

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer HI HO SILVA PARTNERS
Address 94-535 Ukee Street, Waipahu, Hawaii 96797

Project Name(*): KALIHI KAI INDUSTRIAL CENTER
Address: 220 Kalihi Street, Honolulu, Hawaii 96819

Registration No. 2555 Effective date: May 5, 1994
Expiration date: June 5, 1995

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

 PRELIMINARY: The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.
(yellow)

 FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
(white)
[] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with _____

 X SECOND SUPPLEMENTARY: This report updates information contained in the:
(pink)
[] Preliminary Public Report dated: _____
[] Final Public Report dated: _____
[x] Supplementary Public Report dated: July 15, 1992

And [x] Supersedes all prior public reports
[] Must be read together with _____
[] This report reactivates the _____
public report(s) which expired on _____

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[] Required and attached to this report [x] Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

[] No prior reports have been issued by the developer.

[x] Changes made are as follows:

- A. First Amendment to Declaration of Condominium Property Regime for Kalihi Kai Industrial Center was recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 92-075258.

The First Amendment (1) clarifies the rights of an owner who owns two or more adjoining apartments to consolidate and resubdivide the apartments and (2) consolidates and resubdivides Apartments 7 and 8 so that the area of Apartment 7 increased by 933 square feet, from 4,477 square feet to 5,410 square feet, and the area of Apartment 8 decreased by 933 square feet, from 5,767 square feet to 4,834 square feet. Correspondingly the percentage common interest of Apartment 7 increased from 17.9547% to 21.6964% and the percentage common interest of Apartment 8 decreased from 23.1280% to 19.3863%.

- B. Second Amendment to Declaration of Condominium Property Regime for Kalihi Kai Industrial Center was recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 94-043460.

The Second Amendment (1) consolidates Apartments 1, 2 and 7 into Apartment 1C; (2) consolidates Apartments 3, 4, 5 and 6 and resubdivides said consolidation into Apartments 3C, 4C and 5C (Apartment 5C is a combined 5 and 6 together with a portion of Apartments 3 and 4 - Apartment 6 has been eliminated); and (3) renumbers Apartment 8 (now designated as Apartment 2C); and (4) re-assigns the parking stalls after the consolidation and resubdivision of the apartments. Correspondingly the percentage common interest of the apartments were recomputed based upon the ratio of the total area of the apartment to the aggregate area of all apartments.

- C. The zoning of the Land was changed on April 27, 1992, from Industrial-Commercial Mixed Use District to Industrial-2 Intensive Industrial District. A table listing the new permitted uses and structures under the Industrial-2 Intensive Industrial District is attached hereto as Exhibit K. The prospective purchaser must review the list of permitted uses and structures to confirm that the prospective purchaser's intended use will conform to the Land Use Ordinance before signing a sales contract.

SPECIAL ATTENTION:

1. **Warranties.** The Developer makes no warranties, express or implied, with respect to the apartment, the Property or consumer products or other things installed or contained in the apartment, the Property or the project including, but not limited to, warranties of merchantability, habitability, workmanlike construction or fitness for a particular use. (See Exhibit H)
2. **Apartment Definition.** The words "apartment" or "condominium apartment", except where the context definitely prescribes another interpretation, are used interchangeably herein and shall have the same meaning as "apartment" in Chapter 514A, Hawaii Revised Statutes.

The prospective purchaser is cautioned to carefully review the documents with regard to the information on the foregoing.

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Hi Ho Silva Partners Phone: 671-6460
Name 94-535 Ukee Street (Business)
Business Address Waipahu, Hawaii 96797

Names of officers or general partners of developers who are corporations or partnerships:

Bert A. Kobayashi, General Partner James H. Kobayashi, General Partner
Ronald H. Kobayashi, General Partner Melvyn T. Iwaki, General Partner
Kristie K. Ebato, General Partner

Real Estate Broker: Kauwe and Associates, Inc. Phone: 839-1945
Name 2828 Paa Street, Suite 1100 (Business)
Business Address Honolulu, Hawaii 96819

Escrow: Long & Melone Escrow, Ltd. Phone: 531-3189
Name 810 Richards Street, Suite 644 (Business)
Business Address Honolulu, Hawaii 96813

General Contractor: Albert C. Kobayashi, Inc. Phone: 671-6460
Name 94-535 Ukee Street (Business)
Business Address Waipahu, Hawaii 96797

Condominium Managing Agent: Self-managed by Association Phone: _____
Name of Apartment Owners (Business)
Business Address _____

Attorney for Developer: Tanaka & Tsugawa, Attorneys At Law Phone: 523-7581
Name Suite 1100, Pacific Tower, 1001 Bishop Street (Business)
Business Address Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

- A. Declaration of Condominium Property Regime contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances: Document No. 92-003345
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

First Amendment to Declaration of Condominium Property Regime dated May 8, 1992, and Second Amendment to Declaration of Condominium Property Regime dated March 9, 1994, recorded as Document Nos. 92-075258 and 94-043460, respectively.

- B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

- Proposed
 Recorded - Bureau of Conveyances Condo Map No. 1597
 Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

First Amendment to Declaration of Condominium Property Regime dated May 8, 1992, and Second Amendment to Declaration of Condominium Property Regime dated March 9, 1994, recorded as Document Nos. 92-075258 and 94-043460, respectively.

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances: Document No. 92-003346
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

D. House Rules. The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. Changes to Condominium Documents

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>N/A</u>

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. Developer:

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules:

Developer reserves the right to amend the Declaration (including any Exhibits attached to the Declaration), the By-Laws and Condominium Map in any manner for any apartment which has not yet been conveyed. Developer also reserves the right to file the "as-built" certificate required by Section 514A-12, Hawaii Revised Statutes, including a verified statement of a registered architect or professional engineer.

See also Exhibit F for other Developer's easements and reservations.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per Month Year

For Subleaseholds:

- Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
 Canceled Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit B contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: 30 years - March 1, 1992 to February 28, 2022

Rent Renegotiation Date(s): March 1, 2002; March 1, 2007; March 1, 2012; March 1, 2017

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit B contains a schedule of the lease rent for each apartment per Month Year

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 220 Kalihi Street Tax Map Key: (1) 1-2-6: Parcels 35 & 77
Honolulu, Hawaii 96819 (TMK)

[] Address [x] TMK is expected to change because the parcels have been consolidated

Land Area: 25,728 [x] square feet [] acre(s) Zoning: Industrial-2 Intensive Industrial District*

*Exhibit K attached hereto is Table 18-A to the Land Use Ordinance of the City and County of Honolulu and lists the permitted uses and structures for the Land.

Lessor

(Fee Owner): M. M. Fukuda, Inc.
Name
94-535 Ukee Street
Address
Waipahu, Hawaii 96797

Sublessor:

Name

Address

C. Buildings and Other Improvements:

1. New Building(s) Conversion of Existing Building(s) Both New Building(s) and Conversion

2. Number of Buildings: one Floors Per Building one, with mezzanine

Exhibit C contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other steel, metal panels, aluminum and glass

4. Permitted Uses by Zoning:

	No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>	No. of <u>Apts.</u>	Use Determined <u>By Zoning</u>
<input type="checkbox"/> Residential	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Commercial	<u>5</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Industrial	_____	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Other: <u>**</u>	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

Yes No

**Developer reserves the right to conduct extensive sales activities on the project, and has other special rights. See Exhibit I.

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

- Pets: _____
- Number of Occupants: _____
- Other: area limits on office space use; load capacity limits on mezzanine use
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

one each apt. except

Elevators: -0- Stairways: 1C has two Trash Chutes: -0-

<u>Apt. Type</u>	<u>Quantity</u>	<u>*BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>A</u>	<u>1</u>	<u>2 half baths</u>	<u>10,413.0</u>	<u>---</u>
<u>B</u>	<u>1</u>	<u>1 half bath</u>	<u>4,834.0</u>	<u>---</u>
<u>C, CR</u>	<u>2</u>	<u>1 half bath</u>	<u>1,622.0</u>	<u>---</u>
<u>D</u>	<u>1</u>	<u>1½ bath</u>	<u>6,444.0</u>	<u>---</u>

Total Apartments: 5

***Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.**

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

The respective apartments shall be deemed to include the perimeter walls, all doors, door frames, windows and window frames, the floor, ceiling and roof of each apartment; any pipes, wires, conduits or other utility or service lines which serve only such apartment; except that any pipe, wire, conduit, driveway, walkway, drain or other utility or service line that serves more than one apartment is a common element and not part of an apartment.

Permitted Alterations to Apartments:

Apartment Owner can make non-structural alterations to interior of apartments; Apartments 1C, 3C, 4C and 5C have a location outside the building to locate air conditioning equipment so that air conditioning can be provided to each apartment, at the owner's expense, provided that the plans have the prior approval of the Board of Directors.

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u> x </u>	<u> </u>	<u> </u>
Structures	<u> x </u>	<u> </u>	<u> </u>
Lot	<u> x </u>	<u> </u>	<u> </u>

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit D .

as follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

[] There are no limited common elements in this project.

[x] The limited common elements and the apartments which use them, as described in the Declaration, are:

[x] described in Exhibit E.

[] as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

[] described in Exhibit _____.

[x] as follows:

<u>Apartment Number</u>	<u>Percentage Common Interest</u>
1C	41.7606
2C	19.3864
3C	6.5049
4C	6.5049
5C	<u>25.8432</u>
	100.00%

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit F describes the encumbrances against the title contained in the title report dated February 25, 1994 and issued by Long & Melone, Ltd.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[] There are no blanket liens affecting title to the individual apartments.

[x] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	<p>The Buyer's interest is subject to the interest of the holder of the mortgage. Among other things, this means that if the Developer defaults, the mortgage lender may take over the Project, the Buyer's deposit may not be returned and the Buyer may lose all rights to acquire the apartment.</p> <p>The mortgage will be released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the mortgage.</p>

F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

See Exhibit H.

2. Appliances:

None.

G. Status of Construction and Estimated Completion Date:

The construction of the project, except for interior partition walls, stairs and bathrooms, was completed on June 10, 1992. The interior improvements will be done at the Buyer's election.

H. Project Phases:

The developer [] has [x] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

IV. CONDOMINIUM MANAGEMENT

A. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

- not affiliated with the Developer
- self-managed by the Association of Apartment Owners
- the Developer or the Developer's affiliate.
- other _____

B. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit G contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

- None
- Electricity (common elements)
- Gas
- Water
- Sewer
- Television Cable
- Other _____

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit I contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated November 27, 1991.
Exhibit J contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

- A) The Developer delivers to the buyer a copy of:
 - 1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission;
 - AND
 - 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
- B) The buyer is given an opportunity to read the report(s); AND
- C) One of the following has occurred:
 - 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND
- B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended
 - C) Bylaws of the Association of Apartment Owners.
 - D) ~~House Rules~~
 - E) Condominium Map, as amended
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other Declaration of Restrictive Covenant
-

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 2555 filed with the Real Estate Commission on 11/27/91.

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OPTION TO PURCHASE FEE SIMPLE INTEREST

Each apartment owner/lessee shall have the exclusive option to purchase the Lessor's undivided fee simple interest in the Land equal to the percentage common interest of the apartment on the following terms and conditions:

1. the option must be exercised by each Lessee only after March 1, 2002, and before February 28, 2007.
2. the purchase price for the Lessor's undivided fee simple interest in the Land for each of the five apartments shall be determined by the amount the apartment owner/lessee pays the Developer for the Developer's interest in the apartment, subject to the CCD, subtracted from the product of the area of the apartment times \$270.00 per square foot. Thus, if the Developer is paid the sum equal to \$135.00 per square foot for the Developer's interest in the apartment, then the purchase price for the Lessor's fee simple interest in each apartment shall be fixed as follows:

Apartment 1C	\$1,405,755.70
2C	652,589.84
3C	218,969.57
4C	218,969.57
5C	<u>869,940.25</u>
Total	\$3,366,225.00

3. the purchase price shall be paid in cash on the Closing Date which date shall be not more than one hundred twenty (120) days after the exercise of an option.
4. the option terminates after February 28, 2007, if not exercised prior thereto.

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

HI HO SILVA PARTNERS

Name of Developer

By: 

Duly Authorized Signatory

3/8/94
Date

Ronald H Kobayashi Partner
print name & title of person signing above

Distribution:

Department of Finance, City & County of Honolulu
Planning Department, City & County of Honolulu
Federal Housing Administration

EXHIBIT A

Apartment Types and Descriptions

There are five types of apartments, located in a one-story building with a mezzanine level, designated as Types "A", "B", "C", "CR", and "D". An "R" in the designation indicates the reverse of the apartment type designated by the letter preceding the "R".

Type "A". Eight-room apartment consisting of a two-room warehouse/auxiliary office space and two one-half bathrooms on the ground floor, and a four-room limited warehouse/auxiliary office space on the mezzanine level. The Type "A" apartment contains an area of 7,282 square feet on the ground floor and 3,131 square feet on the mezzanine level, for a total area of 10,413 square feet.

Type "B". Three-room apartment consisting of a one-room warehouse/auxiliary space and a one-half bathroom on the ground floor, and a limited warehouse/auxiliary office space on the mezzanine level. The Type "B" apartment contains an area of 2,919 square feet on the ground floor and 1,915 square feet on the mezzanine level, for a total area of 4,834 square feet.

Type "C" and "CR". Four-room apartment consisting of a warehouse/auxiliary office space and a one-half bathroom on the ground floor and a two-room limited warehouse/auxiliary office space on the mezzanine level. The Type "C" and "CR" apartments contain an area of 819 square feet on the ground floor and 803 square feet on the mezzanine level, for a total area of 1,622 square feet each.

Type "D". Ten-room apartment consisting of a four-room warehouse/auxiliary office space and one bathroom on the ground floor and a four-room warehouse/auxiliary office space and one bathroom on the mezzanine level. The Type "D" apartment contained an area of 4,826 square feet on the ground floor and 1,618 square feet on the mezzanine level, for a total area of 6,444 square feet.

AUXILIARY OFFICE SPACE IS LIMITED TO TEN PERCENT (10%) OF THE FLOOR AREA OF EACH LEVEL IN THE APARTMENT. THE MEZZANINE LEVEL OF ALL APARTMENTS ARE "LIMITED" WAREHOUSE USE BECAUSE THESE LEVELS HAVE A DESIGN "LIVE" LOAD CAPACITY OF SIXTY (60) POUNDS PER SQUARE FOOT.

In accordance with local architectural practice, the net area of each apartment is measured from the inside wall of each apartment to the opposite inside wall. THE AREAS SHOWN ABOVE ARE APPROXIMATE ONLY, AND THE DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE AREA OF ANY PARTICULAR APARTMENT.

The apartment types and descriptions are subject to modification when two or more adjoining apartments are consolidated.

EXHIBIT B

LEASEHOLD DISCLOSURE

1. Lease Rent - March 1, 1992 to February 28, 2002. The amount of the lease rent can vary depending on the price that the Lessee has paid for the Developer's interest in the apartment. If the Lessee pays a purchase price for the Developer's interest in the apartment equal to \$135.00 per square foot for each square foot in the apartment, then the Lessee shall have the option to select a fixed lease rent schedule or an annual adjustable lease rent schedule for the first ten (10) years of the lease, as follows:

ALTERNATE #1 - FIXED RENT SCHEDULE

Apartment	Fixed Monthly Lease Rent Until February 28, 2002	Annual Lease Rent Until February 28, 2002
1C	\$12,691.54	\$152,298.56
2C	5,891.75	70,701.11
3C	1,976.91	23,723.00
4C	1,976.91	23,723.00
5C	7,854.05	<u>94,248.70</u>
	Total	\$364,694.40

ALTERNATE #2 - ADJUSTABLE RENT SCHEDULE

The lease rental under this Alternate #2 shall be subject to adjustment annually during the first ten (10) years of the lease according to the following formula:

<u>Land Area</u>	×	<u>Land Value</u>	×	<u>apartment percentage common interest</u>	×	<u>prime rate of interest charged by Bank of Hawaii as of the last day of the previous calendar year plus two percentage points*</u>
25,728		\$135/sq.ft.		41.7606 (Apt. 1)		8.0%*

*The prime rate as of 12/31/93 was 6.0% and the annual lease rent for the lease period starting March 1, 1993 to February 28, 1995 for each Apartment is provided below. The lease rent for each of the remaining seven (7) years shall be determined annually based upon the above formula. The rents for the balance of the term of the lease from and after March 1, 2002, shall be renegotiated as provided in Section 2 below.

Apartment	Adjustable Monthly Lease Rent (Fixed Until February 28, 1995)	Adjustable Annual Lease Rent (Fixed Until February 28, 1995)
1C	\$9,669.75	\$116,037.00
2C	4,488.95	53,867.51
3C	1,506.22	18,074.67
4C	1,506.22	18,074.67
5C	5,984.04	<u>71,808.53</u>
	Total	\$277,862.38

2. Rent Renegotiations. The annual rental due under the Lease shall be renegotiated as of March 1, 2002, and each five years thereafter (March 1, 2007; March 1, 2012 and March 1, 2017). The annual rental shall be each apartment owner's proportionate share (based upon his percentage common interest) of the higher of (a) nine percent (9%) or (b) the prevailing rate of return charged or earned by other lessors for the same or similar properties with the same zoning as the demised premises located in the general area, including but not limited to Kakaako, Mapunapuna, Sand Island Access Road, and Airport Industrial area, times the fair market value, in fee simple, as of the date of commencement of such periods, of the Land upon which the Project is located, which fair market value shall be determined by written agreement of the Lessor and the Lessee, acting by and through the Board of Directors of the Association of Apartment Owners of the Project as its sole agent, or if they fail to reach such agreement at least ninety (90) days prior to the commencement of each such period, as determined by three appraisers appointed one each by Lessor and Lessee and the third appraiser appointed by the two appraisers. The fair market value of the Land shall be determined based upon the highest and best use of the Land as if the Land were vacant and unimproved except for infrastructure improvements, such as sewer, water, electric power, telephone, drainage, cable television and roads.

3. Surrender. After 30 years have passed the Lease will end. The Lease may also end earlier than 30 years if, for example, a large portion of the Land and building is condemned by the government and the remainder of the Land is not suitable for the intended purpose. Whenever the Lease ends, all apartment owners can choose to remove the building from the Land or leave the building as is where it is. If all apartment owners choose to leave the building as is where it is, then each apartment owner must sign an apartment deed conveying his interest in the building to the Lessor who will pay a total of \$50,000 to all apartment owners who shall share the \$50,000 based on each apartment owner's percentage common interest in the Project.

The \$50,000 may or may not be the fair market value of the building at that time.

4. Term. The term of the Lease is for 30 years from March 1, 1992. Any apartment lessee or owner does not have any right to extend the term of the Lease beyond 30 years.

5. Mandatory Leasehold Commercial Condominium Conversion. There are currently no statutory provisions for the mandatory conversion of leasehold commercial condominiums and there are no assurances that such measures will be enacted in the future.

EXHIBIT C

Description of Building

The project consists of one building constructed principally of steel, metal panels, aluminum, glass, concrete block and gypsum board. The building contains five (5) apartments. The building does not have a basement.

EXHIBIT D

Common Elements

One freehold estate is hereby designated in all of the remaining portions of the Project, herein called the "common elements", including specifically but not limited to:

(a) the Land described in Exhibit "A" attached to the Declaration, subject to the development agreement in favor of Developer which permits Developer to require the Fee Owner to issue 30-year leases to others, which leases shall include an option to purchase the fee simple interest, prorata of Fee Owner;

(b) Drainage ditches, channels, pipes, swales or fences serving more than one apartment;

(c) Any driveway providing ingress and egress to and from Hoe Street, Kalihi Street or Silva Street to the Property and any sidewalk, walkway, sign or mailbox located on any outside wall of the building or on top of the building; all planters and planting areas;

(d) All common premises for the use of maintenance personnel or other persons employed for operation of the Property, if any;

(e) Installations for services such as pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under, or across the Property which serve more than one apartment for services such as power, light, gas, sewage, drainage, telephone, air conditioning, radio and television signal distribution, if any, that is not owned by the governmental agency or electric, telephone or cable television company; provided, however, that ownership of any common element by the Association shall end at the meter box or other measuring device within the apartment or attached to any outside wall of any apartment; subject, however, to ownership in case of any governmental agency, or electric, telephone or television signal improvements as provided in the laws, rules or regulations applicable to the governmental agency or utility company providing such services;

(f) All other parts of the Property necessary or convenient to its existence, maintenance, and safety or normally in common use.

EXHIBIT E

Limited Common Elements

(a) Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the exclusive use of a specified apartment, and such apartment shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows: Each apartment shall have for its exclusive use (i) the mailbox bearing the same number or street address of such apartment; subject to the right of Declarant to determine the type, size, color, materials, construction method, and exact location of the mailbox for each apartment; (ii) the parking stall or stalls as shown on Exhibit "B" attached to the Declaration as being appurtenant to the designated apartment, subject to Declarant's right to convert an "unassigned" parking stall to an "assigned" parking stall as provided in Section 5.07 below; (iii) any meter box or measuring device for the exclusive use of an apartment which is not owned by any governmental agency or electric, telephone or cable television company.

(b) In addition, the following apartments shall have the exclusive easement for the use of the following limited common elements: (i) the driveway and the parking area on the Hoe Street side of Apartment 1C shall be appurtenant to and for the exclusive use of Apartment 1C; (ii) the driveway and the parking area on the Kalihi Street side of the building in front of Apartment 1C shall be appurtenant to and for the exclusive use of and in common with Apartment 1C and those other apartments to which parking stalls 1 to 10 shall be assigned and thus appurtenant; (iii) the driveway and the parking area on the Silva Street side of the building in front of Apartment 2C shall be appurtenant to and for the exclusive use of and in common with Apartment 2C and Apartment 5C to which parking stalls 14 to 19, inclusive, shall be assigned and thus appurtenant; (iv) Apartments 1C and 2C shall have the right to install wall air conditioning units in the wall that is not a common wall or a fire wall on the ground floor adjacent to the parking area or on the mezzanine level wall that is on the warehouse side of Apartment 2C and on the warehouse side of the portion of Apartment 1C closest to Hoe Street with the prior written approval of the majority of the Board of Directors and provided that if the wall unit is removed, then the wall shall be repaired to its original condition fair wear and tear excepted; (v) Apartments 1C, 3C, 4C and 5C have the right to install, at their respective expense and with the prior written approval of the majority of the Board of Directors, air conditioning condenser units in the spaces set aside for such use (along Kalihi Street in the case of Apartments 1C, and 3C and along Silva Street in the case of Apartments 4C and 5C) and such lines, channels, ducts and equipment necessary or appropriate to provide air conditioning to their respective apartments (which equipment, lines, channels, and ducts shall be appurtenant to the apartment it services). Apartments 1C and 5C have installed such units with the prior approval of the majority of the Board of Directors.

Each apartment shall also have the obligation to keep and maintain the limited common elements appurtenant to such apartment in good condition, fair wear and tear being excepted.

EXHIBIT F

Encumbrances Against Title

The Preliminary Report by Long & Melone, Ltd. dated February 25, 1994, reflects that fee simple title to the land is held by M. M. Fukuda, Inc., a Hawaii corporation.

Said Preliminary Report and Developer's report show title to the property to be subject to the following encumbrances:

1. Grant of Easement in favor of the City and County of Honolulu, dated November 2, 1973, recorded in said Bureau of Conveyances in Liber 9596, Page 232, for sanitary sewer purpose, containing an area of 2,587 square feet.

Said easement was granted to the Territory of Hawaii (now State of Hawaii) by instrument dated March 2, 1907, recorded in said Bureau of Conveyances in Liber 291, Page 223.
2. Declaration of Restrictive Covenants dated October 14, 1993, recorded in said Bureau of Conveyances as Document No. 93-172116.
3. That certain Mortgage, Security Agreement and Financing Statement dated November 4, 1992, in favor of First Hawaiian Bank, recorded in said Bureau of Conveyances as Document No. 92-182935.
4. Financing Statement made by M. M. Fukuda, Inc., "Debtor", and First Hawaiian Bank, "Secured Party", recorded in said Bureau of Conveyances as Document No. 92-182937.
5. Absolute Assignment of Rentals and Lessor's Interest in Leases dated November 4, 1992, made by M. M. Fukuda, Inc., a Hawaii corporation, as Assignor, and First Hawaiian Bank, dated November 4, 1992, and recorded in said Bureau of Conveyances as Document No. 92-182938.
6. Rights of parties in possession under unrecorded leases, subleases and/or tenancy agreements.
7. Condominium Conveyance Documents on the various condominium units, the rights thereunder and the encumbrances thereto.
8. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Condominium Property Regime dated January 8, 1992, recorded in said Bureau of Conveyances as Document No. 92-003345, as the same are or may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1597).
9. By-Laws of the Association of Apartment Owners of the condominium project known as "KALIHI KAI INDUSTRIAL CENTER", dated January 8, 1992, recorded in said Bureau of Conveyances as Document No. 92-003346, as the same may hereafter be amended.
10. For any real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor of the City and County of Honolulu.

The Developer has recorded the First Amendment to Declaration of Condominium Property Regime dated May 8, 1992, and the Second Amendment to Declaration of Condominium Property Regime dated March 9, 1994, in said Bureau of Conveyances as Document Nos. 92-075258 and 94-043460, respectively.

EXHIBIT G

KALIHI KAI INDUSTRIAL CENTER

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months</u>	<u>= Yearly Total</u>
1C	\$1,029.89	\$12,358.63
2C	478.10	5,737.21
3C	160.42	1,925.06
4C	160.42	1,925.06
5C	637.34	7,648.04
	<hr/>	<hr/>
	\$2,466.17	\$29,594.00

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements:

	<u>Monthly</u> x 12 months =	<u>Yearly Total</u>
Utilities and Services:		
Air Conditioning		
Electricity		
<input checked="" type="checkbox"/> common elements only	\$ 60.00	\$ 720.00
<input type="checkbox"/> common elements and apartments		
Gas		
Refuse Collection		
Telephone		
Water and Sewer	75.00	900.00
Maintenance, Repairs and Supplies:		
Building/Grounds	200.00	2,400.00
Grounds		
Management:		
Management Fee	1,369.00	16,428.00
Payroll and Payroll Taxes		
Office Expenses	10.00	120.00
Insurance:	250.00	3,000.00
Reserves:		
(See Attached Reserve Worksheet Computation)	354.17	4,250.00
Taxes and Government Assessments:		
Audit Fees:	100.00	1,200.00
Other:		
Fire Alarm Service	38.00	456.00
Miscellaneous	10.00	120.00
TOTAL	<u>\$2,466.17</u> =====	<u>\$29,594.00</u> =====

HI HO SILVA PARTNERS, the developer of the Kalihi Kai Industrial Center condominium project, acting as the initial Association of Residence Owners for the project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

HI HO SILVA PARTNERS

By Melany T. Davis

Its General Partner

Date: 4/20/94

KALIHI KAI INDUSTRIAL CENTER - REPLACEMENT RESERVE WORKSHEET COMPUTATION

Apartment No.	Square Footage	Common Interest-%	Annual Replacement Reserve Fund Metal Roof	Annual Total Reserve Fund Accumulation	Monthly Reserve Fund Accumulation
Unit #1C	10,413	41.7606%	\$1,774.83	\$1,774.83	\$147.90
Unit #2C	4,834	19.3864%	823.92	823.92	68.66
Unit #3C	1,622	6.5049%	276.46	276.46	23.04
Unit #4C	1,622	6.5049%	276.46	276.46	23.04
Unit #5C	6,444	25.8432%	1,098.34	1,098.34	91.53
	24,935	100.0000%	\$4,250.00	\$4,250.00	\$354.17

KALIHI KAI INDUSTRIAL CENTER - REPLACEMENT RESERVE WORKSHEET COMPUTATION

Reserve Replacement Item	Estimated Replacement Cost	Estimated Normal Life Cycle	Current Age	Estimated Remaining Life	Present Funds Available	Annual Reserve Contribution
Metal Roof	\$85,000.00	20.00	1.00	19.00	\$0.00	\$4,250.00
Projected Replacement Reserves on: 31-Dec-94					\$0.00	
Proposed Annual Accumulation to Replacement Reserves:						\$4,250.00
Proposed Monthly Accumulation to Replacement Reserves:						\$354.17

EXHIBIT H

Construction Warranties

Since more than one year has passed since the construction of the building was completed on June 10, 1992, there is no contractor's warranty applicable to the project and there are no manufacturers' warranties applicable to the project.

THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROPERTY, THE PROJECT, OR CONSUMER PRODUCTS OR OTHER THINGS INSTALLED OR CONTAINED IN THE APARTMENT, THE PROPERTY OR THE PROJECT, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR USE.

THE ATTENTION OF THE PURCHASER IS DIRECTED TO ARTICLE IV OF THE RESERVATION AND SALES AGREEMENT (INCORPORATED HEREIN BY THIS REFERENCE) PERTAINING TO THE ABSENCE OF REPRESENTATIONS AND WARRANTIES CONCERNING THE APARTMENT, THE PROPERTY, THE PROJECT, ESTIMATED MAINTENANCE FEES AND RENTAL OF THE APARTMENT.

EXHIBIT I

Summary of Pertinent Provisions of Sales Contract

The Sales Contract sets forth the terms and conditions concerning the sale of an apartment in the project for the stated purchase price.

Some of the salient areas of the Sales Contract are:

1. Developer retains certain reserved rights, some of which are:

a. Developer's construction and sales activities may continue in the Project after Buyer has occupied the apartment so Developer and its sales representatives and customers may use on-street parking and the common elements and limited common elements for sales purposes;

b. Developer may cancel the Sales Contract if a Buyer does not have the resources to pay the purchase price or does not diligently follow through with an application to finance the purchase price.

2. The closing date shall be sixty (60) days from the effective date of the contract which is the date when the Seller signs the Sales Contract.

This is a summary of selected portions of the Sales Contract and may be incomplete or inadvertently incorrect. The Buyer is requested to read and understand the terms and conditions of the Sales Contract before executing the Sales Contract.

EXHIBIT J

Summary of Pertinent Provisions of Escrow Agreement

The executed escrow agreement dated November 27, 1991, identifies Long & Melone Escrow, Ltd., as the "Escrow" and provides that a purchaser shall be entitled to a return of his funds, if any one of the following has occurred:

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

(b) Purchaser's entitlement to a refund pursuant to Hawaii Revised Statutes Sections 514A-62, 514A-63 or 514A-65 is established to the satisfaction of Escrow.

In either of the foregoing events, Escrow shall, upon the occurrence of the event described in (a) or (b) above or upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in (b) above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee and costs associated with the purchase up to a maximum of \$250.00), and thereupon said sales contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held under the Escrow Agreement.

The escrow agreement also provides that Escrow may disburse funds held by it to pay for construction costs of the project as certified by a financially disinterested person.

TABLE 18-A
I-2 INTENSIVE INDUSTRIAL DISTRICT
PERMITTED USES AND STRUCTURES

Principal	Special Accessory	Conditional
Agricultural products processing, minor and major	See Article 9, Accessory Use	See Article 4
Automobile service stations		<u>Conditional Uses, Type 1:</u>
Automobile sales and rentals		Historic structures, Use of
Bars, nightclubs, taverns	In addition:	Hotels
Broadcasting stations	Dwelling units, provided:	Joint development
Bulk merchandise delivery establishments	1. They are occupied by owners or caretakers of the principal use on the zoning lot.	Joint use of parking
Can, bottle and paper recycling	2. They are located above or behind the principal uses in such a way that they do not interrupt industrial frontage.	Neighborhood grocery stores
Car washing, mechanized, provided:	3. No more than 4 are located on a zoning lot, with only one dwelling unit per establishment.	Off-site parking facilities
1. There is no water runoff onto adjacent properties and public right-of-ways.		Utility installations, Type B
2. The lot does not adjoin* a zoning lot in a residential or apartment district	Offices, including administrative and executive offices, provided that they serve permitted uses in the district and are clearly required for those uses	Wind machines
Catering establishments		<u>Conditional Uses, Type 2:</u>
Centralized bulk collection, storage and distribution of agricultural products to wholesale and retail markets	Retailing of products which are assembled, fabricated, manufactured or processed on the premises, except as otherwise specified under Principal Uses	Broadcasting antennas
Commercial parking lots and garages		Explosive and toxic chemical manufacturing, storage and distribution
Day-care facilities		Petroleum processing
Drive-thru facilities, provided that no speaker boxes and drive-thru lanes shall be within 75 feet and 20 feet, respectively, of a zoning lot in a country, residential, apartment or apartment mixed use zoning district		Salvage, scrap and junk storage and processing
Eating establishments		Waste disposal and processing
Fabricating establishments		

(-continued-)

*Adjoining: without an intervening street or permanent open space over 25 feet in width.

TABLE 18-A
 I-2 INTENSIVE INDUSTRIAL DISTRICT
 PERMITTED USES AND STRUCTURES

Principal	Special Accessory	Conditional
Financial institutions		
Freight movers		
Greenhouses, plant nurseries		
Heavy equipment sales and rentals		
Heliports		
Helistops		
Kennels, commercial, including animal pounds and shelters		
Laboratories, medical and research		
Linen suppliers		
Manufacturing, processing and packaging establishments, except those listed as CUP's		
Motion picture and television production studios		
Photographic processing		
Public uses and structures		
Publishing plants for newspapers, books and magazines		
Repair establishments, minor		
Repair establishments, major		
Resource extraction		
Sale and service of machinery used in agricultural production		
Saw mills		
Schools: vocational, technical, industrial, trade		
Self-storage facilities		

(-continued-)

TABLE 18-A
I-2 INTENSIVE INDUSTRIAL DISTRICT
PERMITTED USES AND STRUCTURES

Principal	Special Accessory	Conditional
Storage and sale of seed, feed, fertilizer and other products essential to agricultural production		
Storage yards, but not the sale or processing of scrap, salvage or second-hand material; yards shall be completely enclosed except for necessary openings for ingress and egress by a fence or wall not less than 6 feet in height		
Telecommunications antennas, provided that fencing or other barriers are provided to restrict public access within the area exposed to a power density of 0.1 milliwatt/cm ²		
Truck terminals		
Utility installations, Type A		
Veterinary establishments		
Warehousing		
Wholesaling and distribution, including building or similar contracting and home improvement services, materials and equipment retailing and the incidental storage of materials and equipment in fully enclosed buildings		