CONDOMINIUM PUBLIC REPORT

Prepared &
Issued by: Developer Summie Shan Li, Trustee
Address 1415 Wilhelmina Dr., Honolulu, HI 96816

Project Name(*): 732 18TH AVENUE
Address: 732 18th Avenue, Honolulu, HI 96816

Registration No. 4108 (Conversion)

Effective date: March 8, 1999
Expiration date: April 8, 2000

Preparation of this Report:

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

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

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

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

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

Type of Report:

___ **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 by the developer when complete information is filed.

_X_ **FINAL: (white)** The developer has legally created a condominium and has filed complete information with the Commission.
[X] No prior reports have been issued.
[ ] This report supersedes all prior public reports.
[ ] This report must be read together with _____

___ **SUPPLEMENTARY: (pink)** This report updates information contained in the:
[ ] Preliminary Public Report dated: _____
[ ] Final Public Report dated: _____
[ ] Supplementary Public Report dated: _____

And
[ ] Supersedes all prior public reports.
[ ] Must be read together with _____
[ ] This report reactivates the _____ public report(s) which expired on _____

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[X] Required and attached to this report as Exhibit E

[ ] 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.

[X] No prior reports have been issued by the developer.

[ ] 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 is not 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 illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

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

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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EXHIBIT A: Description of Common Elements
EXHIBIT B: List of Encumbrances
EXHIBIT C: Summary of Escrow Agreement
EXHIBIT D: Summary of Sales Contract
EXHIBIT E: Disclosure Abstract
EXHIBIT F: Engineer's Visual Inspection dated December 14, 1998
EXHIBIT G: Dept. of Planning and Permitting dated January 4, 1999

General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

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

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

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

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

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

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

Operation of the Condominium Project

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

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Summie Shan Li, Trustee
Name
1415 Wilhelmina Dr.
Business Address
Honolulu, HI 96816
Phone: (808) 734-2208 (Business)

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

Real Estate Broker: Summie Li Realty, Inc.
Name
1415 Wilhelmina Dr.
Business Address
Honolulu, HI 96816
Phone: (808) 734-2208 (Business)

Escrow: Fidelity Escrow Services Corpo.
Name
745 Fort St., Ste. 303
Business Address
Honolulu, HI 96813
Phone: (808) 537-6799 (Business)

General Contractor: N/A
Name
Business Address
Phone: (Business)

Condominium Managing Agent: None. Self-managed by the Owners Association
Name
Business Address
Phone: (Business)

Attorney for Developer: Glenn M. Adachi
Name
841 Bishop St., #1601
Business Address
Honolulu, HI 96813
Phone: (808) 526-3880 (Business)

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are enforceable in a court of law.

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

The Declaration for this condominium is:

[ ] Proposed

[X] Recorded - Bureau of Conveyances: Document No.99-006495
Book_____ Page_____

[ ] Filed - Land Court: Document No._____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: Amendment No. 1 dated February 16, 1999, recorded as Doc. No. 99-022888.

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, dimensions of each apartment.

The Condominium Map for this condominium project is:

[ ] Proposed

[X] Recorded - Bureau of Conveyances Condo Map No.2851

[ ] Filed - Land Court Condo Map No._____

The Condominium Map has been amended by the following instruments [state name of document, date 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 manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

[ ] Proposed

[X] Recorded - Bureau of Conveyances: Document No.99-006496
Book_____ Page_____

[ ] Filed - Land Court: Document No._____

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

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

The House Rules for this condominium are:

[ ] Proposed [X] 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:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	65%
House Rules	---	Bd. of Directors

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

2. Developer:

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

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

1. To amend the Declaration, By-Laws and Condominium Map at anytime prior to recording of the sale of the unit.

2. To amend the Declaration and Condominium Map to file the "as built" certificate.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

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

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

Lease Term Expires:_____ Rent Renegotiation Date:_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit_____ contains a schedule of the lease rent for each apartment per [ ] Month [ ] Year

For Subleaseholds:

[ ] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
[ ] Canceled [ ] Foreclosed

[ ] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

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

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

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

Lease Term Expires:_____ 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:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 732 18th Avenue
Honolulu, HI 96816

Tax Map Key (TMK): (1) 3-2-056: 30

[ ] Address [ ] TMK is expected to change because _____

Land Area: 7,500 [X] square feet [ ] acre(s) Zoning: R-5

~~Lessor~~
~~(~~Fee Owner~~)~~: Summie Shan Li, Trustee
Name
1415 Wilhelmina Dr.
Address
Honolulu, HI 96816

Sublessor: _____
Name

_____
Address

_____

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 2 Floors Per Building Unit 1: 2 stories
Unit 2: 1 story
[ ] Exhibit_____ contains further explanations.

3. Principal Construction Material:

[X] Concrete [X] Hollow Tile [X] Wood

[ ] Other_____

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Determined By Zoning	
[X] Residential	1	[X] Yes	[ ] No	[ ] Ohana	____	[ ] Yes [ ] No
[ ] Commercial	____	[ ] Yes	[ ] No	[ ] Industrial	____	[ ] Yes [ ] No
[ ] Mix Res/Comm	____	[ ] Yes	[ ] No	[ ] Agricultural	____	[ ] Yes [ ] No
[ ] Hotel	____	[ ] Yes	[ ] No	[ ] Recreational	____	[ ] Yes [ ] No
[ ] Timeshare	____	[ ] Yes	[ ] No	[X] Other: Accessory Building	1	[X] Yes [ ] No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
[X] Yes [ ] No

5. Special Use Restrictions:

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

[X] Pets: No livestock or poultry except for animals customarily kept as pets.

[ ] Number of Occupants: _____

[ ] Other: _____

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Unit 1: 1

Elevators: --- Stairways: --- Trash Chutes: ---

Apt. No. ~~Type~~	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
Unit 1	1	2/2	1,208		
Unit 2	1	0/1		252	Accessory Bldg.

Total Number of 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 the those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

1. All perimeter walls, floors, foundations and roof of each building.

2. All pipes, wires, conduits, or other utility and service lines in such building, outside such building, if the same are not utilized for more than one apartment.

Permitted Alterations to Apartments:

Apartment owner, may renovate, remodel, make additions to, remove or restore the unit.

7. Parking Stalls:

Total Parking Stalls: 2*

	Regular		Compact		Tandem		
	Covered	Open	Covered	Open	Covered	Open	TOTAL
Assigned (for each units)	1	1					
Guest							
Unassigned							
Extra for Purchase							
Other:							
Total Covered & Open:	2		0		0		2

Each apartment will have the exclusive use of at least _____ 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:

[X] There are no recreational or common facilities.

[ ] Swimming pool [ ] Storage Area [ ] Recreation Area

[ ] Laundry Area [ ] Tennis Court [ ] Trash Chute

[ ] Other: _____

9. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations See Exhibit G

[X] There are no violations. [ ] Violations will not be cured.

[ ] Violations and cost to cure are listed below. [ ] Violations will be cured by_____.
(Date)

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

*Only Unit 1 has parking. The owner of Unit 2 can renovate or reconstruct the unit and provide parking for the unit.

11. Conformance to Present Zoning Code

a. [X] No variances to zoning code have been granted. See Exhibit G

[ ] 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.

	Conforming	Non-Conforming	Illegal
Uses	_____	X*	_____
Structures	X	_____	_____
Lot	X	_____	_____

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

[X] described in Exhibit A.

[ ] as follows:

*Unit 2 is considered non-conforming use by the Department of Planning & Permitting. (See Exhibit G)

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.

[X] The limited common elements and the apartments which use them, as described in the Declaration, are:

[ ] described in Exhibit_____.

[X] as follows:

The portion of the land area beneath and adjacent to each unit as delineated on the site plan of the Condominium Map. Said land areas are NOT legally subdivided lots.

Unit 1 Limited Common Area: 3,538 sq.ft.
Unit 2 Limited Common Area: 3,962 sq.ft.

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

[ ] described in Exhibit _____.

[X] as follows:

Unit No.	Common Interest Percentage
1	50%
2	50%

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

Exhibit B describes the encumbrances against the title contained in the title report dated December 30, 1998 and issued by Old Republic National Title Company.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[X] 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. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance

F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements: None. Units are to be sold in "as-is" condition.

2. Appliances: None.

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

Unit 1 was built in 1985. Unit 2 was built in 1958.

H. **Project Phases:**

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

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

IV. CONDOMINIUM MANAGEMENT

A. **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 condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium 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 condominium managing agent for this project, named on page five (5) of this report, is:

[ ] not affiliated with the Developer
[X] self-managed by the Association of Apartment Owners
[ ] the Developer or the Developer's affiliate.
[ ] other_____

B. **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, a lien may be placed on your apartment and the apartment may be 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.

Exhibit _____ contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

*All the common elements are limited common elements appurtenant to either Unit 1 or Unit 2.

C. **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:

[X] None
[ ] Gas
[ ] Water
[ ] Other_____
[ ] Electricity (_____ Common Elements only _____ Common Elements & Apartments)
(_____ Common Elements only _____ Common Elements & Apartments)
[ ] Sewer
[ ] Television Cable

V. MISCELLANEOUS

A. **Sales Documents Filed With the Real Estate Commission:**

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

[ ] Notice to Owner Occupants

[X] Specimen Sales Contract
Exhibit D contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated January 19, 1999
Exhibit C contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other_____

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

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

Preliminary Report: Sales made by developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to $250.00.

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

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

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

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

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

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

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

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

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P.O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 4108 filed with the Real Estate Commission on January 25, 1999.

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

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C. **Additional Information Not Covered Above**

Disclosure RE: Replacement of Accessory Building. The purchaser of Unit 2, the accessory building, shall have the right to replace the existing structure with a dwelling unit pursuant to paragraph 18 of the Declaration of Condominium Property Regime.

Pursuant to Secs. 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Developer/Owner, Summie Shan Li, RB8697, is a current and active Hawaii-licensed real estate broker. Further, that Summie S. Li, is the Principal Broker for Summie Li Realty, Inc., the project broker. Pursuant to Sec. 16-99-11(c), HAR, "(n)o licensee shall be allowed to advertise 'For Sale by Owner', 'For Rent by Owner', 'For Lease by Owner', 'For Exchange by Owner'."

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

SUMMIE SHAN LI, TRUSTEE
Printed Name of Developer

By: _____ 1-5-1999
Duly Authorized Signatory Date

Summie Shan Li, Trustee, Developer/Owner
Print Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu
Planning Department, City and County of Honolulu

EXHIBIT A

DESCRIPTION OF COMMON ELEMENTS

1. The land in fee simple described in the Declaration of Condominium Property Regime.

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

3. 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 B

LIST OF ENCUMBRANCES

1. Title to all minerals and metallic mines reserved to the State of Hawaii.

2. Party Wall Agreement dated December 21, 1998 and recorded in said Bureau as Document No. 98-196771.

3. Declaration of Condominium Property Regime recorded as Document No. 99-006495.

4. By-Laws of the Association of Apartment Owners recorded as Document No. 99-006496.

5. Condominium Map No. 2851.

6. Real property taxes due and payable. For more information contact City and County of Honolulu, Department of Finance, Real Property Tax Assessment as of the date of the title report, both installments were unpaid.

EXHIBIT C

SUMMARY OF ESCROW AGREEMENT

The escrow agreement establishes an arrangement under which the deposits a buyer makes under a Deposit, Receipt, Offer and Acceptance ("sales contract") will be held by a neutral party ("Escrow"). Under the escrow agreement these things will or may happen:

(a) Signed copies of the sales contract will be provided to Escrow.

(b) Escrow will collect payments due pursuant to the sales contract.

(c) Seller will notify Escrow who in turn will notify buyers when payments are due.

(d) Escrow will accept buyer's payments pursuant to the sales contract and will hold the funds or make payments according to the escrow agreement.

(e) The escrow agreement states under what conditions escrow will disburse buyers funds. Escrow will disburse upon receipt of the following:

1. the conveyance document,
2. all necessary releases of encumbrances,
3. the full amount of the purchase price,
4. any mortgage or other instrument securing payment,
5. purchaser's share of the closing costs

(f) Under the escrow agreement buyer shall be entitled to a refund, if buyer makes a written request for a refund and Escrow has received a written request from Seller to return buyer's funds. In addition, by law, (under Sections 514A-62 and -63, Hawaii Revised Statutes) buyer has a right to rescind a sales contract.

(g) The escrow agreement states what will happen to a buyer's funds upon default under the sales contract. Seller is required to certify to Escrow in writing that buyer defaults and that Seller is terminating the contract. Escrow will notify buyer by certified mail that Seller has cancelled contract. Escrow will treat the buyer's funds as belonging to the Seller subject to the provisions relating to dispute and conflicting demands.

(h) Escrow will coordinate and supervise the signing of all necessary documents.

(i) The escrow agreement sets forth Escrow's responsibilities in the event of any disputes.

(j) Escrow will not disburse any purchaser's funds in the construction of the project unitl completion of the project and expiration of the 45 day lien period. Purchaser's funds can be released if Developer secures a waiver of liens from the title insurance company and a release of contractor's claims in the construction of the project.

The escrow agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

EXHIBIT D

SUMMARY OF SALES CONTRACT

The Seller will use the standard form Deposit, Receipt, Offer and Acceptance (DROA) agreement as the sales contract for the sale of the unit(s). The sales contract contains the price, description and location of the apartment and other terms and conditions under which a buyer will agree to buy an apartment in the Project. Among other things, the sales contract provides:

1. A section for financing to be filled in and agreed to by the parties which will set forth how the buyer will pay the purchase price.

2. Buyer's deposits will be held in escrow until the sales contract is closed or cancelled.

3. Buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

4. In the event of default:

If buyer defaults:

(1) Seller may bring an action for breach of contract;

(2) Seller may retain the deposits as liquidated damages;

(3) Buyer is responsible for any costs incurred under the sales contract.

If Seller defaults:

(1) Buyer may bring an action for breach of contract;

(2) Buyer may bring an action for specific performance;

(3) Seller is responsible for any costs incurred under the sales contract.

The prevailing party is entitled to recover all costs incurred including reasonable attorney's fees. Escrow fees incurred shall be deducted before disbursement to the prevailing party.

5. Addendum covering the construction of septic system and the payment of the cost of such system.

6. The sales contract may contain additional terms and conditions as the Seller and Buyer may agree to include.

The sales contract contains various other provisions which the buyer should become acquainted with.

EXHIBIT E

DISCLOSURE ABSTRACT

1. a. PROJECT: 732 18TH AVENUE
732 18th Avenue
Honolulu, HI 96816

b. DEVELOPER/OWNER: SUMMIE SHAN LI, Trustee

c. MANAGING AGENT: None. Project will be self-managed.

2. Estimated Maintenance Fee Assessments and Disbursements

Maintenance Fees: The routine maintenance and repair of each apartment unit, including all utility charges, is the sole responsibility of each owner.

Individual Insurance: Section 514A-86, Hawaii Revised Statutes, requires that fire insurance be purchased to cover the Project's improvements. It is contemplated that the Association will elect to permit each apartment owner to purchase and maintain his own homeowner's insurance policy which will include fire and liability coverage, and name the Association as an additional insured. In such case, the premiums on said policies will be the individual responsibility of each apartment owner rather than a common expense of the Association. Purchasers should be aware that the premiums for said fire insurance will vary depending upon the insurance company and the coverage. If it is necessary for the Association to have its own public liability coverage (which could occur), this will become a common expense of the Association shared by the apartment owners.

Mandatory reserves assessment and collection in effect beginning 1994 budget year. Developer discloses that no reserve study was done in accordance with Chapter 514A-83.6, HRS, and replacement reserves rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

3. Description of All Warranties Covering the Apartments and Common Elements. NO WARRANTIES FOR FITNESS OF USE OR MERCHANTABILITY OR ANY OTHER KIND ARE MADE AS TO ANY UNIT.

4. Use of Apartments. The project will consist of two (2) apartments. Unit 1 shall be used for residential purposes by the owners, their tenants, servants, guests and invitees and for no other purpose. Unit 2 is an accessory building. The Declaration of Condominium Property Regime allows the developer/owner or the apartment owner(s) to change the layout, floor plans and elevations of each of these apartments.

EXHIBIT F

ENDRE TOTH
ENGINEER
HONOLULU, HI 96816
PHONE: 734-7119

MR. SUMMIE LI
1415 WILHELMINA RISE
HONOLULU, HI 96816

DECEMBER 14, 1998

DEAR MR. LI,

AS PER YOUR INSTRUCTIONS, A VISUAL INSPECTION WAS MADE OF THE PROPERTY LOCATED AT 732 18TH AVENUE, TMK: 3-2-56-30, HONOLULU, HAWAII.

THE PURPOSE OF THE INSPECTION WAS TO EXAMINE AND COMMENT ON THE PRESENT CONDITION OF THE BUILDINGS.

THE FOLLOWING DESCRIBES BY ASSESSMENT OF THE PRESENT CONDITION OF THE BUILDINGS:

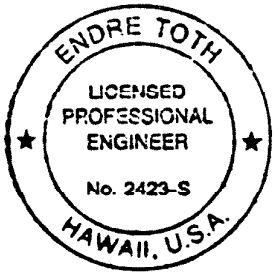
1. THE STRUCTURES DESCRIBED AS UNIT 1 APPEARS IN GOOD CONDITION. THE UNIT IS HABITABLE AND APPEAR TO BE FREE FROM MAJOR STRUCTURAL DEFECTS.

2. THE ELECTRICAL SYSTEM AND PLUMBING SYSTEMS APPEAR TO BE FUNCTIONING PROPERLY AND SEEM TO BE IN GOOD CONDITION.

CONCLUSION: THE BUILDINGS DESCRIBED AS UNIT 1 IS IN GOOD CONDITION WITH NO MAJOR STRUCTURAL DEFECTS. AT THIS POINT, THE AGE OF THE STRUCTURES IS NOT KNOWN AND NO USEFUL LIFE OF THE BUILDINGS HAS BEEN DETERMINED.

VERY TRULY YOURS,

ENDRE TOTH
REGISTERED PROFESSIONAL ENGINEER
REGISTRATION NO. 2423-S



DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU
650 SOUTH KING STREET • HONOLULU, HAWAII 96813
PHONE: (808) 523-4414 • FAX: (808) 527-6743

JEREMY HARRIS
MAYOR

JAN NAOE SULLIVAN
DIRECTOR

LORETTA K.C. CHEE
DEPUTY DIRECTOR

Ex98-84 (LT)

JAN - 4 1999

Mr. Summie Li
Summie Li Realty, Inc.
1415 Wilhelmina Rise
Honolulu, Hawaii 96816-3222

Dear Mr. Li:

Subject: Condominium Conversion Project
732 18th Avenue
Tax Map Key: 3-2-56: 30

This is in response to your letter dated December 4, 1998 requesting verification that the structures located at the above-mentioned property met all applicable code requirements at the time of construction.

Investigation revealed that the two-story detached single-family dwelling and the one-story guest house with no kitchen met all applicable code requirements when they were constructed in 1985 and 1958, respectively. There are two off-street parking spaces on the property.

Investigation also revealed the accessory guest house is considered a nonconforming use.

For your information, the Department of Planning and Permitting cannot determine all legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.

No variances or special permits were granted to allow deviations from any applicable codes.

EXHIBIT G

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of this office at 527-6341.

Very truly yours,

JAN MAOE SULLIVAN
Director of Planning
and Permitting

JNS:fk

Safety\Ex98-84.LT