>100%</u> |
| House Rules | --- | <u>100%</u> |

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

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

Provided that no such modification shall: (a) increase buyer's share of common expenses; (b) increase the cost of the property covered hereby; (c) require a substantial physical change of the building in which the Apartment is situated; (d) reduce the obligations of Developer for common expenses on unsold apartments; (e) substantially impair or modify any of the obligations given or undertaken by Developer.

Developer further reserves the right to make minor changes in the Apartment and other apartments and in the common elements, but, except as provided in the Declaration, no changes shall be made which affect the physical location or design of the Apartment or reduce the number of the other apartments or substantially change their design.

Developer further reserves the right, at his sole discretion, to change the layout, location and dimensions of the driveways and to file such documents as may be reasonably required to exercise such right. Each apartment's percentage interest will not be affected by this change.

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: 1846/1850 Liliha Street Tax Map Key: (1) 1-7-036-036
Honolulu, Hawaii 96817 (TMK)

Address TMK is expected to change because _____

Land Area: 7,383 square feet acre(s) Zoning: R 3.5

Fee Owner: Philip Overbeck
Name

1142 Auahi Street, #2000
Address

Honolulu, Hawaii 96814

Sublessor: _____
Name

Address

C Buildings and Other Improvements:

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

2. Buildings: 2 Floors Per Building 2

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

Boundaries of Each Apartment:

See Exhibit "A" attached.

Permitted Alterations to Apartments:

No alterations or additions to any dwelling unit which are visible from the exterior of the dwelling unit nor any alterations or additions to the common elements may be made without the prior approval of the Board or Association.

7. Parking Stalls:

Total Parking Stalls: 4

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

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

Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: _____

9. Present Condition of Improvements

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

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

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 "B" describes the common elements.

As follows:

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

There are no limited common elements in this project.

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

described in Exhibit "C"

as follows:

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

Exhibit _____ describes the common interests for each apartment.

As follows:

| | |
|-----------|-----|
| Apt. 1846 | 50% |
| Apt. 1850 | 50% |

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

Exhibit "D" describes the encumbrances against the title contained in the title report dated May 18, 1992 and issued by Title Guaranty of Hawaii, Incorporated

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.

[] 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> |
|---|---|
| Real Property Mortgage, Security Agreement and Financing Statement dated July 28, 1992, recorded as Document No. 92-121406 on July 28, 1992, in favor of T. G. Exchange, Inc. | Buyer's interest will be terminated and Buyer's deposit will be refunded. |

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

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

The initial managing agent for this condominium is:

[] not affiliated with the Developer.

[] the Developer or the Developer's affiliate.

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

[] other _____

G. Estimate of Initial Maintenance Fees:

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

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

Exhibit "E" 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:

] Not applicable

] Electricity

] Television Cable

] Gas

] Water & Sewer

] 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:

Developer will give to the buyer a guaranty of materials and workmanship against faulty or deficient materials and installation for a period of one (1) year after "substantial completion" of the apartment.

2. Appliances:

The buyer shall have the direct benefit of any manufacturer's or dealer's warranties covering the furnishings and appliances in the apartment. The buyer understands that execution, delivery and recordation of the buyer's Apartment Deed shall constitute the buyer's acceptance of the apartment and the condition thereof including the personal property therein. Except as to the foregoing, Developer disclaims any warranty, expressed or implied.

J. Status of Construction and Estimated Completion Date:

Completed April 15, 1992.

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development:

L. Sales Documents Filed With the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated July 16, 1992

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

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

None.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

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

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

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

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

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

B. Rights Under the Sales Contract:

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

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

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

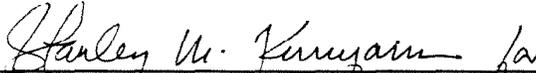
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is part of Registration No. 2704 filed with the Real Estate Commission on August 12, 1992.

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.



MARCUS NISHIKAWA, Chair
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Department of Finance, City & County of Honolulu
Planning Department, City & County of Honolulu
Federal Housing Administration

EXHIBIT "A"

Boundaries of Each Apartment

There are hereby established two (2) freehold estates each of which are separately designated freehold estates.

(a) Apartment 1846. Apartment 1846 contains two floors connected by an interior staircase. The first (ground level) floor consists of 2 bedrooms, 1 bathroom, family room and garage for two automobiles. The second floor consists of 3 bedrooms, 1 bathroom, dining room, kitchen and living room. Apartment 1846 has a net living area of approximately 624 square feet on the first floor and approximately 1,056 square feet on the second floor, the garage of approximately 432 square feet, for a total area of approximately 2,112 square feet.

(b) Apartment 1850. Apartment 1850 contains two floors connected by an interior staircase. The first (ground level) floor consists of 2 bedrooms, 1-1/2 bathroom, family room and garage for two automobiles. The second floor consists of 3 bedrooms, 1 bathroom, dining room, kitchen and living room. Apartment 1850 has a net living area of approximately 624 square feet on the first floor and approximately 1,152 square feet on the second floor, the garage of approximately 432 square feet, for a total area of approximately 2,208 square feet.

The perimeter of each of the apartments into which the Project is so divided shall be established by the center line of all perimeter walls which are also party walls (if any); the exterior face of the perimeter walls which are not party walls (whether or not load-bearing); the exterior face of any glass windows, doors, panels or railings along the perimeter; and the outer edge of all foundations and roofs. Each apartment space shall include its foundations, columns, girders, beams, supports, walls, roofs, entrances and exists, any adjacent lanai to which an apartment has direct access, any adjacent stairways to which an apartment has direct access, all as shown on said Condominium Map, and all ducts, pumps, conduits, wires and other utility lines running through such apartment but excluding any such which serve or are utilized by any other apartment and excluding any such which serve or are utilized by any other apartment and excluding any easements shown on the Condominium Map, all of which shall be deemed to be common elements.

In accordance with Chapter 107 of the Rules of the Department of Commerce and Consumer Affairs Relating to Condominium Property Regimes, the net living area of each apartment is measured from the interior surfaces of the apartment perimeter walls.

EXHIBIT "B"

COMMON ELEMENTS

1. Said Property in fee simple to the extent such Property is not included as a part of Apt. 1846 and Apt. 1850.

2. All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities, installations which serve more than one apartment for services such as power, light, water, gas, refuse, telephone, radio and television signal distribution.

3. All tanks, pumps, motors, fans, compressors, ducts, and, in general, all apparatus and installations existing for common use.

4. The fence separating Apt. 1846 and Apt. 1850.

5. Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety, and normally in common use.

EXHIBIT "C"

LIMITED COMMON ELEMENTS

1. Mailboxes. The mailbox assigned to an apartment shall be limited to the use of such apartment. Each apartment shall at all times have at least one mailbox appurtenant to it.

2. Private Yard. The private yard areas as shown on the Condominium Map adjoining Apartment 1846 and Apartment 1850 shall be for the exclusive use of the respective apartment to which such private yard areas enjoin.

3. Driveways. The driveways as shown on the Condominium Map adjoining Apartment 1846 and Apartment 1850 shall be for the exclusive use of the respective apartment to which such driveways adjoin.

4. Other. All other common elements of the Project which are rationally related to less than all of the apartment spaces shall be limited to the use of such apartment space or apartment spaces to which the same are related.

EXHIBIT "D"

ENCUMBRANCES AGAINST TITLE

1. Real Property taxes as may be due and owing. For further information on taxes, check with the Finance Director, City and County of Honolulu.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Mortgage, Security Agreement and Financing Statement dated July 28, 1992, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 92-121406, in favor of T. G. Exchange, Inc.
4. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Condominium Property Regime dated July 16, 1992, recorded as aforesaid as Document No. 92-126081, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1708.)
5. By-Laws of the Association of Apartment Owners of the Condominium Project known as "1846/1850 LILIHA", dated July 16, 1992, recorded as aforesaid as Document No. 92-126082, as the same may hereafter be amended.

EXHIBIT "E"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment

Monthly Fee x 12 months = Yearly Total

Apt. 1846

\$25.00 x 12 mos. = \$300.00

Apt. 1850

\$25.00 x 12 mos. = \$300.00

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

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

| | |
|------------------------------------|------------------------------|
| Utilities and Services | -0- |
| Air Conditioning | |
| Electricity | |
| [] common elements only | |
| [] common elements and apartments | |
| Gas | |
| Refuse Collection | |
| Telephone | |
| Water and Sewer | |
| Maintenance, Repairs and Supplies | -0- |
| Building | |
| Grounds | |
| Management | -0- |
| Management Fee | |
| Payroll and Payroll Taxes | |
| Office Expenses | |
| Insurance | \$50.00 x 12 mos. = \$600.00 |
| Reserves | -0- |
| Taxes and Government Assessments | -0- |
| Audit Fees | -0- |
| Other | -0- |
| TOTAL | \$600.00 |

I/We, Philip Overbeck, as managing agents for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



Philip Overbeck
Date: October 1, 1992

EXHIBIT "F"

SUMMARY OF PROVISIONS OF THE SALES CONTRACT

The Sales Contract ("Contract") specifies the condominium unit which is being conveyed as well as the undivided percentage interest in the common elements which is appurtenant to the unit.

The Contract states the price and method of payment for the condominium unit. Buyer may pay the purchase price in cash or may elect to obtain financing under a conventional uninsured mortgage. If Buyer decides to obtain financing, then within ten days of the acceptance of the Contract by Seller, Buyer shall apply to any institution selected by Buyer for a loan to finance the purchase of said Apartment and upon request promptly sign and deliver all documents and information and diligently take all steps necessary to obtain such loan. It is a condition to Seller's and Buyer's obligations under the Contract that within forty-five (45) days following Buyer's loan application, Buyer shall have obtained a written commitment from an institutional lender indicating the lender's willingness to make a customary-type of loan to Buyer secured by the Apartment. The amount and conditions of such loan shall be as customary in the community for such type of loans at the time of application. Each Contract is conditioned upon Buyer having obtained financing to acquire the Apartment in accordance with the terms of the Contract. If said condition has not been met, within the time period set forth in the Contract, or if Buyer shall have died prior to his acquisition of title to the unit, or if Buyer defaults in making the payments or performing any of the obligations called for in the Contract, then Seller may elect to terminate and cancel the Contract, less any amounts as provided in the Contract.

Any interest accruing on Buyer's deposit shall accrue to and become the property of Seller.

By execution of the Contract, Buyer is deemed to have approved the form of the Apartment Deed, Declaration, By-Laws, Escrow Agreement, Disclosure Abstract, the Final or Supplementary Public Report, if any, and the floor plans for the project.

Buyer agrees that Seller will be the initial Managing Agent of the project and that said Managing Agent, although employed prior to the election of the Board of Directors of the Association of Apartment Owners of 1846/1850 LILIHA under the By-Laws of the Association, shall have complete authority to assume full control and responsibility for management, operation and maintenance of the project at the expense of the Association.

Seller reserves the right to modify the Declaration, By-Laws and Apartment Deed as may be required by law, any title insurance company or any institutional mortgagee, provided that such modification does not increase Buyer's percentage of common expenses, increase the cost of the unit, require substantial

change in the building or substantially impair or modify any of the obligations given or undertaken by Seller.

Closing shall occur on the "closing date" as designated by Seller. Seller shall have the option to preclose the sale by having all documents necessary for closing executed prior to the time of closing and held by escrow until such closing.

Seller will give to Buyer a guaranty of materials and workmanship against faulty or deficient materials and installation for a period of one (1) year after "substantial completion" of the Apartment, as provided in the Contract.

EXHIBIT "G"

SUMMARY OF PROVISIONS OF THE ESCROW CONTRACT

Among other provisions, the Escrow Agreement provides that a purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said purchaser, without interest and less Escrow's cancellation fee, if purchaser shall in writing request refund of his funds and any one of the following shall have occurred:

(1) Developer requests Escrow Agent to return to Purchaser the funds of Purchaser then being held hereunder by Escrow Agent; or

(2) Developer notifies Escrow Agent of Developer's exercise of the option to rescind the Sales Contract pursuant to any right of rescission stated therein or otherwise available to Developer; or

(3) If a Purchaser's funds were obtained prior to the issuance of a Final Public Report and the request is prior to the time the Final Public Report is issued; or

(4) If the Final Public Report differs in any material respect from the Preliminary Public Report, unless Purchaser has accepted for the Final Public Report; or

(5) If the Final Public Report is not issued within one year from the date of issuance of the Preliminary Public Report.

Upon return of such funds to Purchaser, Escrow Agent shall return to Developer Purchaser's Sales Contract and any conveyancing documents theretofore delivered to Escrow Agent; and thereupon Purchaser shall no longer be obligated under the Sales Contract.

The Escrow Agreement also contains the following provisions, among others: that the Escrow Agent shall make no disbursements of Purchaser's funds unless and until Developer has complied with all the provisions of the Escrow Agreement.

DISCLOSURE ABSTRACT

Name of Project: 1846/1850 LILIHA
1846 & 1850 Liliha Street
Honolulu, Hawaii 96817

Developer: Philip Overbeck
1142 Auahi Street, #2000
Honolulu, Hawaii 96814
Telephone: (808) 526-1270

Project Manager: None -- self managed

Use of Apartments:

The residential apartments at 1846/1850 LILIHA shall be occupied and used only for purposes permitted from time to time by applicable zoning ordinances, rules and regulations, including any permissible non-conforming use. The apartments may not be used for any other purpose without the written consent of the Board of Directors of the Association and any governmental agencies whose approval is necessary. The parking stalls may be used as parking spaces for motor vehicles only. The owners of the respective apartments shall have the absolute right to sublet or assign the lease of such apartments subject to all provisions of the Condominium Property Act, the Declaration and the By-Laws; provided, however, that no apartment owner may sublet or assign the lease of less than the entire apartment.

The extent of use of the project for permanent or temporary residences or transient quarters shall depend upon the individual apartment owners' use of their apartments. There are no commercial units in the project. The apartments are subject to additional restrictions on the use as set forth in (i) the Declaration of Condominium Property Regime of 1846/1850 LILIHA, (ii) the By-Laws, (iii) the Apartment Deed and (iv) the sales contracts for the individual apartments. Copies of the foregoing documents are on file with the Real Estate Commission of the State of Hawaii.

Developer's Reservation:

Developer is considering changing the layout, location and dimensions of the driveways. In this connection, Developer reserves the right, at his sole discretion, to change the layout, location and dimensions of the driveways and to file such documents as may be reasonably required to exercise such right. Each apartment's percentage interest in the common elements of will not be affected by this change.

Warranties:

Developer will give to the buyer a guaranty of materials and workmanship against faulty or deficient materials and installation for a period of one (1) year after "substantial completion" of the apartment.

The buyer shall have the direct benefit of any manufacturer's or dealer's warranties covering the furnishings and appliances in the apartment. The buyer understands that execution, delivery and recordation of the buyer's Apartment Deed shall constitute the buyer's acceptance of the apartment and the condition thereof including the personal property therein. Except as to the foregoing, Developer disclaims any warranty, expressed or implied.

Despite the existence of any defects or damages to the Apartment, including appliances, which do not render the Apartment uninhabitable, buyer agrees to accept possession of the Apartment so long as Developer guarantees correction or repair of such defects or damages within a reasonable time thereafter; and buyer agrees to indemnify Developer from any damages or losses, including interest and reasonable attorney's fees, resulting from any wrongful refusal of buyer to accept the Apartment upon presentation of Developer.

Breakdown of Annual Maintenance Fees and Monthly Estimated Costs for Each Apartment:

THE DEVELOPER ADVISES THAT THE MAINTENANCE FEES OF A CONDOMINIUM PROJECT ARE DIFFICULT TO ESTIMATE PRIOR TO ACTUAL OPERATION OF THE PROJECT AND EVEN IF MAINTENANCE FEES HAVE BEEN ACCURATELY ESTIMATED, SUCH FEES WILL TEND TO INCREASE IN AN INFLATIONARY ECONOMY AND AS THE IMPROVEMENTS AGE. THE ESTIMATED MAINTENANCE FEES AND MONTHLY FEES FOR EACH APARTMENT ARE BASED ON THE LATEST INFORMATION AVAILABLE TO THE DEVELOPER AND MANAGEMENT AGENT AND ARE SUBJECT TO REVISION BASED ON ACTUAL COSTS FOR THE ITEMS ENUMERATED. MAINTENANCE FEES CAN VARY DEPENDING ON SERVICES DESIRED BY APARTMENT OWNERS.

| | | |
|-----------|-------------------|-----------|
| Apt. 1846 | \$25.00 per month | insurance |
| Apt. 1850 | \$25.00 per month | insurance |

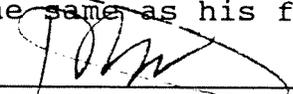
PHILIP OVERBECK does hereby certify that the foregoing breakdown of Annual Maintenance Fees and the Monthly Estimated Costs for each apartment has been based on generally accepted accounting principles.



PHILIP OVERBECK

STATE OF HAWAII)
): SS.
CITY AND COUNTY OF HONOLULU)

On this 2nd day of October, 1992, before me personally appeared PHILIP OVERBECK, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.



Notary Public, State of Hawaii
My commission expires: 4/9/94