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

WAHIAWA MEDICAL BUILDING
302 California Avenue
Wahiawa, Hawaii

REGISTRATION NO. 1586 (CONVERSION)

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: March 14, 1984
Expires: April 14, 1985

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 JANUARY 26, 1984, AND ADDITIONAL INFORMATION SUBMITTED AS OF MARCH 9, 1984. 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. WAHIAWA MEDICAL BUILDING is a proposed fee simple condominium project consisting of twenty (20) commercial condominium apartment units and eighty three (83) standard size and open parking stalls.

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

3. The basic documents (Declaration of Horizontal Property Regime, Bylaws of the Association of Apartment Owners, and a copy of the approved floor plans) have not yet been filed in the appropriate recording office.

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 WAHIAWA MEDICAL BUILDING condominium project. The Developer is responsible for placing a true copy of this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers. Securing a signed receipt for said Preliminary Public Report and the Developer's Disclosure Abstract 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, March 14, 1984, unless a 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: WAHIAWA MEDICAL BUILDING

LOCATION: The land of the project consists of four (4) parcels (Lots 281, 282, 283 and 284) containing a total of approximately 75,000 square feet, situate at 302 California Avenue, Wahiawa, Hawaii. The Developer is, however, reserving the future right to withdraw from the Project a portion of said land containing approximately 37,500 square feet (See topical heading "Developer's Withdrawal Rights" hereinbelow).

TAX KEY: First Division, 7-3-04-36.

ZONING: The front portion of the property to a depth of approximately 150 feet is zoned B-2 (Business). The back portion of the property is presently zoned A-3 (Apartment).

NOTE: Under the approved Development Plan for the Wahiawa area, all of said property would be rezoned A-3. However, such change in zoning has not yet been implemented.

DEVELOPER: WAHIAWA BUSINESS CONDOMINIUM, INC., a Hawaii corporation, 99-128 Aiea Heights Drive, Suite 701, Aiea, Hawaii 96701. Telephone No. 487-7977. The names and addresses of the officers and directors are as follows:

NAME	OFFICE	ADDRESS
MANUEL ABUNDO	President/Director	93-1370 Kulawai Street Aiea, Hawaii 96701
DAVID TAOGOSHI	Vice-President Director	98-1539 Akaaka Street Aiea, Hawaii 96701
RICHARD TESORO	Treasurer/Director	95-192 Mohai Place Mililani Town, HI 96789
NOBERTO BAYSA	Secretary/Director	20 Uluwehi Street Wahiawa, Hawaii 96786
DANIEL WHANG	Director	94-1160 Polinahe Place Waipahu, Hawaii 96797
ANGELITA CATALAN	Director	98-205 Puaahi Street Aiea, Hawaii 96701
SALVADOR CECILIO	Director	94-1077 Mahua Place Waipahu, Hawaii 96797

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 consists of a two-story building without a basement containing a total of twenty (20) commercial apartments (hereinafter called the "Units" or "Commercial Units"). The Project also includes landscaped grounds, driveways and parking areas containing eighty three (83) parking stalls.

2. Description of Building. The building is a two-story structure which has been built around a central courtyard. The principal materials used in the construction of the building are wood, concrete, glass and gypsum board.

There are four (4) entries to the building on the ground floor. The entry fronting on California Avenue provides direct and exclusive access to Commercial Unit "D". The other three (3) entries, located on the west, east and north side of the building, permit access to the lobby area from the parking areas of the Project. In addition to said entries, the ground floor of the building contains the courtyard and lobby areas, walkways, an elevator and elevator equipment room, janitor's closet, lavatory, stairways, storage under stairway No. 2 and Commercial Units A through G, inclusive. Parking areas containing eighty three (83) uncovered, unassigned standard size parking stalls are located adjacent to the building.

The second floor consists of an interior walkway around the perimeter of the courtyard, an equipment room, elevator lobby, janitor's closet, lavatory facilities, stairways and thirteen (13) Commercial Units, being Units H through S, inclusive.

3. Access. The building is serviced by an elevator and two (2) stairways. Each of the Units on the ground floor has immediate access to its entry by way of walkways connecting such entries to the parking areas of the Project. Second floor Units have access to the ground floor and the lobby and parking areas by way of said elevator and stairways.

DESCRIPTION OF UNITS.

1. Units. The Project is divided into twenty (20) separate 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 net area in square feet, number of rooms, and undivided percentage interest in the common elements.

2. Limits of Units. Except as otherwise provided hereinbelow, 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 improvements and partitions presently installed therein.

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, except for their inner finished surfaces; and (iii) any pipes, shafts, chases, utility lines, conducts, 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.

The approximate net area of each Unit, as set forth in Exhibit "A" attached hereto, is computed by measuring from the interior surfaces of the perimeter walls to the surfaces 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:

1. All the land of the Project in fee simple;

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

3. All structural elements, walkways, retaining walls, fences and railings;

4. All driveways, ramps and parking areas;

5. All pedestrian walkways, yards, grounds and landscaped areas, and the interior courtyard and lobby;

6. 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

7. 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 "limited common elements", are set aside and reserved for the exclusive use of certain Commercial Units, and such Units shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are listed below. Unless otherwise provided, all costs of every kind pertaining to each limited common element, including but not limited to cost of security, maintenance, repair, replacement, additions and improvements, shall be borne entirely by the Unit or Units to which they are appurtenant. If any cost is charged to more than one Unit, each such Unit shall bear that portion of the total cost equal to the ratio which its common interest bears to the total common interest of all Units responsible for said cost.

1. The ground floor entry fronting on California Avenue is appurtenant to and for the exclusive use of Unit "D".

2. 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.

PARKING LICENSE. Each Unit owner shall have the right and license to park one or more passenger cars, or other vehicles which are no larger than an ordinary passenger car, in the parking areas at all times and from time to time. The number of vehicles which each Unit owner may park pursuant to such parking license is more particularly set forth in Exhibit "A" attached hereto and made a part hereto. The owner's parking license for each Unit is appurtenant to that Unit and may not be leased or transferred independently of, or in any other manner separated from, the Unit to which it is appurtenant and

shall be deemed to be leased, conveyed, encumbered or transferred with the Unit even though the owner's parking license is not expressly mentioned or described in the conveyance or other instrument. The Board of Directors of the Association shall have the sole and exclusive right at all times and from time to time to designate and to change the parking stall(s) assigned to any Unit owner pursuant to the owner's parking license. However, no space will be permanently assigned to any owner or Unit. The Board shall have the further right to designate the parking stalls to be utilized for guest parking.

INTEREST TO BE CONVEYED TO PURCHASERS: The Developer will, by means of a Unit Deed, convey to each purchaser his Unit and the undivided percentage interest in the common elements appurtenant thereto. 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.

RESTRICTIONS AS TO USE: The building and each of the Units are intended and restricted as to use, and shall be used only for general office purposes and other commercial uses which are consistent with and appropriate to the design of the building and the Units and for which adequate parking stalls, stairs, ventilation, plumbing and similar facilities exist, and in accordance with all applicable laws, ordinances and regulations.

In addition to the foregoing, the proposed Declaration states that no Unit shall be rented for transient purposes, which is defined as a rental for less than thirty (30) days.

ALTERATIONS: The proposed Declaration provides that Unit owners and their tenants shall have the right to make alterations within their Units, subject to the terms, conditions and limitations set forth in the proposed Declaration.

OWNERSHIP OF TITLE: A Preliminary Title Report dated January 5, 1984, issued by Title Guaranty of Hawaii, Inc., indicates that fee simple title to the land is vested in Wahiawa Investment Partners, a Hawaii limited partnership. The Developer has purchased the property by way of Agreement of Sale more particularly described hereinbelow.

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

AS TO ALL LOTS:

1. For any real property taxes that may be due and owing, reference is made to the Office of the Finance Director, City and County of Honolulu.

2. The covenants contained in Deed dated December 27, 1913, filed a Land Court Document No. 594.

3. Any and all unrecorded space leases and any liens affecting the same.

4. That certain Mortgage, dated June 4, 1976, made by WAHIAWA INVESTMENT PARTNERS, a Hawaii limited partnership, Mortgagor, in favor of FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF HAWAII, a Federal corporation, Mortgagee, filed in the Land Court of the State of Hawaii as Land Court Document No. 767713.

5. That certain Agreement of Sale, dated November 1, 1978, by and between WAHIAWA INVESTMENT PARTNERS, a Hawaii limited partnership, Vendor, and WAHIAWA OFFICE BUILDING PARTNERSHIP, a Hawaii general partnership, filed as aforesaid as Land Court Document No. 907725.

6. That certain Assignment of Purchaser's Interest in Agreement of Sale as Security and Financing Statement, dated April 10, 1981, filed as Document No. 1065008, the interest of WAHIAWA OFFICE BUILDING PARTNERSHIP, a Hawaii general partnership, in the above Agreement of Sale, was assigned to BANK OF HAWAII, a Hawaii corporation.

7. That certain unrecorded Lease, dated November 1, 1978, of which a Short Form Lease is dated February 23, 1979, filed as Document No. 938908, entered into by and between WAHIAWA OFFICE BUILDING (also known as Wahiawa Office Building Partnership), a registered Hawaii general partnership, as Lessor, and GEORGE EUGENE KENESSEY (also known as Dr. George E. Kenessey), husband of Annabelle Kenessey, as Lessee.

8. That certain unrecorded Lease, dated February 1, 1979, of which a Short Form Lease is dated July 6, 1979, filed as Document No. 957572, entered into by and between WAHIAWA OFFICE BUILDING PARTNERSHIP, a Hawaii registered partnership, as Lessor, and MEDICAL ARTS CLINIC, INC., a Hawaii corporation, as Lessee.

9. That certain unrecorded Lease, dated November 15, 1979, of which a Short Form Lease is dated May 30, 1980, but effective as of November 15, 1979, filed as Document No. 1050401, entered into by and between WAHIAWA OFFICE BUILDING PARTNERSHIP, a Hawaii general partnership, as Lessor, and PHILIP JHUNE WHAN LEE, husband of Teruko Okuno Lee, as Lessee.

AS TO LOTS 283 AND 284:

10. A right of way for a ditch given by T.H. Gibson, et al., Trustee, to Wahiawa Water Company, Limited, dated June 15, 1904, filed as Land Court Document No. 2.

DEVELOPER'S WITHDRAWAL RIGHTS: The proposed Declaration reserves to the Developer the right, up to but not later than December 31, 1994, to require alteration of the Project by withdrawing therefrom and causing the reconveyance to Developer or its assigns of any portion or all of the land within the common element area delineated on said Condominium Map as "Lot B". Such withdrawal and reconveyance shall be effected on the following terms and conditions:

(a) If the withdrawal shall require any consolidation or subdivision of the land of the Project, Developer shall arrange for the same at its sole cost and expense;

(b) Developer shall give each Unit owner and lienholder at least thirty (30) days prior written notice of its intention to withdraw such land;

(c) Developer shall, at its own expense and without being required to obtain the consent or joinder of any Unit owner or lienholder: (i) execute and file an amendment to the Declaration and the Condominium Map to withdraw all or any portion of the common element area or areas designated as being subject to withdrawal; and (ii) when applicable, add, delete, relocate, realign, reserve and grant all easements and rights-of-way (including, without limitation, an access easement approximately 22 feet wide over and across the driveway at the westerly end of the Project) over, under and on the common elements necessary or desirable to service the land withdrawn, including but not limited to easements and/or rights-of-ways for utilities, cesspools, sanitary and storm sewers, cable television, refuse disposal, driveways, parking areas and roadways; provided, however, that such easements and/or rights-of-way do not materially impair the use of any Unit or its appurtenant common interest in the common elements, and, provided further that the withdrawal of land occupied by parking stalls shall not be deemed such a material impairment if the Developer shall execute appropriate easement agreements in favor of the Association and/or the affected owners which permit the continued use of such parking stalls; (iii) execute and file a deed reconveying to Developer the land so withdrawn; and (iv) execute and file any consolidation and/or subdivision applications, Land Court Petitions and other documents which are necessary or appropriate in connection with the consolidation, subdivision, withdrawal or reconveyance of the withdrawn land. If and to the extent that any such documents require the consent or joinder of the Unit Owners, Developer shall have the right to execute the same as the attorney-in-fact for each of the Unit Owners of the Project pursuant to the power of attorney set forth in the proposed Declaration and in the deed for each of said Units;

(d) The withdrawal shall become effective upon the filing with the Office of the Assistant Registrar of the Land Court of the State of Hawaii of an amendment to the Declaration noting such withdrawal and setting forth a description of the land withdrawn from the Project as a common element, and the land remaining;

(e) Subject to subparagraph (c) (ii) hereinabove, no withdrawal shall be permitted which requires the alteration or destruction of any existing Unit or the limited common elements appurtenant thereto;

(f) Developer, or its assigns, shall grant such perpetual easements in favor of the Association as shall be necessary to permit the Association to continue to use all of the parking stalls then situate on the withdrawn land and for

ingress and egress to and from said parking stalls; provided, that the Association shall, in consideration of the granting of such easements, agree in writing to maintain said parking stalls and to pay thirty percent (30%) of all real property taxes and other expenses thereafter assessed against or allocable to the land (exclusive of any improvements thereon) so withdrawn; and

(g) Until the effective date of such withdrawal, Developer shall be solely responsible for the payment of seventy percent (70%) of all real property taxes and other expenses assessed against or allocable to Lot "B".

NOTE: Approximately fifty one (51) parking stalls are located wholly or partially on the land subject to withdrawal. However, the Developer has agreed to grant such easements to permit the perpetual use of such stalls by the Association and/or the affected Unit owners.

DEVELOPER'S OPTION TO CONSTRUCT ADDITIONAL INCREMENT:

(a) The proposed Declaration further provides that in lieu of exercising the right of withdrawal described above, and notwithstanding the conveyance of any apartment or anything to the contrary in this proposed Declaration, Developer shall, from time to time, have the right at its option, up to but not later than December 31, 1994, to require alteration of the Project by creating not more than seventy five (75) residential and/or commercial apartments, with appurtenant facilities and other common elements (hereinafter called the "Additional Increment") within the area delineated on said Condominium Map as Lot "B", and to thereafter merge said Additional Increment with the then existing Units and common elements of the Project (hereinafter called the "Preceding Increment").

(b) In furtherance of the rights reserved to Developer under the proposed Declaration, Developer, its employees, agents, contractors and subcontractors, shall have the right at any time, and from time to time, to enter upon the Project and the common elements thereof and do all things reasonably necessary, desirable or useful for constructing, completing and selling the Additional Increment, connecting the same to the utility installations of the Project, and selling the apartments contained within said Additional Increment upon and subject to the following terms and conditions:

(1) The Additional Increment shall be constructed in accordance with plans and specifications prepared by a licensed architect; provided, however, that such plans and specifications shall not require the alteration or demolition of any Units in the Preceding Increment or any buildings or structures constituting part of the common elements thereof;

(2) Developer shall have the right to remove, amend, redesign, alter or add common elements and to add, delete, relocate, realign, reserve and grant all easements and rights-of-way over, under and on the common elements necessary or desirable to service said Additional Increment, including

but not limited to easements and rights-of-way for utilities, cesspools, sanitary and storm sewers, sewage treatment plants, cable television, refuse disposal, driveways, parking areas and roadways; provided, that such easements and rights-of-way shall not materially impair the use of any Unit in the Preceding Increment or its appurtenant interest in the common elements;

(3) Developer shall have the right to sell and issue apartment deeds for any apartment in the Additional Increment, to place signs or other advertising at the Project in connection with such sales and to use any of said apartments as model units so long as such activities shall not unreasonably affect the use and enjoyment of the apartments in the Preceding Increment.

(4) Before the commencement of construction of the Additional Increment, Developer shall (i) secure a performance and payment bond, issued by a surety licensed to do business in the State of Hawaii and having a net worth of not less than $10,000.00, naming as obligees the Developer, and collectively the owners of all Units in the Preceding Increment, as their interests may appear through the Association of Unit Owners, in a penal sum of not less than one hundred percent (100%) of the cost of the construction of said Additional Increment guaranteeing completion thereof free and clear of all mechanic's and materialmen's liens; and (ii) furnish to the Association of Unit Owners satisfactory evidence that Developer has obtained a construction loan commitment and/or other immediately available funds in an aggregate amount sufficient to pay in full the costs of constructing and completing said Additional Increment, including without limitation, the cost of construction, land acquisition, financing commitment fees, appraisal, architectural, engineering, legal and accounting fees, and all other costs and expenses associated with such construction;

(5) The construction and sale of the Additional Increment shall be performed in such manner as shall cause the least practicable annoyance to and interference with the Unit owners of the Preceding Increment. Each purchaser of a Unit in the Preceding Increment, by his acceptance and occupancy of his Unit on closing, agrees (i) to remain outside of any fenced or posted construction areas or any other areas upon which work is being performed pending completion, and to exert diligent efforts to prohibit entry into such areas by his employees, agents and invitees; and (ii) to indemnify and save harmless Developer and its contractors and agents from and against any and all loss or liability for death or injury to persons or damage or loss of property on account of such entry either by the Unit purchaser or his employees, agents and invitees;

(6) Developer shall have the right, at its own expense, and without being required to obtain the consent or joinder of any apartment owner or lienholder, to execute and file such amendments to this Declaration, the Bylaws and said Condominium Map as shall be necessary or appropriate in furtherance of the rights reserved to Developer to construct and complete the Additional Increment, and without limiting the generality of the foregoing, Developer may amend this

Declaration and the Bylaws: (i) to create and establish the Additional Increment; (ii) to describe and allocate the common interest, common elements and limited common elements appurtenant to the Additional Increment; (iii) to decrease the common interest appurtenant to each Unit in the Preceding Increment; (iv) to modify the constituency and make up of the Board of Directors to create sub-boards and/or management committees and to alter the manner in which common expenses are allocated between and among the Additional Increment and Preceding Increment; and (v) to merge the Additional Increment with and into the Preceding Increment as herein provided;

(7) The common interest appurtenant to each Unit in the Preceding Increment shall be decreased and the common interest appurtenant to each new apartment in the Additional Increment shall be allocated on the following basis: The total net floor area (exclusive of lanais) of all of the apartments in the Preceding and the Additional Increment shall first be determined. The net floor area of each such apartment shall then be divided by such total net floor area and the resulting quotient shall be the common interest appurtenant to each such apartment;

(8) Until the merger of the Additional Increment as hereinafter provided, Developer shall be responsible for the payment of seventy percent (70%) of all real property taxes and other expenses assessed against or allocable to Lot "B", as shown on the Condominium Map (but excluding any such taxes assessed against the existing improvements herein described). In no event shall the owners of Units in the Preceding Increment have any liability for any common expenses attributable to common interests to be constructed as part of the Additional Increment prior to the merger of such Additional Increment;

(9) The merger of the Additional Increment with the Preceding Increment shall take effect only after the completion of such Additional Increment and the issuance of a Certificate of Occupancy therefor and upon the filing by Developer of an Amendment to the Declaration which shall certify that said increment has been completed as aforesaid and that the merger has been consummated. Except as may otherwise be provided in any such Amendment to the Declaration, the following consequences shall ensue from and after the effective date of such merger:

(i) The increments so merged shall be treated for purposes of administration, use and sharing of common expenses as though they had been developed, divided into apartments and used by the owners thereof as a single undivided Project. The apartments in each of the merged increments shall have an equal and non-exclusive right to use the common elements constructed as a part of each of said increments, subject to the terms, conditions and limitations provided herein and in the Bylaws attached hereto, and the apartments in each of the merged increments shall have appurtenant thereto an undivided percentage interest in the common elements of the Project and the same proportionate share in all common profits and expenses of the Project, and for all other purposes

including voting; provided, that Developer reserves the right to redesignate certain portion of the Project as limited common elements appurtenant to either the Preceding Increment or the Additional Increment;

(ii) The Developer may require the owner of the additional apartments added to the Project by merger to make contribution, in addition to their share of the common expenses, to the maintenance reserves of the Project. The Developer may provide that such contributions may be made over a period of time, and in establishing the amounts and terms of such contribution, Developer shall take into account the amount of maintenance reserves accumulated prior to the addition of such apartments and the condition of the Units in the Preceding Increment. The owners of additional apartments added to the Project by merger shall not be obligated to pay or assume any debts, expenses, costs or other obligations incurred by or on behalf of the Association of Unit Owners as of the effective date of the merger, with the exception of any such debts, expenses, costs or obligations which were incurred for the common benefit of the Units in the Preceding Increment and the additional apartments added to the Project by merger; and

(iii) Within sixty (60) days following the completion and merger of the Additional Increment, a special meeting of the Association of Unit Owners shall be called to elect a new Board of Directors to replace the existing board of directors and govern the entire Project. The procedures for calling and holding such a meeting and all of the meetings of the Association shall be set forth in the Bylaws recorded concurrently herewith.

POWER OF ATTORNEY. Under the proposed Declaration and Unit Deed, each Unit Owner designates Developer as its attorney-in-fact, with power of substitution, to execute any amendments to the Declaration, Bylaws or Condominium Map, and any reconveyance deeds, easement agreements and any other documents necessary or appropriate to effect the withdrawal of said land and the reconveyance thereof to Developer or the construction and sale of the Additional Increment, as described above. The acceptance of ownership of a Unit in the Project shall constitute a grant of such power and such grant, being coupled with the interest of the Developer so reserved shall be irrevocable so long as the rights reserved to Developer under the proposed Declaration shall remain in existence pursuant to the terms thereof.

PURCHASE MONEY HANDLING: An executed Escrow Agreement, dated December 5, 1983, 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 contract if less than fifteen (15) Units shall have been sold on or before December 31, 1984.

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

(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 REPAYMENT OF A LOAN.

(4) The Units are being sold "as is", and the Developer is making no warranties whatsoever, express or implied, with respect to the Units or the common elements.

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 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 proposed Declaration permits the Developer to appoint the initial Managing Agent. The initial Managing Agent shall be Aiea Realty, Inc., whose address is 99-128 Aiea Heights Drive, Suite 701, Aiea, Hawaii 96701, who is authorized by the proposed Declaration to receive service of legal process in all cases provided in the Horizontal Property Act.

STATUS OF PROJECT: The construction of the building was completed in 1975. A letter from the Director and Building Superintendent, City and County of Honolulu, confirms that the building met all code requirements at the time of construction, and there were no variance or special permit granted to allow deviation from any applicable codes. It has been used since completion as a medical office building, and it is presently occupied by various tenants who entered into space leases with the former owner of the building. It is presently intended that the Units will be primarily offered to and purchased by the existing tenants. However, since the Developer is obligated to honor all such space leases, any Unit which is not acquired by a tenant will be conveyed subject to the leasehold rights of any existing tenant. Accordingly, the purchase of a Unit may not be deemed desirable by non-tenant buyers who have a need to immediately occupy their Units. Since the existing tenant leases have a varying term and since the lease rentals may, in some cases, be under market, it is very important that each purchaser or prospective purchaser obtain complete information from the Developer regarding any tenancy affecting his Unit.

With respect to purchasers who are not existing tenants, the Developer's sole obligation will be to assign to such purchaser at closing the lessor's interest in and under any tenant lease, and to refund or credit to the buyer the amount of any security deposit paid by the tenant. After closing, the purchaser will be solely responsible for dealing with any tenant of his Unit and neither the Developer nor the Association shall have any involvement or responsibility in such regard.

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 January 26, 1984, and information subsequently filed as of March 9, 1984.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1586, submitted to the Commission on January 26, 1984. This report,

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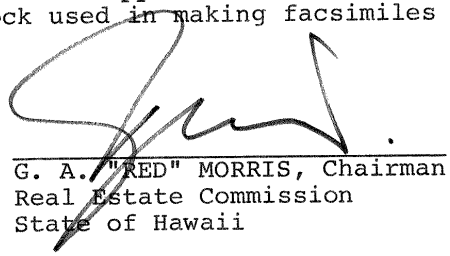

G. A. "RED" MORRIS, Chairman
Real Estate Commission
State of Hawaii

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

Registration No. 1586

March 14, 1984.

EXHIBIT "A"

Unit No.	Approx. Floor Area (net) Sq. Ft.	Percentage Common Interest	No. of Rooms	No. of Vehicles Per Parking License
Ground Floor				
A	739	3.289	8	2
B	1,280	5.696	2	2
C	795	3.538	1	2
D	4,743	21.108	30	8
E	415	1.847	1	1
F	837	3.725	4	2
G	958	4.263	1	2
Second Floor				
H	1,538	6.845	14	3
I	663	2.951	5	1
J	1,165	5.185	8	2
K	1,150	5.118	12	2
L	792	3.525	7	2
L_1	1,318	5.866	8	3
M	674	2.999	2	1
N	700	3.115	5	1
O	1,605	7.143	12	3
P	895	3.983	9	2
Q	687	3.057	5	1
R	726	3.231	6	1
S	790	3.516	6	2