

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

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

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on

HALAWA INDUSTRIAL PLAZA
99-1135 Iwaena Street
Halawa, Ewa, Hawaii

REGISTRATION NO. 1392

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 24, 1981
Expires: April 24, 1982

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 13, 1981 AND INFORMATION SUBSEQUENTLY FILED AS OF MARCH 18, 1981. 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. HALAWA INDUSTRIAL PLAZA is a proposed leasehold condominium project consisting of 20 industrial apartments contained in two separate single-story buildings and 56 parking stalls (16 of which are compact).
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 basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners and the floor plans) have not been recorded in the Bureau of Conveyances of the State of Hawaii.
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 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, March 24, 1981, unless a Final or Supplementary Public Report issues or the Commission, upon review of registration, issues an order extending the effective period of this report.
7. This Preliminary Public Report (yellow paper stock) is made a part of the registration of HALAWA INDUSTRIAL PLAZA condominium project. The Developer is required to provide all purchasers and prospective purchasers a copy of this report and the Disclosure Abstract and to secure a signed receipt therefor.

NAME OF PROJECT: HALAWA INDUSTRIAL PLAZA

LOCATION: The 45,345 square feet of property to be committed to the regime as a leasehold condominium project is situated at 99-1135 Iwaena Street, Halawa, District of Ewa, City and County of Honolulu, State of Hawaii.

TAX MAP KEY: 9-9-73-18.

ZONING: I-1

DEVELOPER: Halawa Industrial Plaza Associates, a Hawaii Registered Joint Venture, is the Developer. The partners of the Developer are X-CEL Realty, Inc., a Hawaii corporation, North Pacific Investment Corp., a Hawaii corporation, and NPXL Associates, a Hawaii registered limited partnership (of whom Michael Sasaki is the general partner). The Developer's address is 99-128 Aiea Heights Drive, Suite 701C, Aiea, Hawaii 96701, and the telephone number is 488-0994.

ATTORNEYS REPRESENTING SELLER: IKAZAKI, DEVENS, LO, YOUTH & NAKANO (Attention: Richard C. Lo and Curtis H. Shiramizu), 1412 Amfac Building, 700 Bishop Street, Honolulu, Hawaii 96813; telephone 521-1456.

DESCRIPTION: The proposed Declaration reflects that the project is to consist of two separate single-story buildings, without basement, designated as A and B, containing a total of twenty (20) industrial/commercial warehouse apartments. Each building will contain a total of ten (10) apartments. The project will also contain fifty-six (56) semi-covered parking stalls, of which sixteen (16) are compact size stalls, and two (2) loading spaces, all situated on the ground level. The principal materials of which the buildings will be constructed are concrete, glass, concrete block, steel, aluminium and gypsum board. The project will be constructed in accordance with plans and specifications prepared by Brian S. Kobayashi, AIA.

Type of Apartment. There are a total of twenty (20) freehold estates in the spaces within the perimeter walls, floors and ceilings of the twenty (20) warehouse spaces in said buildings. Each apartment consists of one (1) large open room, and the approximate areas of each apartment are set forth in the Exhibit attached hereto and made a part hereof. Each of the twenty (20) apartments will have immediate access to a parking area leading to a driveway on the grounds of the project and to Iwaena Street.

Apartment Location and Numbering: The apartments will be numbered and located as shown on the proposed Condominium Map. Buildings A and B will be rectangular-shaped buildings located parallel to each other on Iwaena Street, Building A being located to the north of Building B. Apartments 01 through 10, inclusive, are located in Building A and apartments 11 through 20, inclusive, are located in Building B. Apartment 01 will contain the same area as apartment 10 but will be the reverse in layout and configuration. Apartments

02, 04, 06 and 08 will be identical as will apartments 03, 05, 07 and 09. Apartments 02, 04, 06 and 08 will be the reverse in layout and configuration of apartments 03, 05, 07 and 09. Apartment 11 will contain the same area as apartment 20 but will be the reverse in layout and configuration. Apartments 12, 14, 16 and 18 will be identical as will apartments 13, 15, 17 and 19. Apartments 12, 14, 16 and 18 will be the reverse in layout and configuration of apartments 13, 15, 17 and 19.

Limits of Apartments: The twenty (20) apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls and party walls or interior load-bearing walls, if any, the floors and perimeter ceilings surrounding each apartment, or any pipes, wires, ducts, conduits, or other utility or service lines running through such apartments which are utilized for or serve more than one apartment, all of which are common elements. Each apartment shall be deemed to include the space and improvements within its perimeter and party walls, floors and ceilings, including all interior walls and partitions which are not load-bearing, if any; the inner decorated or finished surface of all walls, floors, and ceilings; all doors, windows, glass and screens. Notwithstanding the designation of the limits of the apartments, the square footage of each respective apartment as enumerated is measured from the exterior face of exterior walls and the center line of party walls, and no reduction is made to account for interior load-bearing walls, ducts, vent shafts and the like, located within the perimeter walls, all of which are common elements.

The Developer has expressly reserved the right not to erect party walls. In the event that the Developer does not erect the party walls, the apartments shall be deemed to be separated by the vertical planes which would have been formed by the party walls had they been erected, the base of which vertical planes shall be designated by the demarcation lines separating individual apartments as shown on the proposed Condominium Map.

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

- (a) Said land in fee simple.

(b) All foundations, columns, girders, beams, supports, main walls, and the roofs of the buildings.

(c) All building walkways and sidewalks, entrances and exits, planting areas, grounds, driveways, parking stalls, loading zones and fire escapes, if any.

(d) All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities, installations which serve more than one apartment for services such as power, light, water, gas, refuse, telephone, radio and television signal distribution.

(e) All tanks, pumps, motors, fans, compressors, ducts, and, in general, all apparatus and installations existing for common use.

(f) Any and all other 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 reflects that certain parts of the common elements, herein called the "limited common elements", are designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the use of such limited common elements, as follows:

(a) The fifty-six (56) parking spaces shall be assigned to each of the apartments as designated in said Exhibit attached hereto and as shown on the proposed Condominium Map upon the original conveyance thereof and shall be appurtenant to and for the exclusive use of such apartment. Each parking stall will have a basically rectangular floor (except as necessary to accommodate the building superstructure). Any parking space easement may be transferred from apartment to apartment in the project as provided herein and in Section 514A-14, HRS.

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

(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 are as set forth in said Exhibit attached hereto. For purposes of voting on all matters requiring action by the owners, the percentage as set forth in said Exhibit shall govern.

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

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The apartments shall be occupied and used for warehouse purposes and for such other purposes permitted by law.

The House Rules provide, in part (1) No alcoholic beverages whatsoever shall be dispensed for sale or manufacture anywhere within the project; and (2) No auction sales of any nature are permitted anywhere in the project.

OWNERSHIP OF TITLE: The Preliminary Report dated January 5, 1981, issued by Pacific Guaranty Title Corporation, reports that title to the land is vested in The Queen Emma Foundation, a Hawaii eleemosynary corporation. By Lease No. 43, dated November 21, 1980, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1043816, and also recorded in the Bureau of Conveyances of the State of Hawaii in Liber 15169 at Page 652, the Queen Emma Foundation did lease said land to the Developer, Halawa Industrial Plaza Associates, a Hawaii registered partnership, for a term of fifty-five (55) years commencing January 1, 1980 and terminating December 31, 2034. The Developer proposes to issue a subleasehold interest to each purchaser of an industrial apartment.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Report dated January 5, 1981 reports that title to the land is subject to the following encumbrances:

1. Real Property Taxes as may be due and owing. For further information on taxes, check with the Tax Assessor, First Division.
2. Title to all minerals and metallic mines reserved to the State of Hawaii.
3. A Lease, No. 43, affecting the premises therein stated, upon the terms, covenants and conditions therein provided, dated November 21, 1980, filed November 28, 1980, in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as

Document No. 1043816, and also recorded November 28, 1980, in the Bureau of Conveyances, State of Hawaii in Book 15169, Page 652, The Queen Emma Foundation, a Hawaii non-profit corporation, as Lessor, and Halawa Industrial Plaza Associates, a Hawaii registered partnership, as Lessee(s), for a term of 55 years commencing January 1, 1980 and terminating December 31, 2034.

4. Mortgage dated November 21, 1980, filed November 28, 1980, in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 1043817, and also recorded November 28, 1980, in the Bureau of Conveyances, State of Hawaii, in Book 15169, Page 671, to secure the repayment of \$420,000.00, and any additional advances and other amounts secured thereby, under the terms and provisions thereof, Halawa Industrial Plaza Associates, a Hawaii registered partnership, as Mortgagor, Lone Star Hawaii, Inc., a Hawaii corporation, as Mortgagee. (Affects the leasehold)

5. Improvement District No. 252 Assessment totalling \$76,974.21.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated February 13, 1981 between King Escrow Services Corporation, as Escrow, and the 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, and particularly Sections 514A-39, 514A-40, 514A-62 through 514A-66.

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

(a) Seller requests Escrow Agent to return to Buyer the funds of Buyer then being held hereunder by Escrow Agent; or

(b) Seller notifies Escrow Agent of Seller's exercise of the option to rescind the Sales Contract pursuant to any right of rescission stated therein or otherwise available to Seller; or

(c) If a Buyer's funds were obtained prior to the issuance of a Final Public Report and the request is

prior to the time the Final Public Report is issued; or

(d) If the Final Public Report differs in any material respect from the Preliminary Public Report, unless the Buyer has given written approval or acceptance of the difference; or

(e) If the Final Public Report is not issued within one (1) year from the date of issuance of the Preliminary Public Report.

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.

The specimen Sales Contract contains the following provisions, among others:

1. In addition to closing costs in the Sales Contract the purchaser will pay a sum equal to two (2) months estimated common expenses as a non-refundable, non-transferable "start-up fee" to the Association of Apartment Owners.

2. Prospective purchaser should be aware that the Seller's mortgage loan (interim, renewals and extensions) used for the development of the project shall be and remain at all times a superior lien on the project, and purchasers intentionally waive and subordinate the priority of lien under the Sales Contract in favor of the mortgage loan.

3. Purchaser will assume and be responsible for his proportionate share of Improvement District Assessment for Improvement District No. 252, Assessment Lot No. 41, as set forth in paragraph 2 of the Apartment Sublease.

It is incumbent upon the purchaser and the prospective purchaser that he read with care the Sales Contract and the executed Escrow Agreement. The latter establishes how the proceeds from the sale of commercial 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.

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

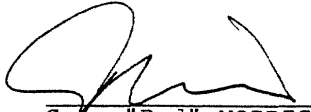
Sales Contract to be signed by the purchasers provides that the Seller may appoint the initial manager and agent of the project. The Seller proposes to select Certified Management, a division of A R Corporation, 98-1238 Kaahumanu Street, Suite 404, Pearl City, Hawaii 96782, as the initial managing agent for the project. A copy of the proposed Management Agreement has been submitted to the Commission.

STATUS OF PROJECT: The construction of the buildings will commence on or about June 30, 1981 and is scheduled for completion on or about November 30, 1981.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Seller in the required Notice of Intention submitted February 13, 1981 and information submitted as of March 18, 1981.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1392, filed with the Commission on February 13, 1981.

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 Taxation
Bureau of Conveyances
Planning Commission, County of Honolulu
Federal Housing Administration
Escrow Agent

Registration No. 1392

March 24, 1981

EXHIBIT

<u>Apartment No.</u>	<u>Apartment Area</u>	<u>Percentage Interest in the Common Elements to be Conveyed</u>	<u>Parking Stall Nos.</u>
01	approximately 660 square feet	4.15%	1 and 2
02	approximately 750 square feet	4.73%	3C, 4 and 5
03	approximately 750 square feet	4.73%	6, 7 and 8C
04	approximately 750 square feet	4.73%	9C, 10 and 11
05	approximately 750 square feet	4.73%	12, 13 and 14C
06	approximately 750 square feet	4.73%	15C, 16 and 17
07	approximately 750 square feet	4.73%	18, 19 and 20C
08	approximately 750 square feet	4.73%	21C, 22 and 23
09	approximately 750 square feet	4.73%	24, 25 and 26C
10	approximately 660 square feet	4.15%	27 and 28
11	approximately 770 square feet	4.85%	29 and 30
12	approximately 875 square feet	5.52%	31C, 32 and 33
13	approximately 875 square feet	5.52%	34, 35 and 36C
14	approximately 875 square feet	5.52%	37C, 38 and 39
15	approximately 875 square feet	5.52%	40, 41 and 42C
16	approximately 875 square feet	5.52%	43C, 44 and 45
17	approximately 875 square feet	5.52%	46, 47 and 48C
18	approximately 875 square feet	5.52%	49C, 50 and 51
19	approximately 875 square feet	5.52%	52, 53 and 54C
20	approximately 770 square feet	4.85%	55 and 56
		<u>100.00%</u>	