

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

IWILEI BUSINESS CENTER
Iwilei Road and Sumner Street
Honolulu, Hawaii

REGISTRATION NO. 1588 (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: June 15, 1984

Expires: July 15, 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 FEBRUARY 1, 1984 AND INFORMATION SUBSEQUENTLY FILED AS OF JUNE 8, 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. IWILEI BUSINESS CENTER is a proposed fee simple Condominium Project, which will consist of one (1) parking apartment and five (5) commercial units in five existing buildings constructed from approximately 1921 to 1967. Of the five buildings, two (2) are single-story and three (3) are two story.
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 June 15, 1984, 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 IWILEI BUSINESS CENTER. 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: IWILEI BUSINESS CENTER

LOCATION: The 292,429 square feet of property to be committed to the regime is situated at Iwilei Road and Sumner Street, Honolulu, Hawaii.

TAX MAP KEY: 1-5-12-1; 4; and 9

ZONING: I-1

DEVELOPER: IWILEI BUSINESS CENTER, INC., a Hawaii corporation, whose principal place of business and post office address is Central Pacific Plaza, 220 South King Street, Suite 1700, Honolulu, Hawaii 96813; telephone no. 531-8091.

The officers of IWILEI BUSINESS CENTER, INC. are as follows:

<u>NAME</u>	<u>OFFICE</u>	<u>ADDRESS</u>
ROBERT O. LIPPI	President	Central Pacific Plaza 220 South King Street Suite 1700 Honolulu, Hawaii 96813
GAIL S. SIMS	Vice President	Central Pacific Plaza 220 South King Street Suite 1700 Honolulu, Hawaii 96813

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 sidewalks, driveways, yards, gardens and the vehicular ramp and stairways leading to the roof of Apartment 2 as designated on said Condominium Map.
- (c) All ducts, sewer lines, drain 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.
- (d) All tanks, pumps, motors, fans, compressors, ducts, and, in general, all apparatus and installations existing for common use.
- (e) The area other than the clerestory structure and portions of Apartment 6 on the roof of Apartment 2.
- (f) 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, called the "limited common elements", have been set aside and reserved 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) 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 each unit.
- (b) The walls, roofs, clerestory structure and skylights, serving Apartments 1, 2, 3, 4 and 5 as shown on the Condominium Maps shall be appurtenant to and for the exclusive use of such apartment, save and except the following:
 - (1) The walls serving Apartments 1 and 2 as shown on the Condominium Map shall be appurtenant to and for the exclusive use of said Apartments 1 and 2; and
 - (2) The walls serving Apartments 2 and 3 as shown on the Condominium Map shall be appurtenant to and for the exclusive use of said Apartments 2 and 3; and
 - (3) The walls serving Apartments 4 and 5 as shown on the Condominium Map shall be appurtenant to and for the exclusive use of said Apartments 4 and 5.
- (c) 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 follows:

<u>BUILDING</u>	<u>PERCENTAGE INTEREST</u>
1	.1094
2	.3060
3	.0453
4	.0504
5	.3785
6	.1104

For purposes of voting on all matters requiring action by the owners the above percentages 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.

PURPOSE OF APARTMENTS AND RESTRICTION AS TO USE:

Apartments 1 to 5 inclusive, shall be occupied and used only for light industrial, commercial, office or 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. Apartment 6 shall be used exclusively for the parking of vehicles. 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. Purchasers are urged to examine with care the proposed House Rules, a copy of which has been submitted to the Commission as Exhibit 1 to the proposed By-Laws, to familiarize themselves with limitations as to usage of the property.

OWNERSHIP OF TITLE: The Policy of Title Insurance dated December 2, 1983, issued by Title Guaranty of Hawaii, Inc., indicates that title to the land is vested in Lone Star Hawaii Properties, Inc., a Hawaii corporation. Lone Star Hawaii Properties, Inc. conveyed the land to its wholly owned subsidiary Iwilei Business Center, Inc., a Hawaii corporation, on January 31, 1984.

ENCUMBRANCES AGAINST TITLE: Said Policy of Title Insurance dated December 2, 1983, 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. AS TO PARCEL FIRST ONLY: Encroachment as set forth in Land Title Survey prepared by John Cline Mann, Registered Professional Land Surveyor, dated May 16, 1983 (revised July 11, 1983, July 18, 1983, September 14, 1983 and September 26, 1983), to-wit:

"7. An eave appurtenant to the building on Lot A, Land Court Application No. 449, encroaches into Parcel Second approximately 6 feet for a length of approximately 68 feet." (This eave extends from the adjoining property onto that common area alongside Apartment 5 and will be allowed to remain unless the Association of Apartment Owners of Iwilei Business Center desires to have same removed.)

3. AS TO PARCEL SECOND ONLY: Encroachment as set forth in Land Title Survey prepared by John Cline Mann, Registered Professional Land Surveyor, dated May 16, 1983 (revised July 11, 1983, July 18, 1983, September 14, 1983 and September 26, 1983), to-wit:

"8. A conveyor belt and support beams appurtenant to the building on Parcel Third crosses the Northerly boundary of said Parcel Third." (This belt and beams have been removed.)

4. AS TO PARCEL THIRD (C) ONLY:

(A) Grant in favor of the City and County of Honolulu, dated February 24, 1939, recorded in Liber 1488 at Page 415; granting the right, in the nature of an easement, to be exercised and enjoyed by the Board of Water Supply, City and County of Honolulu, to install, maintain, operate, repair and remove an underground water pipe line or pipe lines under and across a portion of said parcel, said easement being more particularly described as per survey of John Cline Mann, Registered Professional Land Surveyor, dated May 16, 1983 (revised July 11, 1983, July 18, 1983, September 14, 1983 and September 26, 1983)

(B) Reservation contained in Deed dated July 18, 1939, recorded in Liber 1512 at Page 239, of a perpetual easement in the nature of a right-of-way in favor of the Board of Water Supply of the City and County of Honolulu for an underground water pipe line or pipe lines under and across a portion of said parcel, said easement being more particularly described as per survey of John Cline Mann, Registered Professional Land Surveyor, dated May 16, 1983 (revised July 11, 1983, July 18, 1983, September 14, 1983 and September 26, 1983)

"Together with the right of ingress and egress to and from said water main and hydrant right-of-way for repairs and maintenance, subject, however, to the same rights vested in both the said Board of Water Supply of the City and County of Honolulu and the said California Packing Corporation by the agreement between said parties dated February 24, 1939, hereinabove referred to as applicable to the Western portion of the abandoned portion of Sumner Street firstly hereinabove described, which agreement is by reference made a part hereof and applicable to the reservation hereinabove made in the nature of an easement over the parcel of land lastly hereinabove described, and subject also to the reversion of said right-of-way to said California Packing Corporation, upon the abandonment and non-use thereof by the said Board of Water Supply as contained in the agreement aforesaid between it and the California Packing Corporation."; as set forth in said Deed recorded in Liber 1512 at Page 239.

(C) Grant in favor of the City and County of Honolulu, dated ----- (acknowledged August 15, 1978), recorded in Liber 13158 at Page 780; granting easements to construct, reconstruct, install, maintain, operate, repair and remove an underground sewer pipe line or pipe lines through, under and across a portion of said parcel, said easements being more particularly described per survey of John Cline Mann, Registered Professional Land Surveyor, dated May 16, 1983 (revised July 11, 1983, July 18, 1983, September 14, 1983 and September 26, 1983).

(D) Encroachments as set forth in Land Title Survey prepared by John Cline Mann, Registered Professional Land Surveyor, dated May 16, 1983 (revised July 11, 1983, July 18, 1983, September 14, 1983 and September 26, 1983), to-wit:

"10. A conveyor belt crosses Iwilei Road, joining the buildings on Parcels Fourth and Fifth." (This will be removed.)

"11. Two 8 inch downspouts, two cleanouts and two 1-1/2 inch electrical conduit pipes encroach into Sumner Street by distances ranging from zero to 0.7 foot." (Located on Apartment 2, this will be allowed to remain.)

"15. Decorative projections at two levels, approximately 16.5 feet and 20 feet above sidewalk, encroach approximately 0.8 foot into Sumner Street and Iwilei Road from structural columns." (Located on Apartment 2, this will be allowed to remain.)

"18. A 2 inch pipe crosses over Sumner Street from Parcel Fourth to Parcel Seventh." (This will be removed.)

"19. An eave encroaches into Iwilei Road by distances ranging from zero to approximately 0.5 foot for a length of approximately 115 feet." (Located on Apartment 1, this will be allowed to remain.)

"20. Stairs, landing and pump on concrete appurtenant to the building on Parcel Sixth encroach into Parcel Fourth: Stairs and landing encroach into Parcel Fourth by distances of approximately 2 feet and 5.5 feet for a length of approximately 6 feet; pump and concrete pad encroach into Parcel Fourth by approximately 5 feet for a length of approximately 5.5 feet." (This will be removed.)

"21. An eave appurtenant to the building on Parcel Sixth encroaches into Parcel Fourth for a distance of approximately 3 feet for a length of approximately 7 feet." (This will be removed.)

"22. An overhead 8 inch pipeline joins the building on Parcel Fourth to the building on Parcel Sixth." (This will be removed.)

"23. An 8 inch PVC pipe appurtenant to Parcel Fourth encroaches into Parcel First by distances of zero to approximately 1.3 feet for a length of approximately 110 feet." (This will be removed.)

"24. A wood frame shed appurtenant to Parcel First encroaches into Parcel Fourth by a distance of 0.37 foot for a length of 10 feet." (This will be removed.)

"25. Eight structural columns appurtenant to the building in Parcel First encroach into Parcel Fourth by distances of zero to approximately 0.2 feet." (These columns encroach onto Apartment 5 from the adjoining property at its western boundary. Developer will allow these columns to remain and grant the necessary easements to the owner of the adjoining property.)

5. Mortgage and Security Agreement dated November 21, 1983, filed as Land Court Document No. 1205423, recorded in Liber 17492 at Page 532, made by Lone Star Hawaii Properties, Inc., a Hawaii corporation, to Del Monte Corporation, a New York corporation, to secure the repayment of the sum of \$6,000,000.00.

Said above Mortgage and Security Agreement was assigned to Bank of Hawaii, a Hawaii corporation, by instrument dated November 10, 1983, filed as Document No. 1205424, recorded in Liber 17492 at Page 565.

6. Unrecorded Lease dated November 17, 1983, entered into by and between Lone Star Hawaii Properties, Inc., a Hawaii corporation, "Landlord", and Del Monte Corporation, a New York corporation, "Tenant", of which a Short Form Lease is dated November 17, 1983, filed as Document No. 1205422, recorded in Liber 17492 at Page 516; leasing and demising the premises described herein for a term commencing on December 3, 1983 and expiring on February 29, 1984.

7. 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.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated February 24, 1984 between Title Guaranty Escrow Services, Inc., 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 this 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 established 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, and that his rights under the Sales Contract are subordinate to the existing mortgage and the lien of every additional mortgage securing the repayment of any interim loan that may be made to finance the cost of changes and modifications to the existing buildings and costs of other constructions.

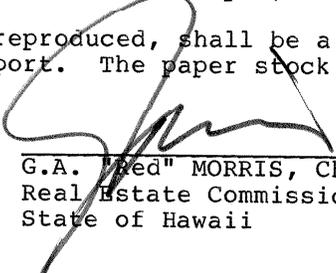
MANAGEMENT OF THE PROJECT: The proposed Declaration provides that the management of the project shall be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible managing agent. The Sales contract to be signed by the purchasers provides that the Seller (Developer) may appoint the initial manager and agent of the project. The Developer proposes to select Brian Thomas, Inc., 235 Queen Street, 5th Floor, Honolulu, Hawaii 96813, as the initial managing agent for the project.

STATUS OF PROJECT: Changes and modifications to the existing buildings will commence on or about June, 1984 and is scheduled for completion on or about December, 1984. The Developer has submitted to the Commission a letter from the Planning Director of the City and County of Honolulu dated April 9, 1984 indicating that though he could not verify that the buildings met code requirements at the time of construction because files were not kept at the time, a variance was granted in 1979 to extend the second floor of the cannery building by 20 feet. The letter further indicates that the buildings will be required to meet current code requirements as improvements are made.

The purchaser or prospective purchaser shall be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention dated February 1, 1984 and information subsequently filed as of June 8, 1984.

This Preliminary Horizontal Property Regimes (Condominium) Public Report is made a part of Registration No. 1588 filed with the Commission on February 1, 1984.

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. 1588

June 15, 1984