

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
CENTRAL/HALAWA INDUSTRIAL BUILDING
Iwaena Street
Halawa, Ewa, Hawaii

REGISTRATION NO. 1410

IMPORTANT — Read This Report Before Buying

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

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

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

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

Issued: May 11, 1981
Expires: June 11, 1981

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 APRIL 7, 1981 AND ADDITIONAL INFORMATION SUBMITTED AS OF MAY 6, 1981. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. CENTRAL/HALAWA INDUSTRIAL BUILDING is a proposed leasehold condominium project consisting of fourteen (14) commercial condominium apartment units and twenty-eight (28) parking stalls, four (4) of which are for compact cars.

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, Bylaws of the Association of Apartment Owners, and a copy of the approved floor plans) have not yet been filed in the office of the recording officer.

4. Advertising and promotional materials will be submitted to the Commission prior to public exposure pursuant to the rules and regulations promulgated by the Commission.

5. The purchaser or prospective purchasers is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, 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 CENTRAL/HALAWA INDUSTRIAL BUILDING condominium project. The Developer is responsible for placing a true copy of this Preliminary Public Report (yellow paper stock), together with Developer's Disclosure Abstract in the hands of all purchasers and prospective purchasers. Securing a signed receipt therefor from all purchasers and prospective purchasers is also the responsibility of the Developer.

7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, May 11, 1981, 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: CENTRAL/HALAWA INDUSTRIAL BUILDING.

LOCATION: The land of the project consists of two parcels (Lots 249 and 250) containing a total of approximately 47,871 square feet, situate in the Halawa Industrial Park on Iwaena Street, Ewa, Halawa, Hawaii.

TAX KEY: First Division, 9-9-72:12 and 13.

ZONING: I-1 (Light Industrial).

DEVELOPER: A/R HAWAIIAN VENTURES, a Hawaii limited partnership, 99-128 Aiea Heights Drive, Aiea, Hawaii 96701. Telephone No. 487-7977. The names and addresses of the partners are as follows:

<u>General Partners</u>	<u>Address</u>
Aiea Realty, Inc. David Taogoshi, Pres.	99-128 Aiea Heights Drive Aiea, Hawaii 96701

<u>Limited Partners</u>	<u>Address</u>
Robert T. Ogawa	99-160 Waipao Place Aiea, Hawaii 96701
Noboru Akagi	98-020 Kam Highway Aiea, Hawaii 96701
Tashihiko Kawasugi	2623 Aliamanu Place Aiea, Hawaii 96813

ATTORNEY REPRESENTING DEVELOPER: Mukai, Ichiki, Raffetto & MacMillan (Attn: Richard G. MacMillan), 345 Queen Street, Suite 800, Honolulu, Hawaii 96813. Telephone No. 531-6277.

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

1. General Description. The Project will consist of a one-story building with a partial mezzanine or second level, containing fourteen (14) commercial apartments (hereinafter called the "Units" or "Commercial Units"), together with landscaped grounds, driveways and parking areas containing twenty-eight (28) parking stalls.

2. Construction Materials. The building will be constructed of reinforced concrete floor slabs, steel roof and masonry and steel siding, and will also incorporate aluminum, glass, gypsum board and similar building materials.

3. Description of Building. The first floor of the building contains an entry lobby and stairways (which are limited common elements appurtenant to the Office Units on the second level as hereinafter provided), an electrical meter room and ten (10) Units designed for warehouse use (the "Warehouse Units"). Also located on the ground level adjacent to the building will be landscaped planting areas, vehicular entrances and exits, driveways, loading zones, a service yard, electrical transformer and parking areas containing twenty-eight (28) parking stalls. Four (4) of said parking stalls will be compact stalls.

A partial second level will be located on the east end of the building above Unit Nos. 109 and 110. As a result of such partial floor, the ceiling height in said Units will be approximately fourteen (14) feet, rather than the ceiling height of approximately twenty-six (26) feet in the other Warehouse Units of the Project. The second floor will contain an exterior access corridor, and four (4) Units designed for office use (the "Office Units"). Said floor will be serviced by two (2) stairways.

4. Access. Each of the Units on the second level has immediate access to its entry after travel by stairway to said floor. The Units on the ground floor have immediate access to their entries by way of walkways connecting such entries to the ground floor and parking areas of the Project.

5. Description of Units.

(a) Units. The Project will be divided into fourteen (14) separate Units, consisting of ten (10) Warehouse Units and four (4) Office Units. All Units will consist of unimproved loft space; provided, that a partitioned bathroom area will be provided in the Warehouse Units. Exhibit "A" annexed hereto and made a part hereof sets forth the following information with respect to each Unit necessary for the proper identification thereof: Unit number, approximate area in square feet, number of rooms, the undivided percentage interest in the common elements, and assigned parking stall numbers.

(b) Limits of Units. Each Commercial Unit consists of: (i) the volumes or cubicles of space enclosed by and measured horizontally and vertically from the unfinished inner surface 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) any 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 suspended ceilings and roll-up doors.

The Units shall not include: (i) that portion of any load-bearing interior or perimeter wall within or surrounding any Unit which (except for the inner finished surfaces, if any, of any such wall), shall be a common element; (ii) the floors and ceilings of any Unit which shall be common elements, except for their inner finished surfaces; and (iii) any pipes, shafts, chases, utility lines, conduits, ducts or any other enclosed spaces for wiring, plumbing, air exhaust or ventilation, serving or being utilized by more than one Unit, the same being deemed common elements as provided hereinbelow.

Notwithstanding the designation of the limits of the respective Units hereinabove, the approximate gross area of each Unit, as set forth in Exhibit "A" attached hereto, is computed by measuring from the surfaces of the perimeter walls to the centerline of interior party walls, and no reduction has been made to account for interior walls, ducts, vents, shafts and the like located within the perimeter walls.

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

(a) All the land of the Project;

(b) All foundations, columns, girders, beams, floor slabs, roofs, supports and load-bearing walls (except for the inner finished surfaces, if any, within each Unit);

(c) All structural elements, stairways, walkways, retaining walls, fences and railings;

(d) All driveways, ramps and parking areas;

(e) All pedestrian walkways, yards, grounds and landscaped areas;;

(f) All mechanical and equipment rooms, ducts, shafts, sewer lines, electrical equipment, pipes, wiring, and other central and appurtenant transmission facilities and installations which serve all Units for service such as power, light, water, gas, refuse and telephone; and

(g) Any and all other structures, apparatus and installations of common use, and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or 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 apartments, and such apartments shall have appurtenant thereto exclusive easement for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

(a) The following limited common elements are appurtenant to and for the exclusive use of the Office Units (Unit Nos. 201 through 204, inclusive): (i) the entry lobby on the first floor; (ii) the two stairways leading to the second floor; and (iii) the exterior access corridor on the second floor.

(b) At least one (1) parking stall shall be appurtenant to and for the exclusive use of each Unit, as more particularly designated in Exhibit "A" which is attached hereto and made a part hereof.

(c) All other common elements of the Project which are rationally related to less than all of said Units, shall be limited common elements for the exclusive use of the Unit or Units to which they are appurtenant.

EASEMENTS. In addition to any easements herein established in the limited common elements, the Units and common elements shall also have and be subject to the following easements:

(a) Each Unit shall have appurtenant thereto nonexclusive easements in the common elements designed for such purposes for ingress to, egress from, and support, maintenance and repair of such Unit; in the other common elements for use according to their respective purposes, subject always to the exclusive or limited use of the limited common elements as

provided herein; and in all other Units and limited common elements of the building for support.

(b) If any part of the common elements now or hereafter encroaches upon any Unit or limited common elements, or if any Unit or limited common element encroaches upon the common elements or any other Unit or limited common element, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall and does exist. In the event the building shall be partially or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any part of the Project, minor encroachments of any parts of the common elements or Unit or limited common element due to such construction, shifting, settlement or movement, shall be permitted and valid easements for such encroachments and the maintenance thereof shall exist for so long as such encroachment continues.

(c) The Association of Apartment Owners shall have the right, to be exercised by its Board of Directors or any Managing Agent, to enter each Unit and the limited common elements from time to time during reasonable hours as may be appropriate for the operation of the Project or, at any time, for making emergency repairs therein which may be necessary to prevent damage to any Unit or common elements.

(d) Each Unit owner shall have an easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other Units or limited common elements, and the owner of any Unit shall have an easement to use, maintain and repair all vents, pipes, wires, ducts, cables and utility lines exclusively serving such Unit which are located in or through the common elements or limited common elements. Each Unit, and its appurtenant limited common elements, shall also be subject to an easement in favor of the owners of all other Units for access to any common element located in such Unit or its appurtenant limited common elements.

(e) Certain Units shall have easements in certain other Units (the "Subservient Units") as follows: (i) each of the Units on the second floor of the building shall have an easement in the Unit immediately below it to enter, install, maintain and service water pipes, drains, electrical lines and any other custom utilities in the airspaces located between the lower surface of the floor slab separating said Unit from the Subservient Unit and an imaginary plane located twenty-four (24) inches below said surface, extending to all side boundaries of the Subservient Units, and (ii) Units 109 and 110 shall have an easement (the area of which shall not exceed four (4) square feet) in and through the Office Units on the second floor to install, maintain and service any venting or ducting system necessary in connection with the operation of the businesses carried on in said Warehouse Units. The installation, maintenance and use of said utilities and venting system shall be carried on without wear or damage to the Subservient Units or any property therein and with as little disruption as possible to the owner of the Subservient Units, and unless an emergency situation exists, the installation and

servicing of said utilities or venting system shall not be performed during the business hours of the Subservient Units. The location of said easements shall not unreasonably interfere with the location or relocation of the property owned by the owners of the Subservient Units and located within the easement areas.

INTEREST TO BE CONVEYED TO PURCHASERS: The Developer will, by means of a Condominium Conveyance Document, convey to each purchaser his unit and the undivided percentage interest in the common elements appurtenant thereto (exclusive of land), and will sublease an undivided interest in the land of the Project equal to the unit's undivided percentage interest in the common elements. The undivided percentage interest appurtenant to each unit, and in all common profits and expenses of the Project, and for all other purposes including voting, shall be as set forth in Exhibit "A" attached hereto.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO 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 Units and for which adequate parking stalls, stairs, ventilation, plumbing and similar facilities exist, and in accordance with all applicable laws, ordinances and regulations. The building is not designed, nor are there a sufficient number of parking stalls available, to satisfy the requirements applicable to every use permitted in the present zoning district wherein the Project is situate. Accordingly, the Board of Directors shall have the right, in its sole discretion, to prohibit any use or proposed use which may be otherwise permitted by law which would necessitate structural alterations of the Project or any Unit, or which would require parking facilities in excess of those provided. If any such use or proposed use is approved by the Board, any additions, alterations or modifications, and any additional parking spaces necessitated thereby, shall be the responsibility of the affected Unit owner and be made or furnished at his sole cost and expense.

In addition to the foregoing, the Declaration imposes the following limitations on use, among others:

(a) The Office Units shall be used and occupied only as office space for purposes and uses permitted from time to time under applicable zoning laws.

(b) The Warehouse Units may not be used or occupied as automobile body and fender shops, car washes, bulk storage yards, heavy manufacturing or extracting facilities, commercial kennels or for the processing or storage of salvage junk, petroleum products or explosives.

(c) No Unit shall be used for residential purposes.

(d) No Unit shall be rented for transient purposes, which is defined as a rental for less than thirty (30) days.

OWNERSHIP OF TITLE: A Preliminary Title Report dated February 11, 1981, issued by Title Guaranty of Hawaii, Inc., indicates that fee simple title to the land is vested in The Queen Emma Foundation, a Hawaii non-profit corporation, and that the Developer has a leasehold interest therein.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report described above discloses that title to the land is subject to the following:

AS TO BOTH LOTS:

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

AS TO LOT 249:

2. District No. 252	Lot No. 10
Payable	20 installments
Balance	\$36,915.16
Installment No. 5	\$ 2,307.19
Interest 6.25%	\$ 2,307.20
TOTAL	\$ 4,614.39 Due: 6/7/81

3. That certain Lease, dated June 24, 1980, by and between THE QUEEN EMMA FOUNDATION, a Hawaii non-profit corporation, Lessor, and A/R HAWAIIAN VENTURES, a Hawaii registered limited partnership, Lessee, filed in the Land Court of the State of Hawaii as Land Court Document No. 1019817.

4. That certain Mortgage, dated June 24, 1980, made by A/R HAWAIIAN VENTURES, a Hawaii registered limited partnership, Mortgagor, in favor of LONE STAR HAWAII, INC., a Hawaii corporation, Mortgagee, filed as aforesaid as Land Court Document No. 1019818.

AS TO LOT 250:

5. District No. 252	Lot No. 11
Payable	20 installments
Balance	\$30,947.85
Installment No. 5	\$ 1,934.24
Interest 6.25%	\$ 1,934.24
TOTAL	\$ 3,868.48 Due: 6/7/81

6. That certain Lease, dated June 24, 1980, by and between THE QUEEN EMMA FOUNDATION, a Hawaii non-profit corporation, Lessor, and A/R HAWAIIAN VENTURES, a Hawaii registered limited partnership, Lessee, filed as aforesaid as Land Court Document No. 1019819.

7. That certain Mortgage, dated June 24, 1980, made by A/R HAWAIIAN VENTURES, A Hawaii registered limited partnership, Mortgagor, in favor of LONE STAR HAWAII, INC., a Hawaii corporation, Mortgagee, filed as aforesaid as Land Court Document No. 1019820.

PURCHASE MONEY HANDLING: An executed Escrow Agreement, dated March 17, 1981, 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 514A, Hawaii Revised Statutes, as amended.

Among other provisions, the Escrow Agreement provides that a purchaser under a Sales Contract shall be entitled to a return of his funds, without interest and less the \$25.00 escrow cancellation fee, after purchaser has requested such return in writing and any of the following events shall have occurred:

(a) Escrow has received a written request from Developer to return to purchaser the funds of such purchaser then being held by Escrow; or

(b) If purchaser's funds were obtained prior to an issuance of a Final Public Report and there is any change in the building plans, subsequent to the execution of the Sales Contract requiring the approval of an official of the county in which the Project is situate having jurisdiction over the issuance of construction permits, unless the purchaser has given written approval or acceptance of the change; or

(c) If a purchaser's funds were obtained prior to the issuance of a Final Public Report and the Final Public Report differs in any material respect from the Preliminary Public Report, unless the purchaser has previously given written approval or acceptance of such difference; or

(d) The Final Public Report is not issued within one (1) year of the date of issuance of this Preliminary Public Report; or

(e) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer.

Among other provisions, the specimen Deposit Receipt and Sales Contract states:

(1) Developer shall have the right, at its option, to cancel the sales contracts if less than twelve (12) units shall have been sold on or before December 31, 1981.

(2) Buyer should be aware that he will be required to prepay: (a) two (2) months maintenance fee which shall constitute a non-refundable, start-up fee or maintenance reserve, and (b) six (6) months lease rent.

(3) ALL OF BUYER'S RIGHT, TITLE AND INTEREST UNDER THE SALES CONTRACT ARE AND SHALL BE SUBJECT AND SUBORDINATE TO THE LIEN OF ANY MORTGAGE MADE BY DEVELOPER TO ANY INSTITUTIONAL LENDER FOR THE PURPOSE OF SECURING THE REPAYMENTS OF A CONSTRUCTION LOAN.

(4) Developer makes no warranties, express or implied, with respect to the property or any common element or anything installed therein.

(5) All units will consist of unimproved loft space and Developer will furnish the following as part of the purchase price: (a) roll-up door in warehouse units; (b) suspended ceilings in the Office Units; (c) partitioned bathrooms in warehouse units with water closet and sink; and (d) an electrical panel box with a vacant conduit to the meter room. Buyer agrees to be responsible for installing in his unit, at his sole cost and expense, all other interior partitions, air conditioning equipment and ductwork, interior plumbing, electrical and other utility lines, plumbing and electrical fixtures, and wall and floor coverings. Developer agrees to partially defray Buyer's improvement costs by granting Buyer an improvement allowance in an amount to be agreed upon between Developer and Buyer and specified in the Deposit Receipt and Sales Contract.

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.

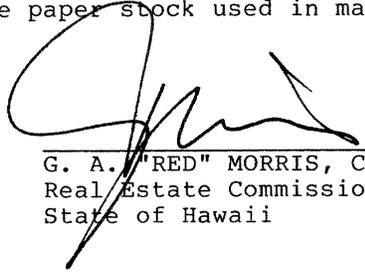
MANAGEMENT OF PROJECT: The Bylaws, which are incorporated in the Declaration, provide that the operation of the Project shall be conducted for the Association by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the Bylaws, although the Declaration permits the Developer to appoint the initial Managing Agent. It is anticipated that Aiea Realty, Inc., whose address is 99-128 Aiea Heights Drive, Suite 705, Aiea, Hawaii 96701, who is authorized by the Declaration to receive service of legal process in all cases provided in the Horizontal Property Act, will be the initial Managing Agent.

STATUS OF PROJECT: It is anticipated that construction of the project will be commenced on or about July 1, 1981.

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 April 7, 1981 and information subsequently filed as of May 6, 1981.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1410, submitted to the Commission on April 7, 1981. 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.



G. A. "RED" MORRIS, Chairman
Real Estate Commission
State of Hawaii

Distribution:

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

Registration No. 1410.

May 11, 1981.

EXHIBIT "A"

CENTRAL/HALAWA INDUSTRIAL BUILDING

<u>UNIT NO.</u>	<u>DESCRIPTION</u>	<u>APPROX. FLOOR AREA (Sq.Ft.)</u>	<u>NO. OF ROOMS</u>	<u>% COMMON INTEREST</u>	<u>ASSIGNED PARKING STALL NUMBER</u>
101	Warehouse	5,330	2	17.897	15
102	Warehouse	4,570	2	15.345	1
103	Warehouse	1,525	2	5.120	16
104	Warehouse	1,525	2	5.120	2
105	Warehouse	1,525	2	5.120	19
106	Warehouse	1,525	2	5.120	4
107	Warehouse	1,525	2	5.120	22
108	Warehouse	1,525	2	5.120	7
109	Warehouse	2,671	2	8.969	25 & 26
110	Warehouse	2,676	2	8.985	10 & 12
201	Office	1,313	1	4.409	18, 23, 24, 28C
202	Office	1,373	1	4.611	17, 20C, 21C, 27C
203	Office	1,373	1	4.611	5, 6, 8, 9
204	Office	1,326	1	4.453	3, 11, 13, 14
				<hr/>	
		29,782		100.00%	