

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS

STATE OF HAWAII

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

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on

HALE KOU BUSINESS CENTER
45-337 Kamehameha Highway
Kaneohe, Hawaii 96744

REGISTRATION NO. 1517

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: January 4, 1983
Expires: February 4, 1984

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 SEPTEMBER 22, 1982, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED WITH THE COMMISSION AS OF DECEMBER 29, 1982. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, AND SUBMITTING INFORMATION ON THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. The HALE KOU BUSINESS CENTER is a proposed leasehold commercial condominium Project consisting of 15 apartments (Units herein), all contained in a three story building with 58 open parking stalls including a basement.
2. The Developer of the Project has submitted to the Commission for its examination all documents deemed necessary for the registration of this condominium Project and the issuance of this Preliminary Public Report.
3. Developer reports that the Declaration of Horizontal Property Regime, By-Laws of the Association of Unit Owners and the Condominium Map will be recorded in the Bureau of Conveyances of the State of Hawaii immediately prior to the application for a Final Public Report.
4. Advertising and promotional materials have not been submitted to the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Hawaii Revised Statutes, Chapter 514A as amended and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report expires thirteen (13) months after date of issuance, January 4, 1983, unless a Final Public Report or a Supplementary Public Report issues, or the Commission issues, upon review of the registration, an order extending the effective date of this Report.
7. This Preliminary Public Report is part of the registration of the HALE KOU BUSINESS CENTER. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) and attached Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed copy of the receipt therefor.

NAME OF PROJECT: HALE KOU BUSINESS CENTER

LOCATION: The Project is located at 45-337 Kamehameha Highway, Kaneohe, Hawaii 96744, and consists of two parcels of land, 21,185 square feet and 21,834 square feet.

TAX MAP KEY: 4-5-54:74 and 4-5-54: 72

ZONING: The property is zoned B-2 Community Business.

DEVELOPER: HALE-AINA DEVELOPMENT, INC., a Hawaii corporation: 39 Maluniu Street, Honolulu, Hawaii 96734; Telephone: 734-1436. The officers of HALE-AINA DEVELOPMENT, INC. are:

John M. Santos, President/Secretary/Treasurer; Betty M. Santos, Vice President.

ATTORNEY REPRESENTING DEVELOPER: Ezra, O'Connor, Moon & Lawhn, (ATTN: John P. Moon), 737 Bishop Street, Suite 2800, Honolulu, Hawaii 96813; Telephone: 531-7534.

DESCRIPTION OF PROJECT: The Project consists of a three (3) story building including a basement and fifty-eight (58) open parking stalls. The building will be constructed primarily of reinforced concrete, masonry, steel, glass and aluminium. There are a total of 15 leasehold Condominium Units in the Project with seven (7) Units on the first floor and four (4) Units on each of the second and third floors of the building. The Units are numbered and contain the approximate net square footage shown on Exhibit "A" attached hereto. Each Unit has access to the common elements by a walkway and/or stairway which connects to common areas leading to a public street. All Units are being sold as unfinished "Loft space" which is a totally unimproved shell consisting of unfinished concrete ceiling and floors and unfinished boundary walls around the perimeter of each Unit. Standard utilities will be brought to one area on the Unit perimeter as designated by Seller.

The Units may have appurtenant nonexclusive rights to use one or more Parking Stalls on an unassigned basis in two parking areas designated on said Condominium Map. Said Condominium Map is intended to show only the approximate layout, location, numbers and dimensions thereof and shall not be deemed to be any other representation or warranty. In the event of a conflict between the Declaration and the Condominium Map, the latter shall control.

(a) Each Commercial Unit consists of that portion of the Project within the vertical boundary shown on the Condominium Map and between the floor and ceiling, exclusive of any stairways, interior load-bearing walls, structures and columns, and any existing and future pipes, wires, conduits, ducts, vents and other service and utility lines which are utilized for or serve more than one Unit.

(b) The Units shall not include: (1) The undecorated or unfinished surfaces of the perimeter or interior load-bearing walls and columns and structures; (2) the undecorated or unfinished floors and ceilings surrounding each Unit (except those installed by Owners); or (3) any pipes, wires, conduits or other utility or service lines or spaces running through such Unit which are utilized for or serve more than one Unit, the same being deemed common elements.

(c) Each Unit shall include: (1) All walls and partitions put in within its perimeter or party walls which are not load-bearing; (2) doors and door frames; (3) windows and window frames; (4) the inner decorated or finished surfaces of all walls, floors and ceilings; (5) all other improvements installed by Owner and (6) the interior one-half of any non load-bearing party wall between Units.

(d) Each Parking Stall consists of that portion of the Project shown on said Condominium Map excluding any adjacent walls, pillars, stairways, and any existing and future pipes, wires, conduits, ducts, vents and other surface and utility lines which are utilized for or serve more than one Parking Stall. Except as otherwise provided for herein, each Parking Stall consists of the unenclosed space shown on said Condominium Map, the horizontal boundaries of which shall be the surface of the top of the asphalt floor of the Parking Stall and the ceiling boundary extending vertically to a height of ten (10) feet above said asphalt floor.

PARKING AREAS - RIGHT OF REMOVAL AND SUBSTITUTION.

Initially, the project shall include two distinct areas for parking entitled "Parking Area I" which is located within the boundaries of Parcel 74 and "Parking Area II" which is located within the boundaries of Parcel 72. Developer and/or Lessor contemplate acquiring in the future that certain parcel designated as Tax Map Key 4-5-54:15 (herein Parcel 15) or the right to use said Parcel 15 (as shown on said Condominium Map). In connection therewith, Developer and/or Lessor hereby expressly reserve the unconditional right in their sole discretion to do the following:

A. Remove and relocate Parking Area II from Parcel 72 to Parcel 15 as designated on said Condominium Map.

B. To remove Parcel 72 from the applicability of the Declaration and to substitute therefor Parcel 15. In connection therewith all Unit Owners, for themselves, their successors, assigns, personal representatives and mortgagees, by execution of any condominium conveyance document conveying a Unit in the Project, irrevocably appoint Developer and/or Lessor as their special attorney-in-fact to take all necessary and appropriate action to effectuate any relocation of the above parking areas, removal and/or substitution of Parcels 72 and 15 aforesaid and to execute and file any and all instruments or documents on behalf of all Unit Owners to amend the Declaration, said Condominium Map or such other documentation necessary to accomplish the purpose herein stated.

RESERVATION OF AIR RIGHTS AND FUTURE DEVELOPMENT RIGHTS. In the event that Parcel 72 is not removed from the application of the Declaration, Lessor does hereby reserve all air rights and future development rights to further develop Parcel 72 to the fullest extent allowed by law so long as parking arrangements substantially similar to that provided by Parking Area II are incorporated into any such further development of Parcel 72. In connection therewith, Lessor in its sole discretion, may construct any building structures or other improvements allowed by law upon Parcel 72 and may completely relocate and reconfigure Parking Area II to incorporate the same into the new improvements on Parcel 72 so long as access to Parking Area II is not materially obstructed; PROVIDED, HOWEVER, Lessor shall during the period of such further development when Parking Area II shall not be available for normal use, provide such other reasonably comparable temporary parking areas for Unit Owners use or in lieu thereof,

Lessor may pay a reasonable monthly mutually agreed upon sum to the Association of Unit Owners (represented by the Board) until such time as Parking Area II as reconfigured within the development of Parcel 72, is again available for normal use. All arrangements to accomplish the intent of this paragraph shall be made by Lessor through the Board of Directors which Board shall act on behalf of all Unit Owners and a decision of the Board shall be binding upon all Unit Owners.

COMMON ELEMENTS: The common elements consist of all parts of the Project other than the Units, including, without limitation, the following:

- (a) A leasehold interest in the Land;
- (b) All foundations, columns, girders, beams, supports, main walls, bearing walls, roofs, corridors, lobbies, stairs, stairways, fire escapes and entrances and exits of the Building;
- (c) All existing and future central and appurtenant installations for power, light, water, air conditioning and ventilation, and all pipes, wires, conduits, ducts, vents and other service and utility lines which are utilized for or serve more than one Unit;
- (d) All elevators, tanks, pumps, motors, fans, compressors, ducts and in general all apparatus and installations existing for or serving the common use;
- (e) Yards, gardens, loading areas, walkways, ramps and driveways;
- (f) All parking areas on the Project subject to Developer and/or Lessor's right of removal and substitution;
- (g) All lobbies, common bathrooms and restrooms, vestibules, storage rooms and premises for the use of janitors and other persons employed for the operation of the Project;
- (h) Machinery and electrical rooms and related apparatus;
- (i) Areas set aside for use in conjunction with parking of automobiles and parking garage equipment and machinery and areas for parking of bicycles, if any;
- (j) The limited common elements described below;
and
- (k) All other portions of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use, and which are not included as part of a Unit.

LIMITED COMMON ELEMENTS. Certain parts of the common elements hereinafter called and designated limited common ele-

ments are herein set aside and reserved for the exclusive use of certain Units as follows:

(a) All common elements within the interior walls of the Units, subject to easements of access, ingress and egress for maintenance and repair of common elements and for emergency purposes in favor of all other Unit Owners.

(b) Mail boxes and similar items intended for the exclusive use of a Unit Owner which shall be designated by the numbers of the Units to whom they are appurtenant.

INTEREST TO BE TRANSFERRED TO PURCHASER: Each purchaser shall receive from the Developer a Condominium Conveyance Document which shall include a conveyance of the Commercial Apartment Unit being purchased along with a fifty-five (55) year (approximate) ground lease from the fee simple owner of the land for an undivided interest in the land equal to the undivided interest in the common elements attributable to said Unit. Ownership of the Unit, the interest in the common elements and the ground lease for an undivided interest in the land can never be separated or separately transferred.

The percentage of undivided interest in the common elements appurtenant to each Unit for all purposes, including voting and allocation of common profits and expenses, shall be as set forth in Exhibit "A" attached hereto.

NOTE: In the event the Board of Directors has reason to believe that a Commercial Unit is consuming common metered utilities in excess of the percentage allocation set forth in Exhibit "A", then the Board of Directors, in its sole discretion, may measure such consumption, if feasible, and if same is in excess of said percentage allocation, then and in such event, the Board of Directors may assess and charge the cost of the excess consumption against the Owner of the Unit in question.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Project and each of the Units thereon 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 other improvements on said Land, and for which adequate stairs, ventilation, plumbing, electrical and similar facilities exist. In addition to, and without limitation to the foregoing:

(a) Parking Stalls shall be used solely for the parking of motor vehicles, in accordance with such reasonable regulations as shall be established by the Board of Directors from time to time.

(b) Commercial Units shall be used solely for business and commercial purposes in accordance with all applicable statutes, ordinances and rules and regulations promulgated by proper governmental authorities. The Owners of Commercial Units may alter the layout of the spaces within their Commercial Units by modifying or adding interior

partitions so long as such changes do not affect the structural integrity of the Project.

(c) No Owner of a Unit shall do, or suffer or permit to be done or kept in a Unit, anything which would jeopardize or impair the soundness or safety of the Project, or which will interfere or unreasonably disturb the rights of other Unit Owners, or which will obstruct the common elements or reduce the value of the Project, or which would increase the rate or result in the cancellation of insurance applicable to the Project, or which would be noxious or offensive or an interference with the peaceful possession and proper use of other Units.

(d) Except as otherwise permitted herein, no Owner of a Unit shall, without the written approval of the Board of Directors, place or suffer to be placed upon or maintained (1) on any exterior door, wall or window or exterior boundary of a Unit, or upon any door, wall or window of the common element, any sign, curtains or drapes, awning or canopy, or advertising matter or thing of any kind, or (2) any decoration, lettering or advertising matter on the glass of any window or door of a Unit, or (3) any advertising matter within a Unit which is visible from the exterior thereof; provided, that the Board of Directors shall establish regulations permitting curtains or drapes and identifying signs or insignia upon terms and conditions as it deems appropriate in its discretion.

(e) No Unit Owner will, without the prior written consent of the Board of Directors, make any structural alterations within a Unit or any common element or limited common elements or make any alterations in or additions to the exterior of the Project (including awnings, jalousies, screens or air conditioners) except as provided in section (b) above. The Board of Directors shall not unreasonably withhold or delay its consent, and shall have the obligation to answer any written request by a Unit Owner for the Board's consent to any such alteration of a unit within thirty (30) days after its receipt of such request describing the proposed alteration in reasonable detail. The Board may charge a reasonable review fee and condition its consent upon such terms and conditions as it deems appropriate to protect the interests of the Association and the integrity of the Project including requirements such as obligations to restore such altered or modified areas to their original condition.

OWNERSHIP OF TITLE: The Preliminary Title Report dated December 2, 1982, issued by Hawaii Escrow and Title, Inc. reveals that fee simple title to the property is vested in Henry H. Wong, husband of Colene S. Wong. By Agreement of Sale dated September 26, 1980, Henry H. Wong has agreed to sell same to John M. Santos and Betty Ann Santos. Upon funding of the construction loan, the Agreement of Sale will be satisfied whereupon Mr. & Mrs. John Santos acquires fee simple title to the property and simultaneously will execute the Development Lease giving HALE-AINA DEVELOPMENT, INC. the right to develop the property.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report is subject to the following encumbrances:

(1) Any and all real property taxes that may be due and owing; reference is made to Finance Director, City and County of Honolulu.

(2) Assessments or charges levied by municipal or governmental authority or imposed by any other lawfully constituted body authorized by Statute to assess, levy and collect the same, if any.

(3) Title to all minerals and mines reserved to the State of Hawaii.

(4) That certain Mortgage dated January 14, 1979 made by Henry H. Wong, husband of Colene S. Wong, as mortgagor in favor of Charles J. Moses, husband of Doris Moses, as mortgagee, recorded in the Bureau of Conveyances of the State of Hawaii on June 4, 1979, in Liber 13743, at Page 231.

(5) Restriction of access on Kamehameha Highway.

(6) Agreement of Sale dated September 26, 1980, by and between Henry H. Wong, husband of Colene S. Wong, and John M. Santos and Betty Ann Santos, as tenants by the entirety, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 15267 at Page 578.

PURCHASE MONEY HANDLING: An executed copy of the Escrow Agreement dated August 23, 1982, by and between Hawaii Escrow and Title, Inc., as Escrow, and the Developer, has been submitted to the Real Estate Commission as part of this registration. On examination, the Escrow Agreement and the specimen Purchase Agreement also submitted to the Commission as a part of this registration, are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly with Sections 514A-39, 40, 63 through 66.

The Escrow Agreement provides, in part, that the purchaser shall be entitled to a refund of his funds if purchaser shall so request in writing and any one of the following events shall have occurred:

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

(b) If purchaser's funds were obtained prior to an issuance of a Final Public Report and if 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 situated 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) If the Final Public Report is not issued within one (1) year from the date of issuance of the Preliminary Public Report; PROVIDED, HOWEVER, that if the Final Public Report is issued after the one-year period and a copy of the final report is delivered to the purchaser either personally or by registered or certified mail with return receipt requested and at the same time the purchaser is notified in writing of his right of refund and cancellation of obligation and the waiver of such right upon his failure to act within a thirty-day period, the purchaser shall have thirty days from the date of delivery of the final report to exercise his right of refund and cancellation of obligation, after which period such right shall be deemed waived.

Except for cancellation under subparagraph (c) above, Escrow may deduct from any such refund made to a purchaser a sum of THIRTY-FIVE AND NO/100 DOLLARS (\$35.00) as and for a cancellation fee, together with the cost of any Credit Reports and other like incidental expenses reasonably incurred on behalf of purchaser. Except for the cancellation fee, the amount of any such charges to be so deducted shall be given to Escrow by Seller in writing within a reasonable time after the same have been incurred.

Among other things, the Purchase Agreement specifies that the purchaser subordinates his interest therein to the lien of a proposed construction mortgage, that Developer shall have the right to withhold consent to the assignment of Purchase Agreement and that Developer may alter building plans and the proposed Condominium Map without purchaser's approval and may increase the purchase price of the Units up to 5% of the original purchase price.

Additionally, the specimen Sales Contract provides that the Developer may cancel the purchase agreements for Units in the Project if less than 75% of the Project is sold within one year from the date of issuance of this report, and the Developer makes no warranties, express or implied, with respect to the property being sold or any common elements or anything installed therein.

It is incumbent upon the purchaser to read and understand the Escrow Agreement before signing the Purchase Agreement since the Escrow Agreement prescribes the procedure for receiving and disbursing the purchaser's installment payments prior to and after the completion of construction of the Project.

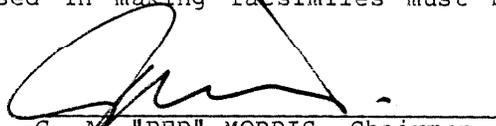
MANAGEMENT OF PROJECT: The By-Laws, which are incorporated into the Declaration, provide that the operation of the project shall be conducted for the Association of Unit Owners under the direction of the Board of Directors, and the Board

of Directors may appoint a responsible corporate managing agent.

STATUS OF PROJECT: The Developer advises that construction has not commenced but a construction contract has been signed. Construction is expected to start during December 1982 and is expected to be completed within approximately six (6) months thereafter.

The purchaser and prospective purchaser should be cognizant of the fact that this Preliminary Public Report represents information disclosed by the Developer in the required Notice of Intention submitted September 22, 1982, and information subsequently filed as of December 29, 1982.

THIS PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of Registration No. 1517, filed with the Commission on September 22, 1982. 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:

DIRECTOR OF FINANCE, CITY AND
COUNTY OF HONOLULU
BUREAU OF CONVEYANCES
PLANNING DEPARTMENT, CITY AND
COUNTY OF HONOLULU
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

Registration No. 1517

January 4, 1983

EXHIBIT "A"

COMMERCIAL UNITS

(1) <u>Unit No.</u>	(2) <u>Approximate Net Area in Square Feet</u>	(3) <u>Appurtenant Percentage of Common Interest</u>
FIRST FLOOR		
101	800	.039376
102	750	.036915
103	835	.041098
104	800	.039376
105	800	.039376
106	800	.039376
107	800	.039376
SECOND FLOOR		
201	920	.045282
202	920	.045282
203	1,210	.059556
204	3,680	.181129
THIRD FLOOR		
301	1,110	.054634
302	1,150	.056603
303	1,270	.062509
304	4,472	.220112

HALE KOU BUSINESS CENTER
DISCLOSURE ABSTRACT

1. Name of Project: HALE KOU BUSINESS CENTER
2. Address: 45-337 Kamehameha Highway, Kaneohe, Hawaii
96744
3. Name of Developer: HALE-AINA DEVELOPMENT, INC.
4. Address of Developer: 39 Maluniu Avenue, Kailua,
Hawaii 96734
5. Telephone Number: 734-1436
6. Project Manager or Agent: Mr. Byron Bishop
7. Address: 39 Maluniu Avenue, Kailua, Hawaii 96734
8. Maintenance Fees: Breakdown of project annual main-
tenance fees and the monthly estimated cost for each
unit, certified to have been based on generally accepted
accounting principles, is attached hereto as Exhibit A.
The Developer advises that the maintenance fees of a
condominium project are difficult to estimate prior to
actual operation of the project and even if maintenance
fees have been accurately estimated, such fees will tend
to increase in the present economy and as the building
ages. The estimated maintenance fees and monthly fees
for each unit are based on the latest information
available to the Developer and Managing Agent and are
subject to revision based on actual costs for the items
enumerated.
9. Commencement of Maintenance Fees: A unit owner shall
become obligated for the payment of the share of common
expenses allocated to his unit at such time as Developer

advises the unit owner that the unit is ready for occupancy or until such time as the Developer advises that after a certain date all owners of units including the Developer as owner of retained and/or unsold units shall be required to pay their respective share of the common expenses allocated to their units.

10. Warranties:

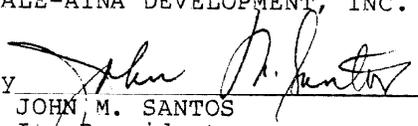
- (a) Individual Units and Common Elements: The warranty by the general contractor will be for the labor, materials and equipment produced or incorporated into the project, said items to be free from defects and in accordance with the construction contract. Other warranties from any manufacturer and/or suppliers, if any, shall be deemed to be transferred to Buyer upon final closing and recordation of the Condominium Conveyance Documents. Buyers shall handle all warranty claims directly with the manufacturer, supplier or their representatives.
- (b) Initiation and Expiration of any Such Warranties: The general contractor's warranty shall extend for one (1) year from the date of substantial completion issued by the architect or engineer for the project. Other warranties shall be for such period as provided by the manufacturer and/or supplier of the particular item.
- (c) Developer Makes No Warranties: Developer makes no warranties, express or implied, with respect to any unit or common element or anything installed therein, including, but not limited to, any implied warranty of merchantability, habitability, workman-

like construction or fitness of the unit for a particular purpose, it being expressly understood that the commercial units are being sold as "Loftspace" or totally unimproved shells.

11. Project: The project consists of a leasehold commercial condominium with fifteen (15) units contained in a three (3) story reinforced concrete building which includes a basement. See the Declaration, By-Laws, and other condominium documentation for details on description and uses of units.
12. Relocation of Parking Area II: Developer and/or Lessor has reserved the right to relocate Parking Area II from Parcel 72 to Parcel 15, if and when Parcel 15 is acquired in the future. In connection therewith, Developer and/or Lessor has also reserved the right to remove Parcel 72 from the Declaration and to substitute Parcel 15 instead. See Declaration and Specimen Condominium Conveyance Document for details.
13. Reservation of Future Development Rights: In the event that Parcel 72 is not removed from the Declaration, Developer and/or Lessor reserves the right to further develop Parcel 72 to the fullest extent allowed by law so long as similar parking is provided. See Declaration and Specimen Condominium Conveyance Document for details.

DATED: Honolulu, Hawaii, December 29, 1982

HALE-AINA DEVELOPMENT, INC.

By 
JOHN M. SANTOS
Its President

Developer

HALE KOU BUSINESS CENTER
PROPOSED BUDGET

	<u>Monthly Proposed Budget</u>	<u>Annual Proposed Budget</u>
<u>Receipts</u>		
Maintenance Fees	\$ 3,925	\$ 47,100
TOTAL RECEIPTS	<u>\$ 3,925</u>	<u>\$ 47,100</u>
<u>DISBURSEMENTS</u>		
<u>Maintenance & Upkeep</u>		
Building	500	6,000
Plumbing/Public Bathroom, Sanitary Maint.	100	1,200
Electric (lightbulbs, etc.)	50	600
Gardener/Maintenance	750	9,000
Fertilizer	50	600
Supplies/Tools	50	600
Fire Control - Extinguishers	25	300
Refuse Collection	150	1,800
	<u>1,675</u>	<u>20,100</u>
<u>Management & Professional Fees</u>		
Management Fees	1,000	12,000
Legal & Accounting	200	2,400
	<u>1,200</u>	<u>14,400</u>
<u>Utilities & Services</u>		
Electricity	250	3,000
Water/Sewage	150	1,800
	<u>400</u>	<u>4,800</u>
<u>Other Expenses</u>		
Fire Insurance/Liability	500	6,000
Miscellaneous	50	600
Capital Improvements Reserve	100	1,200
	<u>650</u>	<u>7,800</u>
TOTAL ESTIMATED DISBURSEMENTS	<u>\$ 3,925</u>	<u>\$ 47,100</u>

Based on approximately 20,367 square feet of Commercial Unit area, estimated maintenance cost per square foot is \$.20 per month.

The proposed receipts and disbursements are based upon preliminary drawings prepared by Ray W. Keuning, and specifications outlined in the Appraisal report prepared by _____, dated _____, 1982.

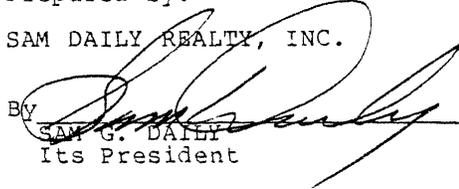
It is assumed that the condominium units and the common areas will be separately metered for water and electricity.

The estimated expenditures as outlined are derived from similar building complexes in Honolulu containing approximately the same footage, building height, and amenities at today's operating costs.

This proposed budget is based on information available when prepared and is subject to review and revision 90 days prior to pre-closing of any sales. It has been prepared based on generally accepted accounting principles.

Prepared by:

SAM DAILY REALTY, INC.

BY 
SAM G. DAILY
Its President

Date: 17 Sept 82