

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

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

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
PEARL CITY BUSINESS PLAZA
803 Kamehameha Highway
Pearl City, Oahu, Hawaii

REGISTRATION NO. 927

IMPORTANT — Read This Report Before Buying

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

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

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

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

Issued: August 18, 1977
Expires: September 18, 1978

SPECIAL ATTENTION

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

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JULY 19, 1977 AND INFORMATION SUBSEQUENTLY FILED AS OF AUGUST 11, 1977. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, HAWAII REVISED STATUTES.

1. PEARL CITY BUSINESS PLAZA is a proposed leasehold commercial condominium project which shall consist of a six-story building constructed above a basement parking level. The project will contain sixty-three (63) commercial units and two hundred twelve (212) parking stalls.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of this proposed condominium project and the issuance of this Preliminary Public Report.

3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Unit Owners, and a copy of the approved floor plans) have not yet been filed in the office of the recording officer.

4. The Developer has advised the Commission that advertising and promotional materials required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to public exposure.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, and the condominium rules and regulations which relate to horizontal property regimes.

6. This Preliminary Public Report is made a part of the registration of the PEARL CITY BUSINESS PLAZA condominium project. The Developer is responsible for placing a true copy of this Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers. Securing a signed receipt for said Preliminary Public Report from all purchasers and prospective purchasers is also the responsibility of the Developer.

7. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, August 18, 1977, unless a Final or Supplementary Public Report is issued or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: PEARL CITY BUSINESS PLAZA

LOCATION: The land of the project, consisting of approximately 69,354 square feet, is situate at 803 Kamehameha Highway, Pearl City, Hawaii.

TAX KEY: First Division, 9-7-34:2,3 and 34.

ZONING: B-2

DEVELOPER: Calvin T. Nakashima and Susan A. Nakashima, husband and wife, whose residence and post office address is 784 Hoomaemae Street, Pearl City, Hawaii.

ATTORNEY REPRESENTING DEVELOPER: Mukai, Ichiki, Raffetto & MacMillan (Attention: Richard G. MacMillan and Michael R. Garner), 345 Queen Street, Suite 800, Honolulu, Hawaii. Telephone number: 531-6277.

DESCRIPTION OF PROJECT: The proposed Declaration of Horizontal Property Regime describes the project as follows:

1. Description of Building. The project shall consist of a six-story building constructed above a basement parking level. Said building shall contain sixty-three (63) commercial apartments (called "Commercial Units" or "Units") and two hundred twelve (12) parking stalls and shall be constructed primarily of reinforced concrete, steel, glass, aluminum and allied building materials.

The first level of the project, designated hereinbelow and on the proposed Condominium File Plan as the Basement Level, shall contain one (1) Commercial Unit, one hundred eighteen (118) parking stalls, vehicular driveways, exit and entrance ramps, storage rooms, electrical and transformer rooms, an elevator lobby and three (3) stairways. Certain of said parking stalls (B-2, B-3, B-5, B-16, B-18, B-19, B-20, B-21, and B-23) are large enough to accommodate two automobiles parked in a tandem arrangement. However, each of said double stalls has been counted as single parking space for all purposes under the proposed Declaration.

The first floor or entry level of the project shall contain two (2) Commercial Units, ninety-four (94) parking stalls, vehicular driveways, exit and entrance ramps, the main building entry and lobby, mechanical and electrical rooms, a trash room and three (3) stairways.

Each of the second through the sixth floors of the project shall contain twelve (12) Commercial Units, an elevator lobby, restrooms, interior access corridors, mechanical and janitor's rooms, a trash chute and two (2) stairways.

2. Description of Commercial Units. The project is divided into sixty-three (63) separately designated Commercial Units, as more particularly described hereinbelow and on said Condominium File Plan. The numbering, approximate area in square feet, number of rooms, if any, and the percentage interest of each unit in the common elements are as follows:

<u>Unit Number</u>	<u>Approximate Area in Square Feet</u>	<u>Percentage Common Interest</u>	<u>Number of Rooms</u>
<u>Basement Level</u>			
B-1	3,911	5.84229	1
<u>First Floor</u>			
101	4,870	7.27485	1
102	4,812	7.18821	1
<u>Second Floor</u>			
201	915	1.36683	1
202	995	1.48634	1
203	1,264	1.88817	1
204	1,264	1.88817	1
205	995	1.48634	1
206	928	1.38625	1
207	684	1.02177	1
208	691	1.03222	1
209	799	1.19355	1
210	760	1.13530	1
211	691	1.03222	1
212	684	1.02177	1
<u>Third Floor</u>			
301	915	1.36683	1
302	995	1.48634	1
303	1,264	1.88817	1
304	1,264	1.88817	1
305	995	1.48634	1
306	928	1.38625	1
307	684	1.02177	1
308	691	1.03222	1
309	799	1.19355	1
310	760	1.13530	1
311	691	1.03222	1
312	684	1.02177	1
<u>Fourth Floor</u>			
401	915	1.36683	1
402	995	1.48634	1
403	1,264	1.88817	1
404	1,264	1.88817	1
405	995	1.48634	1
406	928	1.38625	1
407	684	1.02177	1
408	691	1.03222	1
409	799	1.19355	1
410	760	1.13530	1
411	691	1.03222	1
412	684	1.02177	1

<u>Unit Number</u>	<u>Approximate Area in Square Feet</u>	<u>Percentage Common Interest</u>	<u>Number of Rooms</u>
<u>Fifth Floor</u>			
501	915	1.36683	1
502	995	1.48634	1
503	1,264	1.88817	1
504	1,264	1.88817	1
505	995	1.48634	1
506	928	1.38625	1
507	684	1.02177	1
508	691	1.03222	1
509	799	1.19355	1
510	760	1.13530	1
511	691	1.03222	1
512	684	1.02177	1
<u>Sixth Floor</u>			
601	915	1.36683	1
602	995	1.48634	1
603	1,264	1.88817	1
604	1,264	1.88817	1
605	995	1.48634	1
606	928	1.38625	1
607	684	1.02177	1
608	691	1.03222	1
609	799	1.19355	1
610	760	1.13530	1
611	691	1.03222	1
612	684	1.02177	1

3. Limits of Commercial Units. Except as otherwise provided in the proposed Declaration, each Commercial Unit consists of: (i) the volumes or cubicles of space enclosed by and measured horizontally and vertically from the unfinished inner surfaces of the perimeter and interior walls, ceilings and floors of the unit, including any doors, windows and vents along its perimeter walls; (ii) all interior dividing walls and partitions located within the unit (including the space occupied by such walls and partitions) excepting load-bearing walls and pillars; and (iii) the decorated inner surfaces of said perimeter walls (including any load-bearing interior walls located within the unit) and of any walls enclosing the common pipe chases; and (iv) any fixtures or equipment originally installed therein, including the suspended ceiling; provided, however, that a unit shall not be deemed to include any pipes, wires, conduits, vents and other service and utility lines running through such unit which are utilized for or serve more than one Commercial Unit, the same being deemed limited common elements as hereinafter provided. Where any unit consists in whole or in part of unenclosed space, the boundaries defining such space shall be as shown on said Condominium File Plan.

4. Access. The Commercial Units on the first floor have immediate access to the grounds of the project and each of the other Commercial Units has immediate access to walkways and/or corridors leading to stairways and two (2) elevators connecting its floor with the grounds and parking areas of the project.

COMMON ELEMENTS: The proposed Declaration states that the common elements shall include, but shall not be limited to:

- (1) All land of the project;
- (2) All foundations, columns, bearing walls, girders, beams, floor slabs, supports, unfinished perimeter and loadbearing walls (except for the inner decorated surface within each unit), roof, fire exit corridors, stairways, walkways, entrances and exits of said building, except for any entrances and exits which directly and exclusively serve the Commercial Units situate on the first floor which shall be deemed part of such Units;
- (3) All of the parking stalls of the project, with the exception of those stalls which are limited common elements as described in hereinbelow;
- (4) All yards, grounds, landscaping, refuse facilities, parking areas, driveway and vehicular entry and exit ramps;
- (5) All electrical and mechanical rooms, the elevators and their appurtenant housings and equipment, the main lobby located on the first floor, the restrooms located on the second through the sixth floors, inclusive, and all storage rooms and premises for the use of janitors and maintenance personnel;
- (6) All existing and future ducts and air-conditioning equipment, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities, installations which serve more than one unit for services such as power, light, water, refuse, telephone, radio and television signal distributions, and passenger elevators; and
- (7) Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance or safety, and normally in common use.

LIMITED COMMON ELEMENTS: The proposed Declaration provides that certain parts of the common elements, designated as "limited common elements", are set aside and reserved for the exclusive use of certain units, and such units shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

(1) Parking Stall Nos. B-87 through B-91, inclusive, as shown on said Condominium File Plan, shall be appurtenant to and for the exclusive use of Commercial Unit No. B-1;

(2) Parking Stall Nos. B-92 through B-97, inclusive, as shown on said Condominium File Plan shall be appurtenant to and for the exclusive use of Commercial Unit No. 101; and

(3) Parking Stall Nos. B-1 through B-6, inclusive, as shown on said Condominium File Plan, shall be appurtenant to and for the exclusive use of Commercial Unit No. 102.

PARKING LICENSE: Each unit owner (with the exception of the owners of Unit Nos. B-1, 101 and 102) shall have the right and license to park one (1) passenger car, or other vehicle which is no larger than an ordinary passenger car, in the parking area at all times and from time to time. The owner's parking license for each Unit is appurtenant to that Unit for the term of the condominium conveyance document and may not be leased or transferred independently of, or in any other manner separated from, the Unit to which it is appurtenant and shall be deemed to be leased, conveyed, encumbered or transferred with the Unit even though the owner's parking license is not expressly mentioned or described in the lease, conveyance or other instrument. The Board of Directors of the Association of Unit Owners or its authorized representative shall at all times have sole and exclusive control over the determination of where within the parking area any vehicle which is being parked pursuant to the purchaser's parking license shall be parked. However, no space will be specifically assigned to any owner or Unit.

INTEREST TO BE CONVEYED TO PURCHASERS: Developer shall, by means of a condominium conveyance document, convey the unit and the undivided percentage interest in the common elements (exclusive of land) appurtenant thereto, and sublease an undivided percentage interest, equal to the above-stated percentage interest, in the land described in the proposed Declaration. The percentage interest appurtenant to each unit is set forth hereinabove under the heading of "Description of Project" and shall be the same proportionate share in all common profits and expenses of the project, and for all other purposes including voting.

In the event the Board of Directors has reason to believe that a Commercial Unit is consuming common metered utilities in excess of its percentage common interest, then and in such event, the Board of Directors may assess and charge the cost of the excess consumption against the Commercial Unit in question and the same shall be deemed a common expense of said unit.

USE: The building and each of the Units are intended and restricted as to use, and shall be used only for purposes which are consistent with and appropriate to the design of the building and for which adequate elevators, stairs, ventilation, plumbing and similar facilities exists, and in accordance with all applicable laws, ordinances and regulations. In addition to and without limiting the generality of the foregoing:

(1) The Commercial Units shall be used and occupied solely for professional, business and commercial purposes within and in accordance with all applicable statutes, ordinances, and rules and regulations promulgated by governmental authorities having jurisdiction thereof; provided, however, that except for Commercial Unit No. 101, no Unit shall be used for the purpose of operating therein a restaurant, bar or cabaret or otherwise for the sale and consumption of food and drink;

(2) No unit shall be rented for transient purposes, which is defined as a rental for less than thirty (30) days;

(3) No owner of a unit shall, without the written approval and consent of the Board of Directors, place or suffer to be placed or maintained (i) on any exterior door, wall or window of the unit, or upon any door, wall or window of the common elements, any sign, awning or canopy, or advertising matter or other thing of any kind, or (ii) any decoration, lettering or advertising matter on the glass of any window or door of the unit or (iii) any advertising matter within the unit which shall be visible from the exterior thereof; provided, that the Board of Directors shall establish reasonable and uniform regulations permitting the placement and maintenance by each owner of identifying signs and insignia of such sizes and materials and in such locations as shall be architecturally suitable and appropriate to the design and function of the Property;

(4) Except as otherwise permitted in the proposed Declaration or permitted in the proposed By-Laws, no owner will suffer anything to be done or kept in his unit or elsewhere which will jeopardize the soundness of the building, or which will interfere with or unreasonably disturb the rights of other owners, or which will obstruct the lobbies, corridors or stairways, or walkways of the project or which will increase the rate of fire insurance on the improvements of the project, or the contents thereof, or which will reduce the value of any of such improvements;

(5) Except as otherwise provided in the proposed Declaration or in the proposed By-Laws, no unit owner will, without the prior written consent of the Board of Directors, make any structural alterations within his unit or make any alterations in or additions to the exterior of the building or to any other portion or portions of the common elements; and

(6) No owner of a Commercial Unit may sell, lease or sublease his unit, or any part thereof or interest therein except in accordance with the provisions of Article VI of the proposed By-Laws.

ALTERATIONS OF COMMERCIAL UNITS: The owner of any Commercial Unit shall have the right at any time and from time to time, at his sole cost and expense and without the consent or joinder of the Board or any other person or group, to install, maintain, remove, and rearrange partitions and other structures from time to time within his Commercial Unit, and may paint, paper, panel, plaster, tile, finish, and do such other work

on the interior surfaces of the ceilings, floors and walls within any such Commercial Unit and may finish, alter or substitute any plumbing, electrical or other fixtures attached to said ceilings, floors and walls as shall be appropriate for the utilization of such unit; provided, that such plumbing and electrical alterations and/or substitutions shall not adversely affect the structural integrity of the building or the plumbing and electrical systems contained therein or interfere with the use and enjoyment of the common elements by the other owners. Any owner of a Commercial Unit which shall be divided by a common element which is a wall, or any owner of two adjacent Commercial Units which are separated only by a common element which is a wall, shall have the right at any time, and from time to time, to alter, remove all or portions of the intervening wall (whether or not load-bearing) if the structural integrity of the project is not thereby affected and if the finish of the common element then remaining is restored to the condition substantially comparable to that of the common element prior to such alterations, and such owner may install in and attach to such opening or openings in such common elements, doors, and other service devices and may remove and retain ownership of the installed equipment; provided, that any alteration of a common element shall be performed under the supervision of a licensed architect, and prior to commencing any alteration of a common element, such owner shall secure a performance and payment bond naming as obligees such owner, the Fee Owner and collectively the owners of all other units, as their interests may appear, in a penal sum of not less than one hundred percent (100%) of the cost of the construction, guaranteeing completion of construction free and clear of all mechanics and materialmen's liens. Upon the termination of the common ownership of any adjacent units, if the intervening wall shall have been altered or removed pursuant to the foregoing provisions, such intervening wall shall be restored to substantially the condition in which the same existed prior to such alteration or removal.

OWNERSHIP OF TITLE: A preliminary title report, dated June 29, 1977, by Title Guaranty of Hawaii, Inc., indicates that title to the land is vested in Nakashima, Inc. (TMK: 9-3-34:3) and in the Estate of Matsue Nakashima, Deceased (TMK: 9-3-34:2 and 34). By Order Approving Final Accounts, Determination of Trust and Distribution of Estate filed in the Circuit Court of the First Circuit, State of Hawaii, in P.N. 38302, on July 6, 1977, Nakashima, Inc. has been distributed the property noted above in TMK: 9-3-34:2 and 34, which property is more fully described in the proposed Declaration. The land owned by Nakashima, Inc. has been leased to Developer pursuant to that certain lease, dated April 29, 1977, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 12223 at Page 360. The parcel owned by the Estate of Matsue Nakashima, Deceased and distributed to Nakashima, Inc., is subject to an unrecorded option to lease in favor of Developer, a copy of which is on file with the Real Estate Commission, which option has been exercised by letter dated July 26, 1977.

ENCUMBRANCES AGAINST TITLE: The preliminary title report, dated June 29, 1977, issued by Title Guaranty of Hawaii,

Inc., reports that title to the land is subject to the following:

1. For any real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor, First Division.

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

3. As to Parcel Second only (Tax Map Key 9-7-34:3):

(A) That certain lease in favor of Hawaiian Electric Company, Inc., dated September 3, 1940, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 1611 at Page 256, leasing and demising a right and easement for electrical purposes along, across and over said parcel for a term commencing September 3, 1940, and expiring December 31, 1965, and thereafter from year to year until terminated by either party giving to the other three (3) months' written notice.

(B) Grant, dated January 28, 1958, recorded as aforesaid in Liber 3398 at Page 481, in favor of Hawaiian Electric Company, Inc., granting a perpetual right and easement for utility purposes over, across, through and under said parcel.

(C) An easement in favor of the City and County of Honolulu for sanitary sewer purposes over and across a portion of said parcel, acquired by Final Order of Condemnation, dated February 3, 1968, filed in the Circuit Court of the First Circuit of the State of Hawaii, Civil No. 22083, and recorded as aforesaid in Liber 5957 at Page 157.

(D) That certain lease by and between Nakashima, Inc., a Hawaii corporation, as lessor, and Developer herein, as lessee, dated April 29, 1977, and recorded as aforesaid in Liber 12223 at Page 360, leasing and demising said parcel for a term of sixty (60) years commencing January 5, 1977.

(E) That certain mortgage, dated May 20, 1977, and recorded as aforesaid in Liber 12223 at Page 391, made by Developer herein, as mortgagor, and American Savings and Loan Association, a Utah corporation, as mortgagee, to secure the repayment of \$225,000.

4. As to Parcels First and Third only (Tax Map Key 9-7-34:2 and 34): The records in the Bureau of Health Statistics reveal the death of Matsue Nakashima on January 13, 1976, in Honolulu, Hawaii.

PURCHASE MONEY HANDLING: An executed Escrow Agreement, dated July 7, 1977, identifies Title Guaranty Escrow Services, Inc., a Hawaii corporation, as the escrow agent. Upon examination, the specimen Deposit Receipt and Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly §514-35 through §514-40.

Among other provisions, the Escrow Agreement provides that a purchaser under a Sales Contract shall be entitled to a return of his funds, with interest and less the \$25.00 escrow cancellation fee, after purchaser has requested such return and if Escrow has received from Developer a written notice that any one of the following has occurred:

(1) Developer has requested Escrow to return to purchaser the funds of purchaser then being held by Escrow; or

(2) Developer has notified Escrow 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) There is any change in the building plans of the project subsequent to the date of Developer's execution of the Sales Contract which change requires the approval of a county officer having jurisdiction over the issuance of building permits unless the purchaser gives his written approval or acceptance of the specific change; or

(4) The Preliminary Public Report differs in a material respect from the Final Public Report unless the purchaser has given written approval or acceptance of the changes in the said Final Public Report; or

(5) The Final Public Report is not issued within one (1) year of the date of issuance of this Preliminary Public Report.

According to the specimen Deposit Receipt and Sales Contract, in the event that less than thirty-six (36) units in the project are sold prior to December 31, 1977, Developer may, at its option, cancel the contract and cause the escrow agent to refund to buyer all monies paid with interest and less a cancellation fee of \$25.00.

The specimen Deposit Receipt and Sales Contract also states: (1) that if the project is not completed and ready for occupancy within two (2) years from the date of Buyer's execution of the Sales Contract, then Buyer shall have the option to terminate the Sales Contract and Seller shall cause Escrow to refund all payments previously made with interest, less \$25.00 cancellation fee and Seller shall be relieved and released of all further liability; and (2) all of the Buyer's right, title and interest are and shall be subject and subordinate to the lien of any mortgage made by Developer to any lending institution for the purpose of securing the repayment of a construction loan.

It is incumbent upon the purchaser and prospective purchaser to read and understand the Escrow Agreement before executing the Deposit Receipt and Sales Contract, since the Escrow Agreement describes the procedure for receiving and disbursing purchasers' funds, and the Deposit Receipt and Sales Contract specifically provides that the purchaser approves that Escrow Agreement and assumes the benefit and obligations therein provided.

NOTE: The By-Laws attached to the proposed Declaration provides in part that no owner or lessee may sell, lease or sublease any units, a part of any unit, or interest therein, unless and until said unit owner first offers said unit, part of said unit or interest therein to the remaining unit owners, through the Board of Directors. Each prospective purchaser should read with care the By-Laws attached to the proposed Declaration as to the specific terms and conditions that must be complied with in the event of sale, lease or sublease, or terms and conditions for waiver by the Board of Directors of the right of first refusal as described above.

MANAGEMENT OF PROJECT: The By-Laws, which are incorporated in the Declaration, provide that the operation of the project shall be conducted for the Association by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the By-Laws. The initial Managing Agent has not yet been selected; however, the Developer is authorized by the Declaration to receive service of legal process in all cases provided in the Horizontal Property Act until such time as a Managing Agent shall be selected.

STATUS OF PROJECT: Construction of the project has not yet commenced; however, it is expected that the project will be completed on or about December 1, 1978.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted July 19, 1977 and information subsequently filed as of August 11, 1977.

This is a PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT, which is made a part of REGISTRATION NO. 927, filed on July 19, 1977. This report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be yellow.

Ah KAU YOUNG
AH KAU YOUNG, Chairman
Real Estate Commission
State of Hawaii

Distribution:

Department of Taxation
Bureau of Conveyances
Planning Commission, City and
County of Honolulu
Federal Building Administration
Escrow Agent

Registration No. 927
August 18, 1977