

# 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

HAWAII BUSINESS PARK  
Waihona Street  
Pearl City, Hawaii

REGISTRATION NO. 1488

### 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 6, 1982

Expires: June 6, 1983

#### 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 March 12, 1982 AND INFORMATION SUBSEQUENTLY FILED AS OF April 20, 1982. 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. HAWAII BUSINESS PARK is a proposed leasehold condominium project, which will consist of thirty-six (36) commercial units in five single-story buildings and one hundred sixty-two (162) parking stalls (58 for guests). Twenty-nine (29) are compact stalls, five (5) are for the handicapped and one hundred twenty-eight (128) are standard stalls.
2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the issuance of this Preliminary Public Report.
3. The Developer has submitted to the Commission for examination a proposed Declaration of Horizontal Property Regime, proposed By-Laws of the Association of Apartment Owners and the floor plans. A Final Public Report will not be issued until these items have been executed, approved and recorded where applicable.
4. No advertising or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
5. The purchaser or prospective purchaser 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 the Horizontal Property Regime.
6. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, May 6, 1982, unless a Final or Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.
7. This Preliminary Public Report is made a part of the registration of HAWAII BUSINESS PARK. The Developer is responsible for placing this Preliminary Public Report (yellow paper stock) and the Disclosure Abstract in the hands of all purchasers and prospective purchasers and for securing a signed receipt therefor.

NAME OF PROJECT: HAWAII BUSINESS PARK

LOCATION: The 221,008 square feet of property to be committed to the regime as a leasehold condominium project is situated at Waihona Street, Pearl City, Hawaii.

TAX MAP KEY: 9-6-7-1, 2, 3, 4 and 5

ZONING: I-1

DEVELOPER: H AND S DEVELOPMENT LIMITED PARTNERSHIP, a Hawaii limited partnership, whose principal place of business and post office address is 4747 Kilauea Avenue, Suite 208, Honolulu, Hawaii 96816; telephone no. 732-5573. The parties to the limited partnership are Harrison and Shaw, a Hawaii partnership, whose principal place of business and post office address is 4747 Kilauea Avenue, Suite 208, Honolulu, Hawaii 96816 (the general partner), and Milton and Pat Gottlieb Trust, whose address is c/o Milton Gottlieb, Trustee, 111 Barrington Walk, Los Angeles, California 90049 (the limited partner).

ATTORNEYS REPRESENTING DEVELOPER: Ikazaki, Devens, Lo, Youth & Nakano (Attention: Richard C. Lo, Curtis H. Shiramizu and James H. Q. Lee), 700 Bishop Street, Suite 1412, Honolulu, Hawaii 96813; telephone no. 521-1456.

DESCRIPTION OF PROJECT: The proposed Declaration reflects that the project is to consist of five (5) single-story buildings, without basements, referred to on the proposed Condominium Map as Buildings "A" through "E", inclusive. Building "A" contains nine (9) apartment units; Building B contains nine (9) apartment units; Building "C" contains eight (8) apartment units; Building "D" contains six (6) apartment units; and Building "E" contains four (4) apartment units. There are a total of one hundred sixty-two (162) parking stalls, of which twenty-nine (29) are compact size, five (5) are for the handicapped and one hundred twenty-eight (128) are standard size. One hundred five (105) parking stalls are appurtenant to apartment units and fifty-eight (58) are for guest parking. The project is to be constructed in accordance with plans and specifications prepared by Richard S. Osato, AIA.

Areas of Apartments: Each apartment unit consists of an enclosed office space, a restroom (with toilet and basin), a coffee bar with a sink and a compact size refrigerator and will have immediate access to a parking area leading to a driveway on the grounds of the project and to Waihona Street. The approximate areas of each apartment in the project are set forth in Exhibit "A", attached hereto and made a part hereof.

Apartment Location and Numbering. All apartments will be numbered and located as shown on the proposed Condominium Map. Each apartment number is preceded by the alphabet of the building in which it is located; e.g. Apartment C-4 is the "4" apartment in Building "C".

Limits of Apartments: The respective commercial apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or

party walls or of the interior load-bearing walls, the floors and ceilings surrounding each apartment, or any pipes, wires, ducts, conduits, or other utility or service lines running through such apartments which are utilized for or serve more than one apartment, all of which are common elements. Each apartment shall be deemed to include the walls and partitions which are not load-bearing and which are within its perimeter or party walls; doors and door frames; windows and window frames; the inner decorated or finished surfaces of walls, floors and ceilings, adjoining and connected thereto; and all fixtures originally installed therein.

Notwithstanding the designation of the limits of the apartments, the square footage of each respective apartment as enumerated in Exhibit "A" is measured from the interior face of exterior walls and the interior face of party walls, and no reduction is made to account for interior load-bearing walls, ducts, vent shafts and the like, located within the perimeter walls.

COMMON ELEMENTS: The proposed Declaration of Horizontal Property Regime designates all of the remaining portions of the project as common elements, including specifically, but not limited to:

- (a) Said land in fee simple.
- (b) All foundations, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roofs, entrances and exits of said buildings.
- (c) All building walkways, sidewalks, driveways, parking areas, yards, gardens, loading zones and fire escapes, if any.
- (d) All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities, installations which serve more than one apartment for services such as power, light, water, gas, refuse, telephone, radio and television signal distribution.
- (e) All tanks, pumps, motors, fans, compressors, ducts, and, in general, all apparatus and installations existing for common use.
- (f) Certain parking stalls, as designated in page 4 of said Exhibit "A", shall be for the common use of all of the apartments.
- (g) 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.

LIMITED COMMON ELEMENTS. Certain parts of the common elements, herein called the "limited common elements", are designated and set aside for the exclusive use of certain apartments and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements, as follows:

(a) One (1) or more automobile parking spaces shall be assigned to each of the apartments as designated in Exhibit "A" attached hereto upon the original conveyance thereof and shall be appurtenant to and for the exclusive use of such apartment. Any apartment space easement may be transferred from apartment to apartment in the project as provided in the Declaration and in Section 514A-14, HRS.

(b) Entry patios, porches, decks and steps, if any, which would be used only for the purposes of ingress and egress for a specific unit, shall be appurtenant to and for the exclusive use of such unit.

(c) The enclosed area immediately adjacent to Apartments B-7, B-8, B-9 and A-9 containing a total of approximately 3529 square feet (gross) and bounded on one side by the southerly boundary of the project (as designated on the proposed Condominium Map) shall be appurtenant to and for the exclusive use of Apartment A-9.

(d) The enclosed area immediately adjacent to Apartment B-9 containing a total of approximately 1056 square feet (gross) and bounded on one side by the southerly boundary of the project (as designated on the proposed Condominium Map) shall be appurtenant to and for the exclusive use of Apartment B-9.

(e) The enclosed area immediately adjacent to Apartment C-8 containing a total of approximately 1755 square feet (gross) and bounded on one side by the southerly boundary of the project (as designated on the proposed Condominium Map) shall be appurtenant to and for the exclusive use of Apartment C-8.

(f) The enclosed area immediately adjacent to Apartment D-6 containing a total of approximately 2470 square feet (gross) and bounded on one side by the southerly boundary of the project (as designated on the proposed Condominium Map) shall be appurtenant to and for the exclusive use of Apartment D-6.

(g) The enclosed area immediately adjacent to

Apartment E-4 containing a total of approximately 3437.5 square feet (gross) and bounded on one side by the southerly boundary of the project (as designated on the proposed Condominium Map) shall be appurtenant to and for the exclusive use of Apartment E-4.

(h) All other common elements of the project which are rationally related to less than all of said apartments shall be limited common elements appurtenant to the apartments to which they are so related.

INTEREST TO BE CONVEYED TO PURCHASER: The percentage of undivided interest in the common elements appertaining to each apartment shall be as shown in said Exhibit "A". For purposes of voting on all matters requiring action by the owners the above percentage shall govern. Note: The common interest is based solely upon the enclosed area of the apartments within the perimeter walls of the buildings of the project, and does not include common elements or limited common elements.

PURPOSES FOR WHICH THE BUILDINGS AND EACH APARTMENT MAY BE USED: The apartments shall be occupied and used only for light industrial and warehouse purposes which are consistent with and appropriate to the design of the buildings and for which adequate ventilation, plumbing and similar facilities exist and for such other uses permitted from time to time by applicable zoning ordinances, rules and regulations. The apartment owners shall have the absolute right to rent or lease their apartment subject to the limitations and conditions contained in the Declaration, By-laws or Conveyance Document but shall not be rented for transient purposes, which is defined as rental for any period less than thirty (30) days. Purchasers are urged to examine with care the proposed House Rules, a copy of which has been submitted to the Commission, to familiarize themselves with limitations as to usage of the property.

OWNERSHIP OF TITLE: The Preliminary Title Report dated December 21, 1981, issued by Title Guaranty of Hawaii, Inc., as updated by Title Insurance Policy dated February 11, 1982, issued by said firm, reports that title to the land (consisting of 5 lots) is vested in H and S Development Limited Partnership, a Hawaii limited partnership.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report dated December 21, 1982, as updated by Title Insurance Policy dated February 11, 1982 reports that title to the land is subject to the following encumbrances:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Declaration of Covenants for Waiawa Industrial Park dated August 26, 1975, recorded as aforesaid in Liber

10866 at Page 116, as supplemented by instrument recorded as aforesaid in Liber 13601 at Page 673.

3. As to Lot 1 only: Easement "1" (5 feet wide) for electrical purposes, as shown on File Plan No. 1461.

4. As to Lot 1 only: Easement "2" for power and telephone line purposes, as shown on File Plan No. 1461. by instrument dated March 20, 1980, recorded as aforesaid in Liber 14632 at Page 61, Molokai Ranch, Limited, a Hawaii corporation, grants to the United States of America, a perpetual non-exclusive easement for the maintenance, operation, repair, replacement and removal of pole and wire lines, guys, anchors, conduits, etc. for the transmission of electricity as part of a system, through, over, under and across said Easement 2.

5. As to Lot 2 only: Easement "3" (9 feet wide) for street light purposes, as shown on File Plan No. 1461.

6. As to Lot 2 only: A grant in favor of the City and County of Honolulu, dated September 10, 1976, recorded as aforesaid in Liber 12070 at Page 524; granting an easement over said Easement "3".

7. As to Lot 2 only: Easement "4" (10 feet wide) for drainage purposes, as shown on File Plan No. 1461.

8. As to Lots 3 and 4 only: Reservation in favor of the United States of America, its successors and assigns, of Easement 2-F for water pipeline purposes, as reserved in that certain Deed recorded as aforesaid in Liber 4872 at Page 301.

9. As to Lot 3 only: Easement "5" (5 feet wide) for electrical purposes, as shown on File Plan No. 1461.

10. As to Lot 3 only: Grant in favor of Hawaiian Electric Company, Inc., dated April 26, 1977, recorded as aforesaid in Liber 12212 at Page 532, granting an easement over said Easement "5".

11. As to Lot 4 only: Easement "6" (10 feet wide) for drainage purposes, as shown on File Plan No. 1461.

12. As to Lot 5 only: Easement "7" (10 feet wide) for drainage purposes, as shown on File Plan No. 1461.

Above easement granted to the United States of America by instrument dated December 10, 1981, recorded as aforesaid in Liber 16033 at Page 226.

13. As to Lot 5 only: Easement "A" (5 feet wide) for electrical purposes, as shown on the Tax Map.

Above easement granted to Hawaiian Electric Company, Inc., by instrument dated April 26, 1977, recorded as aforesaid in Liber 12212 at Page 532.

14. As to Lot 5 only: The reservation in favor of the United States of America, its successors and assigns, of Easement 2-F for water pipeline purposes, as reserved in Deed dated June 24, 1964, recorded as aforesaid in Liber 4872 at Page 301.

15. As to all lots, Mortgage in favor of Honolulu Federal Savings and Loan in the amount of \$1,800,000.00 recorded as aforesaid in Liber 16158 at Page 201.

16. Real Property Taxes as may be due and owing. For further information, check with the Finance Director for the district in which the property is located.

17. Declaration of Covenants for Waiawa Industrial Park dated August 26, 1975 recorded as aforesaid in Liber 10866 at Page 116, as supplemented by instrument recorded as aforesaid in Liber 13601 at Page 673.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated March 3, 1982 between Bank of Hawaii, as Escrow, and Developer, has been filed with the Commission. On examination, the executed Escrow Agreement and specimen Sales Contract filed with the Commission are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly Sections 514A-39, 514A-40, 514A-62 through 514A-66.

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

(a) Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

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

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, there shall have been a change in the building plans, subsequent to the execution of purchaser's sales contract, requiring approval of a county officer having jurisdiction over the issuance of building permits,

unless such change is specifically authorized in the Declaration of Horizontal Property Regime or by the terms of the sales contract or unless a purchaser's written approval or acceptance of the specific change is obtained or ninety (90) days have elapsed since the purchaser has accepted in writing the apartment or the purchaser has first occupied the apartment; or

(d) The Final Report differs in a material respect from the Preliminary Report, and the purchaser's written approval of such change shall not have been obtained; or

(e) The Final Report shall not have been issued within one (1) year from the date of issuance of the Preliminary Report and the purchaser has not waived or has not been deemed to have waived his right to a refund.

The Escrow Agreement also contains the following provisions, among others: that the Escrow Agent shall make no disbursements of Buyer's funds unless and until the Sales Contract has become effective and the requirements of Sections 514A-39, 514A-63, 514A-64 and 514A-66 have been met.

It is incumbent upon the purchaser and the prospective purchaser that he read with care the Sales Contract and the executed Escrow Agreement. The latter establishes how the proceeds from the sale of apartments are placed in trust, as well as the retention and disbursement of said trust funds. The specimen Sales Contract specifically provides that the purchaser approves said Escrow Agreement and assumes the benefits and obligations therein provided, that his rights under the Sales Contract are subordinate to that of any construction loan mortgage, that he has an option to acquire the fee interest, and that all apartments will be subject to Declarations for the Pearl City Industrial Park (formerly known as Waiawa Industrial Park) and the Hawaii Business Park Association. The declaration for the former is already of record (see ENCUMBRANCES above) but that for the latter is not yet recorded. However, a draft has been submitted to the Commission.

OPTION TO PURCHASE FEE INTEREST: The Developer is granting to the purchaser an option to purchase the fee interest in the land during the eleventh year of the lease term and during each and every successive tenth year thereafter of the lease term. The provisions of the option are contained in the Condominium Conveyance Document and the Declaration of Horizontal Property Regime.

MANAGEMENT OF THE PROJECT: The proposed Declaration provides that the management of the project shall be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible

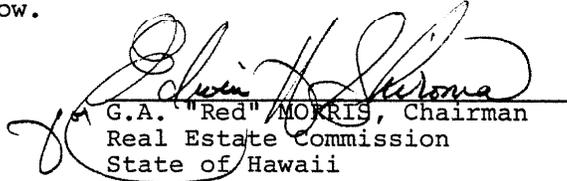
managing agent. The Sales Contract to be signed by the purchasers provides that the Seller (Developer) may appoint the initial manager and agent of the project. The Developer proposes to select Fergus & Company, Inc., 1833 Kalakaua Avenue, Suite 803, Honolulu, Hawaii 96815, as the initial managing agent for the project. A copy of the proposed Management Agreement has been submitted to the Commission.

STATUS OF PROJECT: The construction of the project will commence in or about May 1982 and is scheduled for completion in or about December 1982.

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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 March 12, 1982 and information submitted as of April 20, 1982.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1488, filed with the Commission on March 12, 1982.

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

Registration No. 1488

May 6, 1982

EXHIBIT "A"

<u>Apartment No.</u>	<u>Apartment Area (Gross)/(Net)</u>	<u>Percentage Interest in the Common Elements to be Conveyed</u>	<u>Parking Stall Nos.</u>
<u>Building A</u>			
A-1	approximately 3356/3255.94 square feet	3.950%	1 (Handicapped) 2, 3 and 4
A-2	approximately 1674/1618.62 square feet	1.964%	29 (Compact) and 30
A-3	approximately 1674/1618.62 square feet	1.964%	18 (Compact) and 31
A-4	approximately 1674/1618.62 square feet	1.964%	32 (Compact) and 33
A-5	approximately 1674/1618.62 square feet	1.964%	22 (Compact) and 34
A-6	approximately 1674/1618.62 square feet	1.964%	35 (Compact) and 36
A-7	approximately 1674/1618.62 square feet	1.964%	23 and 37
A-8	approximately 1674/1618.62 square feet	1.964%	24 and 25
A-9	approximately 3276/3175.68 square feet plus approximately 3529 square feet fenced-in yard	3.854%	26, 27, and 28 (Compact)
<u>Building B</u>			
B-1	approximately 3348/3255.94 square feet	3.950%	38, 39, 40 and 41 (Handi- capped)
B-2	approximately 2371.5/2308.23 square feet	2.800%	43, 44 and 45
B-3	approximately 2371.5/2308.23 square feet	2.800%	47, 48 and 49
B-4	approximately 2371.5/2308.23 square feet	2.800%	51, 52 and 53

<u>Apartment No.</u>	<u>Apartment Area (Gross)/(Net)</u>	<u>Percentage Interest in the Common Elements to be Conveyed</u>	<u>Parking Stall Nos.</u>
B-5	approximately 2371.5/ 2308.23 square feet	2.800%	55, 56 and 57
B-6	approximately 2371.5/ 2308.23 square feet	2.800%	59, 60 and 61
B-7	approximately 2376.5/ 2308.23 square feet	2.800%	63, 64 and 65
B-8	approximately 1680/ 1618.62 square feet	1.964%	66 and 67
B-9	approximately 1618.5/ 1530.74 square feet plus approximately 1056 square feet fenced-in yard	1.858%	68 and 69
<u>Building C</u>			
C-1	approximately 3560.5/ 3462.94 square feet	4.201%	70 (Handicapped) 71, 74 and 75
C-2	approximately 1674/ 1618.62 square feet	1.964%	78 (Compact) and 79 (Compact)
C-3	approximately 2371.5/ 2308.23 square feet	2.800%	82 (Compact), 83 (Compact) and 84 (Compact)
C-4	approximately 2371.5/ 2308.23 square feet	2.800%	86, 87 and 88
C-5	approximately 2371.5/ 2308.23 square feet	2.800%	90, 91 and 92
C-6	approximately 2371.5/ 2308.23 square feet	2.800%	94, 95 and 96
C-7	approximately 2371.5/ 2308.23 square feet	2.800%	98, 99 and 100
C-8	approximately 1748/ 1668.94 square feet plus approximately 1755 square feet fenced-in yard	2.026%	101 and 102 (Compact)
<u>Building D</u>			
D-1	approximately 3697/ 3600.94 square feet	4.370%	104, 105, 106, 107 (Handi- capped) and 108

<u>Apartment No.</u>	<u>Apartment Area (Gross) / (Net)</u>	<u>Percentage Interest in the Common Elements to be Conveyed</u>	<u>Parking Stall Nos.</u>
D-2	approximately 2371.5/ 2308.23 square feet	2.800%	109, 110 and 111
D-3	approximately 2371.5/ 2308.23 square feet	2.800%	113, 114 and 115
D-4	approximately 2371.5 2308.23 square feet	2.800%	117, 118 and 119
D-5	approximately 2371.5/ 2308.23 square feet	2.800%	121, 122 and 123
D-6	approximately 3557/ 3462.94 square feet plus approximately 2470 square feet fenced-in yard	4.202%	124, 125, 126 and 127
<u>Building E</u>			
E-1	approximately 1680/ 1599.94 square feet	1.942%	128 (Handicapped) and 129
E-2	approximately 1960/ 1894.62 square feet	2.298%	132 and 133
E-3	approximately 2800/ 2722.62 square feet	3.303%	136, 137, 138 and 139
E-4	approximately 3710/ 3600.94 square feet plus approximately 3437.5 square feet fenced-in yard	4.370%	140, 141, 142, 143 and 144
		TOTAL	100.000%

Total of 58 Parking Stalls Designated as Common Elements  
(not appurtenant to any units)

5, 6, 7, 8, 9, 10, 11, 12, 13 (Compact), 14 (Compact), 15 (Compact), 16  
(Compact), 17 (Compact), 19 (Compact), 20 (Compact), 21 (Compact), 42,  
46, 50, 54, 58, 62, 72, 73, 76, 77, 80 (Compact), 81 (Compact), 85  
(Compact), 89, 93, 97, 103 (Compact), 112, 116, 120, 130, 131, 134, 135,  
145, 146, 147, 148, 149, 150, 151, 152 (Compact), 153 (Compact), 154  
(Compact), 155 (Compact), 156 (Compact), 157, 158, 159, 160, 161, 162.

DISCLOSURE ABSTRACT

Name of Project: Hawaii Business Park  
Waihona Street  
- Pearl City, Hawaii

Developer: H and S Development Limited  
Partnership  
4747 Kilauea Avenue, Suite 208  
Honolulu, Hawaii 96816  
Telephone: (808) 732-5573

Project Manager: Fergus & Company, Inc.  
1833 Kalakaua Avenue, Suite 803  
Honolulu, Hawaii 96815  
Telephone: (808) 947-8484

Use of Apartments:

The Project is zoned I-1. All apartments in the Project shall be occupied and used only for light industrial and warehouse purposes by the respective owners thereof, or their tenants. The apartments may not be used for any other purpose other than that designated by guidelines of the Comprehensive Zoning Code of the City and County of Honolulu. The parking spaces may only be used as a parking place for motor vehicles. The owners of the respective apartments shall have the absolute right to lease the same, subject to the limitations, restrictions, covenants and conditions of the Horizontal Property Act, the Declaration of Horizontal Property Regime and the By-Laws attached thereto. The apartments are subject to additional restrictions on the use as set forth in (i) the Declaration of Horizontal Property Regime of Hawaii Business Park, (ii) the By-Laws attached thereto, (iii) the Declaration of Covenants, Conditions and Restrictions for Hawaii Business Park, (iv) the Condominium Conveyance Document, (v) the sales contracts for the individual apartments, (vi) the House Rules, (vii) Declaration of Covenants for Waiawa Industrial Park and Supplemental Declaration of Restrictive Covenants, (viii) Charter of Incorporation of the Waiawa Industrial Park Association, (ix) By-Laws of Waiawa Industrial Park Association, and (x) Rules and Regulations of Waiawa Industrial Park. Copies of the foregoing documents are on file with and available for inspection in the Developer's office.

Warranties:

The specimen Sales Contract provides that the Seller anticipates BUT DOES NOT WARRANT that the construction contract with the general contractor for the Project shall contain a warranty clause similar to Section 13.2.2 of AIA Document A201 which generally provides as follows:

If, within one year after the date of substantial completion of the work or designated portion thereof or within one year after acceptance by the Seller of designated equipment, any of the work is found to be defective or not in accordance with the contract documents, the contractor shall correct it promptly after receipt of a written notice from the Seller to do so unless the Seller has previously given the contractor a written acceptance of such condition. The Seller shall give such notice promptly after discovery of the condition.

Seller makes no warranties itself but Seller hereby agrees that if Purchaser shall give Seller written notice of any such condition promptly after discovery thereof, and during the unexpired term of such contractor's warranty, Seller shall forward such notice together with a written notice to the contractor to correct such condition. THE SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE UNIT, CONSUMER PRODUCTS INSTALLED THEREIN, THE PROPERTY, THE PROJECT, OR ANYTHING INSTALLED THEREIN, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR USE. Seller shall attempt to assign to Purchaser the unexpired term, if any, of any manufacturer's or dealer's warranties covering any furnishings, fixtures, and appliances in the apartment. Purchaser acknowledges that the Seller is only passing through to Purchaser any such manufacturer's and dealer's warranties; Seller is not undertaking to adopt any such warranties or to act as co-warrantor with respect to any furnishings, fixtures or appliances covered by any such manufacturer's or dealer's warranties. The terms of the manufacturer's or dealer's written warranties are available for the Purchaser's examination at the Seller's sales office.

THE ATTENTION OF THE PURCHASER IS DIRECTED TO PARAGRAPH 21 OF THE SALES CONTRACT (INCORPORATED HEREIN BY THIS REFERENCE) PERTAINING TO THE ABSENCE OF REPRESENTATIONS AND WARRANTIES CONCERNING THE APARTMENT, THE PROPERTY, THE PROJECT.

Maintenance Fees:

All utilities for the apartments shall be metered separately from the common areas, and will be assessed separately and in addition to the regular monthly fee.

Attached is a breakdown on the estimated annual maintenance fees and the costs for each apartment, as prepared by the Management Agent as of 12/5/81. The maintenance assessments cover those common expenses as set forth in the Declaration of Horizontal Property Regime and By-Laws for Hawaii Business Park. The Developer can make no assurances regarding the estimated maintenance assessments. In addition, such variables as inflation, uninsured casualty loss or damages, increased or decreased services from those contemplated by the Developer, apartment owner delinquencies, and other factors may also cause the maintenance assessments to be greater or smaller than the estimated maintenance assessments. The attached breakdown of the estimated costs for each apartment does not include the Purchaser's obligations for the payment of real property taxes; estimates of the real property taxes will be provided by the Sales Agent upon request.

Option to Purchase Fee Interest:

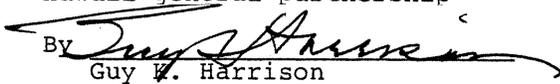
After the tenth (10th) year of the lease term and for each ten (10) year period thereafter, Purchaser has the option to purchase the fee interest in the land, under terms and conditions set forth in the condominium conveyance document. The purchase price will be that determined by Developer but Purchaser may request an arbitration by three appraisers if he cannot agree to the designated price.

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

H AND S DEVELOPMENT LIMITED  
PARTNERSHIP, a registered Hawaii  
limited partnership

By its general partner

HARRISON AND SHAW, a registered  
Hawaii general partnership

By   
Guy W. Harrison  
Authorized Partner

FERGUS & COMPANY, INC. does hereby certify that the attached breakdown of Annual Maintenance Fees and the Monthly Estimated Costs for each apartment has been based on generally accepted accounting principles.

FERGUS & COMPANY, INC.

By Michael J. Fergus  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

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

On this 8TH day of APRIL, 1982, before me appeared MICHAEL J. FERGUS and \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that they are the PRESIDENT and \_\_\_\_\_, respectively, of FERGUS & COMPANY, INC., a Hawaii corporation; and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and the said MICHAEL J. FERGUS and \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Vivian S. ...  
Notary Public, State of Hawaii

My commission expires: 8/16/83

HAWAII BUSINESS PARK  
ESTIMATED MAINTENANCE FEES FOR COMMON AREA

<u>Apt. No.</u>	<u>Percentage Common Interest</u>	<u>Monthly Estimated Maintenance Fees</u>	<u>Annually Estimated Maintenance Fees</u>
<u>Building A</u>			
A-1	3.950%	\$ 252.82	\$ 3,033.92
A-2	1.964%	125.71	1,508.51
A-3	1.964%	125.71	1,508.51
A-4	1.964%	125.71	1,508.51
A-5	1.964%	125.71	1,508.51
A-6	1.964%	125.71	1,508.51
A-7	1.964%	125.71	1,508.51
A-8	1.964%	125.71	1,508.51
A-9	3.854%	246.68	2,960.18
<u>Building B</u>			
B-1	3.950%	252.82	3,033.92
B-2	2.800%	179.22	2,150.62
B-3	2.800%	179.22	2,150.62
B-4	2.800%	179.22	2,150.62
B-5	2.800%	179.22	2,150.62
B-6	2.800%	179.22	2,150.62
B-7	2.800%	179.22	2,150.62
B-8	1.964%	125.71	1,508.51
B-9	1.858%	118.92	1,427.09
<u>Building C</u>			
C-1	4.201%	268.89	3,226.71
C-2	1.964%	125.71	1,508.51
C-3	2.800%	179.22	2,150.62

<u>Apt. No.</u>	<u>Percentage Common Interest</u>	<u>Monthly Estimated Maintenance Fees</u>	<u>Annually Estimated Maintenance Fees</u>
C-4	2.800%	\$ 179.22	\$ 2,150.62
C-5	2.800%	179.22	2,150.62
C-6	2.800%	179.22	2,150.62
C-7	2.800%	179.22	2,150.62
C-8	2.026%	129.68	1,556.13
<u>Building D</u>			
D-1	4.370%	279.71	3,356.51
D-2	2.800%	179.22	2,150.63
D-3	2.800%	179.22	2,150.63
D-4	2.800%	179.22	2,150.63
D-5	2.800%	179.22	2,150.63
D-6	4.202%	268.95	3,227.47
<u>Building E</u>			
E-1	1.942%	124.30	1,491.61
E-2	2.298%	147.09	1,765.05
E-3	3.303%	211.41	2,536.97
E-4	4.370%	279.71	3,356.51
TOTAL	<u>100.000%</u>	<u>\$6,400.67</u>	<u>\$76,808.00</u>

HAWAII BUSINESS PARK

OPERATING EXPENSE BUDGET

For the Year Ended December 31, 1983

Date Prepared December 5, 1981

ACCOUNT NO.	MAIN CLASSIFICATION	SQ. FT. AREA SERVICED	ANNUAL COST	COST PER SQ. FT.
5010	Janitorial Service		-0-	-0-
5011	Janitorial Supplies		-0-	-0-
5020	Electrical Repairs/Supplies		-0-	-0-
5030	HVAC Repairs & Maintenance		-0-	-0-
5040	Elevator Service		-0-	-0-
5051	Wages & Employment Costs		-0-	-0-
5053	Water	84630	7200	.0851
5054	Refuse Collection	84630	6720	.0794
5055	Fire Alarm Service	84630	468	.0054
5056	Miscellaneous	84630	3000	.0354
5059	General Repairs & Maint.	84630	5196	.0614
5060	Security Service		-0-	-0-
5070	Landscaping/Plant Rentals	84630	9600	.1134
5080	Management Fees	84630	14976	.1770
5084	Office Supplies & Telephone		-0-	-0-
5086	Professional Fees	84630	1200	.0142
5087	Energy Management System		-0-	-0-
5091	Electricity		-0-	-0-
5100	Insurance	84630	4300	.0508
5200	Real Estate Taxes		-0-	-0-
	SUBTOTAL	84630	52660	.6221
	RESERVE FOR CAPITAL IMPROVEMENTS	84630	24148	.2853
	TOTAL	84630	76808	.9074

HAWAII BUSINESS PARK

PEARL CITY, HAWAII

OPERATING EXPENSE BUDGET WORKSHEET

For the Year Ended December 31, 1983

Date Prepared December 5, 1981

CLASSIFICATION	MONTHLY COST	ANNUAL COST
JANITORIAL SERVICE	Parking lot cleaning part of landscape contract	
Janitorial Contract		
Special Cleaning		
Window Cleaning		
TOTAL		
JANITORIAL SUPPLIES		
Supplies		
TOTAL		
ELECTRICAL REPAIRS/SUPPLIES		
Fluorescent Lamps		
Incandescent Lamps		
Labor		
Miscellaneous Repairs		
Miscellaneous Supplies		
TOTAL		
HVAC REPAIRS & MAINTENANCE		
Maintenance Contract		
Supplies		
Water Treatment		
Tower Cleaning		
TOTAL		

CLASSIFICATION	MONTHLY COST	ANNUAL COST
ELEVATOR SERVICE		
Maintenance Contract		
O.T. Callbacks		
Telephone & Answer. Service		
Annual Inspection		
TOTAL		
WAGES & EMPLOYMENT COSTS		
Gross Wages		
FICA ( %)		
W/C & TDI		
HMSA		
Christmas Bonus		
TOTAL		
WATER		
Water & Sewer Landscaping & Industrial	600	7200
TOTAL	600	7200
REFUSE COLLECTION		
Rubbish Collection	560	6720
TOTAL	560	6720
FIRE ALARM SERVICE		
Maintenance Contract		
Sprinkler, S.P. & Exting. Test	17	204
Annual Elec. Alarm Test		
Water Meter Charge	22	264
TOTAL	39	468

CLASSIFICATION	MONTHLY COST	ANNUAL COST
MISCELLANEOUS		
	250	3000
TOTAL	250	3000
GENERAL REPAIR & MAINTENANCE		
Painting	25	300
Plumbing	8	96
Keys & Lock Maintenance		
Misc. Pump Maintenance		
Signs & Graphics	25	300
Small Tools		
Other Building Supplies	25	330
Roof Maintenance	100	1200
Asphalt Maintenance	100	1200
Other G.R. & M	150	1800
TOTAL	433	5196
SECURITY SERVICE		
On-Site Guard		
Patrol Service		
TOTAL		
LANDSCAPING/PLANT RENTALS		
Landscaping Contract		
Supplies & Misc.	800	9600
Plant Rentals		
Tree Maintenance		
Include weekly parking lot cleaning, sprinkler repair, periodic tree maintenance		
TOTAL	800	9600
MANAGEMENT FEES		
Management Fees	1248	14976
Long Dist. Telephone		
Travel		
TOTAL	1248	14976

CLASSIFICATION	MONTHLY COST	ANNUAL COST
OFFICE SUPPLIES & TELEPHONE		
Office Supplies		
Office Telephone		
Pager		
TOTAL		
PROFESSIONAL FEES		
Legal Fees	33	396
Accounting Fees	67	804
Engineering Fees		
TOTAL	100	1200
ENERGY MANAGEMENT SYSTEM		
Maintenance Contract		
Lease Payment		
Depreciation		
Telephone		
TOTAL		
ELECTRICITY		
Electricity		
TOTAL		
INSURANCE		
Fire & Electricity	358	4300
Basic Liability		
Umbrella Liability		
TOTAL	358	4300
REAL ESTATE TAXES		
First Half (FYE )		
Second Half (FYE )		
TOTAL		

