

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

CANNERY ROW
Dillingham Blvd. & Nimitz Highway
Honolulu, Oahu, Hawaii

REGISTRATION NO. 1742

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: April 8, 1986

Expires: May 8, 1987

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 ON MARCH 4, 1986 AND INFORMATION SUBSEQUENTLY FILED AS OF MARCH 21, 1986. 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. CANNERY ROW is a proposed fee-simple commercial condominium project (hereinafter called the "Project") consisting of an existing single one-story building, without basement, built in 1964 and added to in 1967, containing a total of one hundred forty-four (144) warehouse apartments (none of which is for residential purposes), together with other improvements, all built in accordance with floor plans filed with the Real Estate Commission. The Project will also contain thirty-one (31) loading platform apartments, one hundred eighty-six (186) parking apartments and twenty-three (23) yard apartments, all as shown on the proposed Condominium Map.
2. The Developer of the Project has submitted to the Commission for examination all documents considered necessary for the registration of this condominium project and issuance of this Preliminary Public Report. The Developer will be responsible for placing this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers. The Developer will also be responsible for obtaining a signed copy of the receipt therefor from each purchaser and prospective purchaser.
3. The basic documents (the Declaration of Horizontal Property Regime, the By-Laws of the Association of Apartment Owners, and the Condominium Map) have not yet been filed in the Office of the Assistant Registrar of the Land Court of Hawaii or recorded in the Bureau of Conveyances of the State of Hawaii.
4. No advertising or promotional material has been submitted pursuant to the rules and regulations issued by the Real Estate 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 rules and regulations of the Hawaii Real Estate Commission which relate to horizontal property regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, April 8, 1986, unless a Final Public Report is issued or unless the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: CANNERY ROW

LOCATION: The Project is located at Iwilei, Honolulu, Hawaii. The lot on which the Project is located is in the process of being subdivided and will consist of approximately 9.839 acres of land. A copy of the proposed subdivision map and letter granting tentative approval of the City Department of Land Utilization is on file with the Real Estate Commission.

TAX KEY: First Division: 1-5-16-04 (portion)

ZONING: I-1 Industrial

DEVELOPER: Cannery Row Associates, Inc., a Hawaii corporation, whose principal place of business is 1001 Bishop Street, 1400 Pauahi Tower, Honolulu, Hawaii 96813. (Telephone: 531-4202). The current officers of the corporation are as follows:

Michael S. Myers -- President/Treasurer
Paula F. Myers -- Vice-President/Secretary

ATTORNEY REPRESENTING DEVELOPER: James A. Stubenberg, 1188 Bishop Street, Suite 2108, Honolulu, Hawaii 96813 (Telephone: 526-0892)

DESCRIPTION OF THE PROJECT: The proposed Declaration of Horizontal Property Regime (the "Declaration") and the proposed plans (the "Condominium Map") submitted by the Developer indicate that the Project consists of a one-story building, containing one hundred forty-four (144) warehouse apartments, with thirty-one (31) loading platform apartments, one hundred eighty-six (186) parking apartments and twenty-three (23) yard apartments, all as shown on the Condominium Map. The building is constructed primarily of aluminum, steel, cement, plasterboard, wood, glass and allied construction materials.

1. Apartments.

(a) Each apartment consists of the space within the boundaries shown on the Condominium Map, which is enclosed by the exterior perimeter walls and/or the imaginary vertical planes (where there is no perimeter wall), and where applicable, the floor and ceiling of each apartment, as shown on the Condominium Map.

(b) The apartments in the Project are identified by apartment type and number on the Condominium Map and are located in the Project as shown on the Condominium Map. The floor plans of the apartments are as shown on the Condominium Map.

(c) Subject to the provisions of Section R of the Declaration, each apartment will have the approximate net floor area in square feet as set forth in Exhibit "1" attached hereto.

The approximate net floor areas set forth in Exhibit "1" are based on measurements taken from the interior surface of all perimeter walls and/or imaginary vertical planes as shown on the Condominium Map, except that no reduction is made to account for interior walls, ducts, vents, shafts, stairways and the like located within the perimeter walls and/or said imaginary vertical planes. All floor areas set forth in Exhibit "1" are not exact but are

approximations based on the floor plans of each apartment. All floor areas set forth in Exhibit "1" have also been rounded to the next lowest full square foot or tenth of a square foot.

The measurements set forth in Exhibit "1" do not follow the designation of the limits of the apartments (the legally designated areas of the apartments) set forth below and the floor areas set forth in Exhibit "1" may be greater than the floor areas of the apartments as so designated and described below.

(d) Warehouse apartments shall be owned, used and conveyed in adjoining groups and combinations together with each other and other apartment types so that each warehouse apartment will have access to the common areas of the Project through an adjoining apartment or apartments. Parking Apartment Nos. 129 to 186 shall be used, owned and conveyed in adjoining pairs as shown on Exhibit "1" so that the interior parking apartments will have access to the driveways of the Project through its companion parking apartment which immediately adjoins the driveways of the Project. All other apartments will have immediate access to the common areas of the Project.

(e) Notwithstanding the floor areas as set forth in Exhibit "1" and the manner in which such floor areas are measured, the respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls or partitions, the foundations, columns, girders, beams, floor slabs, footings, supports, roof and ceilings located within or at the perimeter of or surrounding such apartment, any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes or air exhaust running through or otherwise located within such apartment which are utilized for or serve more than one apartment, all of which are deemed common elements as hereinafter provided. Each apartment shall be deemed to include all of the walls and partitions which are not load-bearing and which are within its perimeter walls and/or side imaginary vertical planes; the inner decorated or finished surfaces of all walls, floors, roof and ceilings; all windows, window frames, louvers (if any), doors and door frames along the perimeter of the apartment; and all of the fixtures originally installed therein.

(f) The proposed Declaration of Horizontal Property Regime provides that notwithstanding any other provision in the Declaration to the contrary, the owner of an apartment may make any alterations or additions within an apartment (and the owner of any two adjoining apartments may alter or remove all or portions of the intervening walls at such owner's expense), provided that (i) the structural integrity of the building is not thereby affected; (ii) that provisions for access to the common areas of the Project are made, (iii) that such alterations and additions shall be

made in accordance with plans and specifications therefor prepared by a licensed architect or engineer; and (iv) that prior to commencing or permitting any work to be commenced therein or thereon, such apartment owner shall secure a performance bond naming the Association as a co-obligee in a penal amount of not less than 100% of the cost of the construction, guaranteeing completion of construction free and clear of all mechanics' and materialmen's liens. The alterations or additions permitted by the immediately preceding provisos shall require only the written approval thereof, including approval of the apartment owner's plans therefor, by the holders of first mortgage liens affecting such apartment (if the lien holders require such approval), by the appropriate agencies of the State of Hawaii and the City and County of Honolulu if such agencies so require, and by the Board of Directors of the Association (which approval shall not be unreasonably or arbitrarily withheld or delayed), and such alterations or additions may be undertaken without an amendment to the Declaration and without filing or recording of a complete set of floor plans of the Project as so altered. Prior to the termination of the common ownership of any two adjoining apartments, if any intervening common walls or access to the common areas of the Project shall have been altered or removed pursuant to the foregoing provisions, the owner of such apartment shall restore such intervening common walls and accessways to substantially the same condition in which they existed prior to such alteration or removal. NOTE: The Commission notes that there are four different types of apartments in this project and is concerned that the alteration of or addition to yard, loading platform and parking apartments may not be practicable. Prospective buyers should discuss any such proposed alterations/additions with Developer before hand.

(g) The proposed Declaration of Horizontal Property Regime provides that notwithstanding any other provision in the Declaration to the contrary, prior to (i) the time that all apartments in the Project have been sold and recorded, and (ii) the filing by the Developer of the "as built" verified statement (with plans, if applicable) required by Section 514A-12 of said Horizontal Property Act (but in no event later than December 31, 1989), the Developer shall have the right without the approval, consent or joinder of any apartment owner, (a) to make alterations in the project (and/or to amend the Declaration and the Condominium Map accordingly) which change the configuration, alter the number of rooms, decrease or increase the size, or change the location of any apartment (and the limited common elements appurtenant thereto) in the Project which is not sold and recorded; (b) to make alterations in the Project (and/or to amend the Declaration and the Condominium Map accordingly) which subdivide any apartment into any number of separate apartments (with the same or different appurtenant limited common elements), provided that the total common interests appurtenant to the subdivided apartments shall equal the common interest appurtenant to the original apartment; or (c) to make other

alterations in the Project (and/or to amend the Declaration and the Condominium Map accordingly) which make minor changes in any apartment in the Project or the common elements which do not affect the physical location, design or size of any apartment which has been sold and recorded; PROVIDED, HOWEVER, that any such changes shall be reflected in an amendment to the Declaration as provided in Section S of the Declaration. As used herein, the term "sold and recorded" shall mean and refer to the sale of apartments in the Project, and the filing in the Office of the Assistant Registrar of the Land Court of Hawaii of apartment conveyances transferring interests in the apartments from the Developer to parties not signatories to the Declaration.

COMMON ELEMENTS: The proposed Declaration of Horizontal Property Regime states that the common elements will include all the remaining portions of the Project (other than the apartments). The common elements will include, for example:

- (a) The Land in fee simple;
- (b) All foundations, columns, girders, beams, footings, floor slabs, supports, unfinished perimeter, party and load-bearing walls and partitions, and roof;
- (c) All roadways, fences, and gates;
- (d) All pipes, cables, conduits, ducts, sewer lines, pumps, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, gas (if any), sewer, water and telephone; and
- (e) 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: Certain parts of the common elements (the "limited common elements") are set aside and reserved for the exclusive use of certain apartments. Such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. Any entrance or exit which would normally be used only for the purposes of ingress to and egress from a specific apartment shall be a limited common element appurtenant to and reserved for the exclusive use of such apartment.

INTEREST TO BE CONVEYED TO BUYER: Except as otherwise provided in Section R, Section S or in any other Section of the Declaration, each apartment shall have appurtenant thereto an undivided percentage interest in the common elements of the Project, hereinafter referred to as the "common interest" (as set forth in Exhibit "1" attached hereto), and the same proportionate share in all common

profits and expenses of the Project and for all other purposes, including voting.

Each apartment and its appurtenant undivided interest in the common elements will be conveyed to the purchaser by an apartment deed (herein sometimes referred to as an "apartment conveyance").

EASEMENTS: In addition to any easements described in Exhibit "A" attached to the Declaration and to the exclusive easements established in the limited common elements, the apartments and common elements shall also have and be subject to the following easements:

1. Each apartment shall have appurtenant thereto nonexclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support, maintenance and repair of such apartment; in the other common elements for use according to their respective purposes; and in all other apartments and common elements of the building for support.

2. Each apartment shall also have appurtenant thereto easements over, across, under, in and through any other apartment or apartments as may be necessary for the installation, maintenance, and repair of utility lines and equipment, and each and every apartment shall be subject thereto; provided, however, that such easement rights shall be exercised so as not to unreasonably interfere with the use of the servient apartment by its owner or those under him and that said servient apartment shall be promptly restored to substantially the same condition existing immediately prior to the exercise of such rights.

3. If any part of the common elements now or hereafter encroaches upon any apartment or limited common element, or if any apartment now or hereafter encroaches upon any other apartment or upon any portion of the common elements, a valid easement for such encroachment and the maintenance thereof shall and does exist so long as such encroachment continues. In the event the building shall be partially or totally destroyed and then rebuilt, minor encroachments of any parts of the common elements or of any apartment due to such construction shall be permitted and valid easements for such encroachments and the maintenance thereof shall exist for so long as such encroachment exists.

4. The Association of Apartment Owners of the Project shall have the right, to be exercised by its Board of Directors or the Managing Agent, to enter each apartment and/or the limited common elements from time to time during reasonable hours as may be necessary for the operation of the Project, for making emergency repairs therein necessary to prevent damage to any apartments or common elements or for the inspection, installation, repair, maintenance or replacement of any common elements.

5. The Association of Apartment Owners of the Project shall have the right, exercisable by its Board of Directors to grant, convey, transfer, cancel, amend, relocate and otherwise deal with any easements over, under, across or through the common elements of the Project for any reasonable purpose, which may include, but shall not be limited to, those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any apartment, the common elements or any easements for utilities or for any public purpose.

6. The Association of Apartment Owners of the Project shall have the right, exercisable by its Board of Directors, to transfer, cancel, amend, relocate and otherwise deal with any easement over, under, across or through any lands adjacent to the Project, which may be appurtenant to the Land of the Project, for any reasonable purpose, which may include, but shall not be limited to, any of the same purposes set forth in Paragraph 5 above or for the reason that any owner of such lands adjacent to the Project exercises any right to require the relocation of any such easement.

7. The Developer, its agents, employees, contractors, licensees, successors and assigns shall have an easement over and upon any portion of the Project, including the common elements and any apartment, as may be reasonably necessary for the completion of any improvements to and correction of defects and other punchlist items in the common elements or any apartment.

8. The Developer, its successors and assigns shall have easements for access purposes, for electrical, gas, communications and other utility purposes, and for sewer, drainage and water facilities over, under, across, along and through the Land, together with the right to designate easements for the aforesaid purposes, if necessary; to grant to the State of Hawaii, the City and County of Honolulu, the Board of Water Supply of the City and County of Honolulu, any other appropriate governmental agency and/or any public utility or other corporation, easements for any such purposes over, under, across, along and through the Land under the usual terms and conditions required by the grantee of such easements rights; provided, however, that such easement rights must be exercised in such manner as to not unreasonably interfere with the use of the Land by the apartment owners and those claiming by, through or under the apartment owners, and in connection with the installation, maintenance or repair of any facilities pursuant to any of said easements the Land shall be promptly restored by and at the expense of the person owning and exercising such easement rights to substantially the condition of the Land immediately prior to the exercise thereof; and the acceptance or acquisition by any party of any interest in the Project shall constitute an undertaking and agreement by such party (a) to join in and execute, upon request, any and all documents designating and/or granting

any such easements, and (b) to perform and carry out at such party's expense, or to cause the Association of Apartment Owners to perform and carry out as a common expense, any obligation in any such grant of easement rights, or in any grant of easement specifically referred to in the Declaration, with respect to providing and maintaining any screening or landscaping or similar requirement as to facilities within the Land which may now or hereafter be required by law, ordinance or governmental agency, and (c) to indemnify and hold harmless the Developer and its successors and the grantee under any such grant of easement from all loss or liability arising from any breach of these undertakings and agreements.

9. The Developer, its successors and assigns shall have the right to transfer, cancel, amend, relocate or otherwise deal with any easement(s) for sewer line, water, electricity and/or other utility purposes over, under, across and through any lands adjacent to the Project, which may be appurtenant to the Land of the Project, for any reasonable purpose, which may include, but shall not be limited to, the cancellation of any or all such easements upon connection of any or all such utility services to City and County of Honolulu and/or public utility service lines at the boundary of the Land.

PURPOSES AND RESTRICTIONS AS TO USE: The proposed Declaration of Horizontal Property Regime provides that:

1. Warehouse Apartment Nos. 6 through 8, 14 through 16, 22 through 24, 30 through 32, 37 through 40, 45 through 48, 53 through 56, 61 through 64, and 68 through 144 shall be owned, occupied and used only for warehouse and/or factory purposes and such accessory uses related thereto. Loading Platform Apartment Nos. 2 through 28; Yard Apartment Nos. 1, 2 and 18 through 23; and Parking Apartment Nos. 1 through 89 and 129 through 186 shall be owned, occupied and used only for parking, loading, warehouse and/or factory purposes and accessory uses related thereto. The owner or owners of said apartments shall have the absolute right to rent or lease all or any portion or portions of said apartments in connection with such permitted purposes for any length of time and upon such terms and conditions as the owner or owners of such apartment(s) shall determine. Each of said apartments shall be subject to and shall be operated and used in full compliance with the terms, conditions and restrictions contained in Land Patent No. 11,044 issued on April 11, 1942, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 72 at Page 177, and in that certain Deed dated June 4, 1942, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 63522, each as amended by Land Court Order No. 74918 filed August 14, 1985 (collectively referred to as the "Restrictive Deeds"). All other apartments shall be operated and used only for industrial and warehouse purposes and for such other purposes as shall be permitted by law.

The owner or owners of said apartments shall have the absolute right to rent or lease all or any portion or portions of said apartments in connection with such permitted purposes for any length of time and upon such terms and conditions as the owner or owners of such apartment(s) shall determine.

2. Portions of the Project are subject to the restrictions on use set forth in said Restrictive Deeds. All apartment owners, their tenants, lessees, guests, invitees, licensees, employees, and any other person who may in any manner use the Project or any part thereof, shall comply strictly with the restrictions on use set forth in said Restrictive Deeds, and each apartment owner shall indemnify, defend and hold harmless the Developer, Castle & Cooke, Inc., Oceanic Properties, Inc., their respective successors and assigns, and the owners from time to time of any of the Lands described in said Restrictive Deeds, and their respective successors and assigns, against and from any and all claims, demands, losses, damages, costs and expenses arising out of or relating to any violation by such apartment owner, of anyone under such apartment owner, of any of the restrictions contained in said Restrictive Deeds.

3. Neither the Association of Apartment Owners of the Project nor any apartment owner shall suffer anything to be done or kept in an apartment or elsewhere in the Project which will (a) jeopardize the soundness of the building, (b) interfere with or otherwise unreasonably disturb the rights of other owners and occupants, (c) obstruct any walkway, stairway or entryway of the building, (d) increase the rate of fire or extended coverage insurance on the building or the contents thereof, (e) reduce the value of the building, or (f) violate any law, statute, ordinance, rule or regulation of any governmental entity or agency.

4. Except as otherwise expressly provided in Section R of the Declaration, an apartment owner shall not, without the prior written consent of the Board of Directors of the Association, make any alterations in or additions to the exterior of the apartment or any other portion of the common elements.

5. The Developer shall have the right to conduct extensive sales activities on and at the Project, including the use of model apartments, sales and management offices, and extensive sales displays and activities until the earlier to occur of: (i) December 31, 1989; or (ii) the closing of the sale of the last unsold apartment in the Project.

OWNERSHIP OF TITLE: The Preliminary Title Report issued by Title Guaranty of Hawaii, Incorporated on February 13, 1986, shows that Castle & Cooke, Inc. is the present fee owner of the Land. Oceanic Properties, Inc. has an option to

purchase the Land and has agreed to sell its interest to the Developer.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report issued on February 13, 1986, prepared by Title Guaranty of Hawaii, Incorporated, identifies the following encumbrances against the Land:

1. 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.
2. Grant in favor of Hawaiian Electric Company, Inc., and Hawaiian Telephone Company dated June 25, 1962, filed as Land Court Document No. 294021; granting an easement for utility purposes.
3. A 5-foot road setback line along Lot 2-B, as shown on Maps 1 and 2, as set forth by Land Court Order No. 74918, filed August 14, 1985.
4. Easement 1 (area 6.738 acres), situate within Lot 2-B, besides other land, as shown on Maps 1 and 2, as set forth by Land Court Order No. 74918, filed August 14, 1985.
5. Restriction to use for factory purposes only as noted in Land Patent Grant No. 11044, dated April 11, 1942, recorded in Liber 72 at Page 177 in the Bureau of Conveyances of the State of Hawaii, and as noted in Deed dated June 4, 1942, filed as Land Court Document No. 63522.

Amended from factory purposes only to warehouse, factory and/or roadway purposes and such accessory uses appurtenant thereto as approved on March 22, 1985 by the Board of Land and Natural Resources of the State of Hawaii within Land Court Order No. 74918, filed August 14, 1985.

6. MORTGAGE; SECURITY AGREEMENT; ASSIGNMENT OF CONTRACTS; AND FINANCING STATEMENT

MORTGAGOR : OCEANIC PROPERTIES, INC., a
Hawaii corporation

MORTGAGEE : FIRST HAWAIIAN BANK, a Hawaii
corporation

DATED : May 13, 1985

FILED : Land Court Document No. 1298868

RECORDED : Liber 18637 Page 578

(Also affects other land)

7. MORTGAGE; ASSIGNMENT OF RENTS AND LEASES; SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR : CASTLE & COOKE, INC., a Hawaii corporation
MORTGAGEE : THE FIRST NATIONAL BANK OF BOSTON, a National Banking Association, as agent
DATED : July 2, 1985
FILED : Land Court Document No. 1307640
RECORDED : Liber 18749 Page 427

(Also affects other land)

8. MORTGAGE; SECURITY AGREEMENT; ASSIGNMENT OF RENTS AND LEASES AND FINANCING STATEMENT

MORTGAGOR : OCEANIC PROPERTIES, INC., a Hawaii corporation
MORTGAGEE : THE FIRST NATIONAL BANK OF BOSTON, a National Banking Association, as agent
DATED : July 2, 1985
FILED : Land Court Document No. 1307643
RECORDED : Liber 18749 Page 736

(Also affects other land)

9. Unrecorded OPTION AGREEMENT dated January 15, 1985, effective February 10, 1985, by and between CASTLE & COOKE, INC., a Hawaii corporation, and OCEANIC PROPERTIES, INC., a Hawaii corporation, covering the Land, besides other land. (Not noted on Transfer Certificate of Title No. 274,105).

In addition, the Developer has advised the Commission of a grant in favor of Hawaiian Electric Company, Inc., dated December 5, 1974, filed as Document No. 704465, as amended by instrument dated February 28, 1985, filed as Document No. 1286578; granting an easement for utility purposes.

NOTE: The Developer has notified the Commission that at the time of the first conveyance of each apartment, each of the mortgage instruments described in items 6, 7 and 8 above will be paid and satisfied of record, or the apartment being conveyed and its common interest shall be released therefrom.

The Developer has also notified the Commission that prior to recordation of the Declaration, the Developer will acquire fee title to the Land from Oceanic Properties, Inc. The Land to be acquired shall include, among other things, the following easements:

(a) Easement "8" for access and utility purposes as shown on the proposed map (the "Proposed Subdivision Map") January 29, 1986, prepared by M & E Pacific, Inc., entitled "Land Court Consolidation 165, Subdivision Of Lot 2-B As Shown On Map 2 Into Lots 3, 4 and 5, And Designation of Easements 3 to 9, Inclusive", a copy of which Proposed Subdivision Map is on file with the Real Estate Commission.

(b) Easement "9" for sewer purposes as shown on the proposed Subdivision Map.

The Developer has also notified the Commission that the Land to be acquired from Oceanic Properties, Inc. will be subject, among other things, to the following easements:

(1) Easements in favor of Castle & Cooke, Inc., Oceanic Properties, Inc., and their respective successors and assigns, for access purposes over, across and through Easements "4" and "6" as shown on the Proposed Subdivision Map, together with the right to grant to the owner from time to time of Lot "1" and/or Lot "4" (as shown on the Proposed Subdivision Map) or any other person or persons, easements for such purpose over, across and through said Easements "4" and "6" under the usual terms and conditions required by a grantee of such easement rights. Said Easement "6" shall terminate automatically upon the closing of the Dole Pineapple Cannery located on said Lot "4" and other lands.

(2) Easement in favor of Castle & Cooke, Inc., Oceanic Properties, Inc., and their respective successors and assigns, for drainage purposes over, across, along and through Easement "7" as shown on the Proposed Subdivision Map, together with the right to grant to the owner from time to time of Lots "1" and/or "4" as shown on the Proposed Subdivision Map, or any other person or persons, easements for such purposes over, across, along and through said Easement "7", under the usual terms and conditions required by the grantee of such easement rights.

NOTE: The Developer has advised the Commission that the Easement numbers and Lot numbers referred to in quotes (" ") in paragraphs (a) and (b) above and in paragraphs (1) and (2) above merely refer to the Easement numbers and Lot numbers designated in the Proposed Subdivision Map and that the same are preliminary in nature and are subject to change.

RECONVEYANCE OF RESERVED AREA: According to the proposed Subdivision Map, the Land will have direct access to Dillingham Boulevard. However, the portion of land providing such access is to be reconveyed back to Castle & Cooke, Inc. and/or Oceanic Properties, Inc. with the intent to improve such area for roadway, access and utility purposes and dedicate such property to the county, state or other governmental agency according to the covenants contained in the deed by which the Developer will acquire fee title. Said deed will provide, among other things,

that upon request by Oceanic Properties, Inc. ("OPI"), the Developer, its successors and assigns, will promptly join with OPI in consolidating and/or subdividing the land of the Project in such a manner as to carve out therefrom as a separate lot the area designated as the "Reserved Area" on the Condominium Map. Upon final county approval of said subdivision carving out said Reserved Area as a separate lot, Developer, its successors and assigns will promptly grant, reconvey and transfer said Reserved Area to OPI in fee simple, free and clear of all liens and encumbrances other than those described in Exhibit "A" attached to said deed. All leases, deeds, mortgages and other conveyances will be subject to the covenants and conditions contained in said Deed. In the Declaration, Developer has reserved the right, at its sole option, to withdraw and delete from the Project, pursuant to Section 514A-11(12) of the Act, all or any portion of said Reserved Area. Upon withdrawal and deletion of the Reserved Area from the Project, Developer shall have the right to transfer and convey the Reserved Area to OPI or to any other person or persons without the consent, joinder or approval of any owner, mortgagee or purchaser of an apartment or any interest therein or any of the persons then owning, leasing or occupying any apartment or any interest therein. The developer's right to withdraw and delete such area from the Project shall expire and automatically terminate on the date twenty (20) years after the date of recordation of the Declaration of Horizontal Property Regime if it has not then been exercised.

Developer has further reserved the right to enter upon, and to grant to OPI or to any other person or persons the right to enter upon, the Project to do all things necessary to effectuate such withdrawal and deletion of the Reserved Area, including, without limitation, subdividing the land of the Project and making surveys to undertake a reasonable realignment of the boundaries of the land of the Project to exclude the Reserved Area. The withdrawal of the Reserved Area shall be subject to, and the Developer shall at its sole expense comply with, all of the then applicable governmental laws, rules and regulations, including subdivision requirements.

PURCHASE MONEY HANDLING: A specimen Deposit Receipt, Reservation and Sales Agreement (the "Sales Agreement") and a copy of the executed Escrow Agreement dated February 27, 1986, between Title Guaranty Escrow Services, Inc., a Hawaii corporation, as "Escrow", and the Developer, as "Seller", have been submitted to the Real Estate Commission as part of this registration. Upon examination, the specimen Sales Agreement and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly Sections 514A-37, 514A-39, 514A-63 and 514A-105.

Among other provisions, the Escrow Agreement provides that:

1. All monies received by Escrow under the Escrow Agreement will be deposited within a reasonable time of their receipt by Escrow into a special account or accounts with a federally insured bank or savings and loan association in Honolulu, Hawaii. The accounts must provide for interest at the prevailing interest rate, and all interest paid on the accounts will belong to Seller.

2. Disbursements from the purchaser's escrow fund shall be made by Escrow in accordance with the respective sales contracts upon the direction of Seller.

Among other provisions, the specimen Sales Agreement provides that:

1. A Sales Agreement executed prior to the issuance of a Final Public Report for the Project shall constitute a "reservation" and not a "binding contract" for the purchase of an apartment. Accordingly, the reservation may be canceled and terminated at any time at the option of either party until a Final Public Report is issued on the Project, the purchaser signs a receipt for the Final Public Report (or is deemed to have receipted for it under the Horizontal Property Act), and each of the conditions set forth in Section 514A-62(a) of the Horizontal Property Act have been satisfied. Therefore, the purchaser should be aware that the execution of a Sales Agreement prior to the issuance of a Final Public Report does not necessarily mean that the purchaser will be able to purchase the reserved apartment for the price or on the other terms stated in the Sales Agreement, or on any terms at all.

2. SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, ABOUT THE APARTMENT, THE PROJECT (INCLUDING THE COMMON ELEMENTS), OR ANY FIXTURES OR ANYTHING ELSE INSTALLED, ATTACHED, AFFIXED OR OTHERWISE CONTAINED IN THE APARTMENT OR THE PROJECT (INCLUDING THE COMMON ELEMENTS), INCLUDING ANY WARRANTIES OR PROMISES OF "MERCHANTABILITY", "HABITABILITY", "WORKMANLIKE CONSTRUCTION" OR "FITNESS FOR A PARTICULAR PURPOSE". THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. WITHOUT LIMITING THE GENERALITY OF ANY OF THE FOREGOING, SELLER MAKES NO WARRANTIES OR PROMISES THAT THE PROJECT OR ANY IMPROVEMENTS IN AN APARTMENT OR THE PROJECT (INCLUDING THE COMMON ELEMENTS OF THE PROJECT) WILL BE FREE FROM CRACKS IN, OR OTHER DAMAGE TO THE CONCRETE OR OTHER BUILDING MATERIALS. IN OTHER WORDS, SELLER MAKES NO WARRANTIES OR PROMISES AT ALL. The Seller does, however, agree to attempt to pass on to the Purchaser the benefit of the contractors' warranty or warranties, if any, and also any transferable manufacturer's or dealer's warranties covering any fixtures in the apartment.

3. Seller may (but doesn't have to) cancel the Sales Agreement (a) if the purchaser's mortgage loan application is rejected or not approved within 30 days after application, or (b) if the purchaser plans to pay the

purchase price in cash but Seller is not satisfied for any reason with the purchaser's ability to make the cash payments.

4. PURCHASER AGREES THAT NO ONE (INCLUDING THE SELLER OR ANY SALESPERSON) HAS TALKED TO PURCHASER AT ALL ABOUT ANY RENTAL INCOME OR RENTAL OR SALES SERVICES FOR PURCHASERS APARTMENT. IF PURCHASER WANTS TO RENT OR SELL THE APARTMENT, HOW PURCHASER DOES IT WILL BE UP TO PURCHASER. PURCHASER ALSO AGREES THAT NO ONE HAS TALKED TO PURCHASER AT ALL ABOUT INCOME FROM THE APARTMENT OR ANY OTHER ECONOMIC BENEFIT TO BE DERIVED FROM THE PURCHASE OR OWNERSHIP OF THE APARTMENT OR ABOUT THE TAX EFFECTS OF BUYING THE APARTMENT (EXCEPT THAT PURCHASER MAY BE ENTITLED TO INCOME TAX DEDUCTIONS FOR MORTGAGE INTEREST PAYMENTS AND REAL ESTATE TAXES).

PURCHASER AGREES THAT SELLER MAY, AS A REQUIREMENT FOR CLOSING, REQUIRE PURCHASER, ANY SALESPERSON, OR ANYONE ELSE CONNECTED WITH THE OFFER TO SELL AND SALE OF THE APARTMENT, TO SIGN ADDITIONAL DOCUMENTS TO SATISFY SELLER THAT THE OFFER TO SELL AND THE SALE OF THE APARTMENT IS NOT IN VIOLATION OF ANY SECURITIES LAWS. PURCHASER AGREES THAT IF SELLER DETERMINES THAT THERE HAS BEEN A VIOLATION OF ANY SECURITIES LAWS, SELLER'S INJURY CAUSED BY SUCH VIOLATION WILL BE UNCERTAIN AS TO NATURE AND AMOUNT AND WILL BE DIFFICULT AND EXPENSIVE TO DETERMINE. BECAUSE OF THIS, PURCHASER AGREES THAT SELLER MAY OBTAIN AN INJUNCTION (IN OTHER WORDS, A COURT ORDER) FROM A COURT PROHIBITING ANY ACTS BY PURCHASER WHICH GIVE RISE TO SUCH VIOLATION. SELLER MAY ALSO PURSUE ANY OTHER REMEDY AGAINST PURCHASER, INCLUDING SEEKING MONEY DAMAGES. ALL OF SELLER'S COSTS, INCLUDING REASONABLE LAWYERS' FEES, INCURRED BECAUSE OF PURCHASER'S ACTIONS IN VIOLATION OF ANY SECURITIES LAWS, WILL BE PAID BY PURCHASER.

PURCHASER ALSO AGREES THAT IF PURCHASER CLAIMS THAT THERE HAS BEEN ANY VIOLATION OF ANY FEDERAL OR STATE DISCLOSURE LAWS (INCLUDING HRS CHAPTER 514A) CONNECTED WITH THE OFFER OR SALE OF THE APARTMENT, THE INJURY CAUSED BY SUCH VIOLATION WILL BE DIFFICULT AND EXPENSIVE TO DETERMINE. BECAUSE OF THIS, PURCHASER AGREES THAT PURCHASER'S ONLY REMEDY WILL BE TO SUE FOR A REFUND OF THE TOTAL PURCHASE PRICE AND CLOSING COSTS ACTUALLY PAID, PLUS INTEREST AT THE RATE OF 12% PER YEAR FROM THE FINAL CLOSING DATE UNTIL THE DATE OF REPAYMENT. PURCHASER ALSO AGREES THAT (A) THE REFUND WILL BE CONSIDERED AS LIQUIDATED DAMAGES AND NOT A PENALTY, AND (B) ANY ADDITIONAL AMOUNTS PAID BY PURCHASER FOR THE APARTMENT (SUCH AS MAINTENANCE CHARGES AND OTHER COMMON EXPENSES, REAL PROPERTY TAXES, MORTGAGE LOAN FEES AND INTEREST, AND THE START-UP FEE) WILL BE PAID BY PURCHASER AS THE REASONABLE USE OF THE APARTMENT FROM THE FINAL CLOSING DATE UNTIL THE DATE OF REPAYMENT.

5. Purchaser will pay for the following closing costs: all of the Escrow fees, all notary and consent fees, all conveyance taxes, all appraisal fees, all recording

costs, all charges for purchaser's credit report, all costs of preparing any mortgages and promissory notes, and all title insurance costs. Purchaser will also pay all mortgage costs. Purchaser will also pay a nonrefundable start-up fee which will be held and used by the Seller and the first Managing Agent of the Association as a working capital fund for the benefit of all the apartment owners. Purchaser agrees that Seller doesn't have to pay any start-up fee for any apartment in the Project even if it is owned by Seller. Proration of maintenance charges and other common expenses, and real property taxes will be made as of the scheduled Closing Date.

6. The purchaser agrees that purchaser may not transfer the Sales Agreement or any of purchaser's rights under the Sales Agreement without first getting Seller's written consent (which Seller may withhold in its sole and absolute discretion).

7. Developer has given or may give to one or more lenders a mortgage or mortgages, security agreement or agreements, and other instruments securing repayment of loan(s) and covering Developer's ownership rights in the Project, including the individual apartments. All of the rights and interest which Developer gives to the lender or lenders will have priority over the purchasers' rights and interests under the Sales Agreements. This applies to any changes in the loan or loans or the mortgage or mortgages, security agreement or agreements or other instruments (including, among other things, extensions, renewals and other changes). The purchasers agree to give up and subordinate the priority of their rights and interests under the Sales Agreements in favor of the rights and interests of Developer's lenders until the final closing and delivery of signed apartment deeds to the purchasers. If Developer's lender or lenders ask the purchasers to do so, the purchasers will sign other documents to confirm the promises and agreements mentioned above.

It is important that purchasers and prospective purchasers read with care the specimen Sales Agreement and the executed Escrow Agreement. The Escrow Agreement describes how the proceeds from the sale of the apartments and any sums received from any source are placed in trust and how the funds will be held, paid out and/or refunded.

MANAGEMENT AND OPERATION: The proposed By-Laws of the Association of Apartment Owners provide that the operation of the Project will be conducted for the Association of Apartment owners by a responsible corporate managing agent. The managing agent will be appointed by the Board of Directors on behalf of the Association, in accordance with the By-Laws, except that the managing agent for the initial one-year period following the date of the organization of the Association of Apartment Owners may be appointed by the Developer without the approval of the Association. The

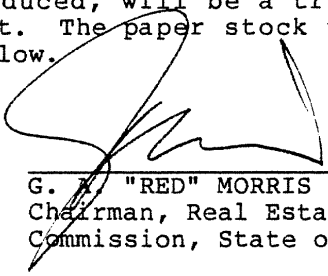
Developer is negotiating with Grubb and Ellis to be the initial managing agent.

STATUS OF THE PROJECT: The building of the Project is an existing structure being converted to condominium status. The Developer has submitted a copy of a letter from the City Building Department dated March 25, 1986 indicating that the building is in compliance with all ordinances, codes, rules, regulations and other requirements in effect at the time of completion of its initial construction in 1964 and completion of its second phase of construction in 1967. No variance from any ordinance, code, rule, regulation or other requirement in force at the time of its construction or currently in effect has been granted.

The purchaser or prospective purchaser should be aware of the fact that this public report represents information disclosed by the Developer in the Notice of Intention filed on March 4, 1986, and information subsequently submitted as of March 21, 1986.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of Registration Number 1742 filed with the Commission on March 4, 1986.

This Report, when reproduced, will be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be in yellow.



G. "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. 1742

Date: April 8, 1986

EXHIBIT "1"

<u>APT. TYPE/NO.</u>	<u>APPROX. FLOOR AREA (SQ. FT.)</u>	<u>% OF COMMON INTEREST</u>
<u>Warehouse Apts.</u>		
WA 1	1339	0.367
WA 2	1308	0.358
WA 3	1308	0.358
WA 4	1308	0.358
WA 5	1308	0.358
WA 6	1308	0.358
WA 7	1308	0.358
WA 8	1339	0.367
WA 9	1279	0.350
WA 10	1250	.342
WA 11	1250	.342
WA 12	1250	.342
WA 13	1250	.342
WA 14	1250	.342
WA 15	1250	.342
WA 16	1279	.350
WA 17	1279	.350
WA 18	1250	.342
WA 19	1250	.342
WA 20	1250	.342
WA 21	1250	.342
WA 22	1250	.342
WA 23	1250	.342
WA 24	1279	.350
WA 25	1279	.350
WA 26	1250	.342
WA 27	1250	.342
WA 28	1250	.342
WA 29	1250	.342
WA 30	1250	.342
WA 31	1250	.342
WA 32	1279	.350
WA 33	1279	.350
WA 34	1250	.342
WA 35	1250	.342
WA 36	1250	.342
WA 37	1250	.342
WA 38	1250	.342
WA 39	1250	.342

<u>APT. TYPE/NO.</u>	<u>APPROX. FLOOR AREA (SQ. FT.)</u>	<u>% OF COMMON INTEREST</u>
WA 40	1279	.350
WA 41	1279	.350
WA 42	1250	.342
WA 43	1250	.342
WA 44	1250	.342
WA 45	1250	.342
WA 46	1250	.342
WA 47	1250	.342
WA 48	1279	.350
WA 49	1279	.350
WA 50	1250	.342
WA 51	1250	.342
WA 52	1250	.342
WA 53	1250	.342
WA 54	1250	.342
WA 55	1250	.342
WA 56	1279	.350
WA 57	1279	.350
WA 58	1250	.342
WA 59	1250	.342
WA 60	1250	.342
WA 61	1250	.342
WA 62	1250	.342
WA 63	1250	.342
WA 64	1279	.350
WA 65	1279	.350
WA 66	1250	.342
WA 67	1250	.342
WA 68	1250	.342
WA 69	1250	.342
WA 70	1250	.342
WA 71	1250	.342
WA 72	1279	.350
WA 73	774	.221
WA 74	1250	.342
WA 75	1250	.342
WA 76	1250	.342
WA 77	1250	.342
WA 78	1250	.342
WA 79	1250	.342
WA 80	1279	.350
WA 81	1784	0.497

<u>APT. TYPE/NO.</u>	<u>APPROX. FLOOR AREA (SQ. FT.)</u>	<u>% OF COMMON INTEREST</u>
WA 82	1250	.342
WA 83	1250	.342
WA 84	1250	.342
WA 85	1250	.342
WA 86	1250	.342
WA 87	1250	.342
WA 88	1279	.350
WA 89	1279	.350
WA 90	1250	.342
WA 91	1250	.342
WA 92	1250	.342
Wa 93	1250	.342
WA 94	1250	.342
WA 95	1250	.342
WA 96	1279	.350
WA 97	1279	.350
WA 98	1250	.342
WA 99	1250	.342
WA 100	1250	.342
WA 101	1250	.342
WA 102	1250	.342
WA 103	1250	.342
WA 104	1279	.350
WA 105	1279	.350
WA 106	1250	.342
WA 107	1250	.342
WA 108	1250	.342
WA 109	1250	.342
WA 110	1250	.342
WA 111	1250	.342
WA 112	1279	.350
WA 113	1279	.350
WA 114	1250	.342
WA 115	1250	.342
WA 116	1250	.342
WA 117	1250	.342
WA 118	1250	.342
WA 119	1250	.342
WA 120	1279	.350
WA 121	1279	.350
WA 122	1250	.342
WA 123	1250	.342
WA 124	1250	.342
WA 125	1250	.342

<u>APT. TYPE/NO.</u>	<u>APPROX. FLOOR AREA (SQ. FT.)</u>	<u>% OF COMMON INTEREST</u>
WA 126	1250	.342
WA 127	1250	.342
WA 128	1663	.463
WA 129	1279	.350
WA 130	1250	.342
WA 131	1250	.342
WA 132	1250	.342
WA 133	1250	.342
WA 134	2250	.625
WA 135	1250	.350
WA 136	1279	.350
WA 137	1250	.342
WA 138	1250	.342
WA 139	1250	.342
WA 140	2029	.565
WA 141	1339	.367
WA 142	1308	.358
WA 143	1308	.358
WA 144	1308	.358

Loading Platform
Apartments

LPA 1	665	.182
LPA 2	1116.8	.306
LPA 3	1506	.413
LPA 4	1553.6	.426
LPA 5	2140.8	.586
LPA 6	705.6	.193
LPA 7	3010.8	.825
LPA 8	3767.6	1.032
LPA 9	389	.106
LPA 10	403	.110
LPA 11	665	.182
LPA 12	665	.182
LPA 13	2662	.729
LPA 14	1764.8	.483
LPA 15	252.6	.069
LPA 16	134	.037
LPA 17	1066	.292
LPA 18	530.4	.145
LPA 19	742.5	.203
LPA 20	1188.4	.326
LPA 21	1467	.402
LPA 22	2226	.610

<u>APT. TYPE/NO.</u>	<u>APPROX. FLOOR AREA (SQ. FT.)</u>	<u>% OF COMMON INTEREST</u>
LPA 23	475	.130
LPA 24	646	.177
LPA 25	1436	.393
LPA 26	79	.022
LPA 27	225	.062
LPA 28	646	.177
LPA 29	646	.177
LPA 30	279.6	.077
LPA 31	74.7	.021

Yard Apts.

YA 1	5496	1.505
YA 2	6296	1.724
YA 3	5420	1.485
YA 4	5052.5	1.384
YA 5	4246	1.163
YA 6	7192	1.970
YA 7	4875	1.335
YA 8	4800	1.315
YA 9	4800	1.315
YA 10	4800	1.315
YA 11	4800	1.315
YA 12	4800	1.315
YA 13	4800	1.315
YA 14	4800	1.315
YA 15	4800	1.315
YA 16	4800	1.315
YA 17	4800	1.315
YA 18	4800	1.315
YA 19	4800	1.315
YA 20	4800	1.315
YA 21	5240	1.435
YA 22	5536	1.516
YA 23	5536	1.516

Parking Apts.

PA 1	161.5	.044
PA 2	161.5	.044
PA 3	161.5	.044
PA 4	161.5	.044
PA 5	161.5	.044
PA 6	161.5	.044
PA 7	161.5	.044
PA 8	161.5	.044
PA 9	161.5	.044
PA 10	161.5	.044
PA 11	161.5	.044
PA 12	161.5	.044
PA 13	161.5	.044
PA 14	161.5	.044
PA 15	161.5	.044
PA 16	161.5	.044
PA 17	161.5	.044

<u>APT. TYPE/NO.</u>	<u>APPROX. FLOOR AREA (SQ. FT.)</u>	<u>% OF COMMON INTEREST</u>
PA 18	161.5	.044
PA 19	161.5	.044
PA 20	161.5	.044
PA 21	161.5	.044
PA 22	161.5	.044
PA 23	161.5	.044
PA 24	161.5	.044
PA 25	161.5	.044
PA 26	161.5	.044
PA 27	161.5	.044
PA 28	161.5	.044
PA 29	161.5	.044
PA 30	161.5	.044
PA 31	161.5	.044
PA 32	161.5	.044
PA 33	161.5	.044
PA 34	161.5	.044
PA 35	161.5	.044
PA 36	161.5	.044
PA 37	161.5	.044
PA 38	161.5	.044
PA 39	161.5	.044
PA 40	161.5	.044
PA 41	161.5	.044
PA 42	161.5	.044
PA 43	161.5	.044
PA 44	161.5	.044
PA 45	161.5	.044
PA 46	260.6	.074
PA 47	206	.055
PA 48	180	.054
PA 49	168	.050
PA 50	161.5	.044
PA 51	161.5	.044
PA 52	161.5	.044
PA 53	161.5	.044
PA 54	161.5	.044
PA 55	161.5	.044
PA 56	161.5	.044
PA 57	161.5	.044
PA 58	161.5	.044
PA 59	161.5	.044
PA 60	161.5	.044
PA 61	161.5	.044
PA 62	161.5	.044
PA 63	161.5	.044
PA 64	161.5	.044
PA 65	161.5	.044
PA 66	161.5	.044
PA 67	161.5	.044
PA 68	161.5	.044
PA 69	161.5	.044
PA 70	161.5	.044
PA 71	161.5	.044
PA 72	161.5	.044
PA 73	161.5	.044
PA 74	161.5	.044

<u>APT. TYPE/NO.</u>	<u>APPROX. FLOOR AREA (SQ. FT.)</u>	<u>% OF COMMON INTEREST</u>
PA 75	161.5	.044
PA 76	161.5	.044
PA 77	142.7	.042
PA 78	123.2	.035
PA 79	94.4	.026
PA 80	128	.036
PA 81	144	.043
PA 82	161.5	.044
PA 83	161.5	.044
PA 84	161.5	.044
PA 85	161.5	.044
PA 86	161.5	.044
PA 87	161.5	.044
PA 88	161.5	.044
PA 89	161.5	.044
PA 90	161.5	.044
PA 91	161.5	.044
PA 92	161.5	.044
PA 93	161.5	.044
PA 94	161.5	.044
PA 95	161.5	.044
PA 96	161.5	.044
PA 97	161.5	.044
PA 98	161.5	.044
PA 99	161.5	.044
PA 100	161.5	.044
PA 101	161.5	.044
PA 102	161.5	.044
PA 103	161.5	.044
PA 104	161.5	.044
PA 105	161.5	.044
PA 106	161.5	.044
PA 107	161.5	.044
PA 108	161.5	.044
PA 109	161.5	.044
PA 110	161.5	.044
PA 111	161.5	.044
PA 112	161.5	.044
PA 113	161.5	.044
PA 114	135	.040
PA 115	111.6	.030
PA 116	131.4	.039
PA 117	141	.041
PA 118	161.5	.044
PA 119	161.5	.044
PA 120	161.5	.044
PA 121	161.5	.044
PA 122	161.5	.044
PA 123	161.5	.044
PA 124	161.5	.044
PA 125	161.5	.044
PA 126	161.5	.044
PA 127	161.5	.044
PA 128	161.5	.044

<u>APT. TYPE/NO.</u>	<u>APPROX. FLOOR AREA (SQ. FT.)</u>	<u>% OF COMMON INTEREST</u>
PA 129 and PA 186	207.4 161.5	.057 .044
PA 130 and PA 185	207.4 161.5	.057 .044
PA 131 and PA 184	207.4 161.5	.057 .044
PA 132 and PA 183	207.4 161.5	.057 .044
PA 133 and PA 182	207.4 161.5	.057 .044
PA 134 and PA 181	207.4 161.5	.057 .044
PA 135 and PA 180	207.4 161.5	.057 .044
PA 136 and PA 179	207.4 161.5	.057 .044
PA 137 and PA 178	207.4 161.5	.057 .044
PA 138 and PA 177	207.4 161.5	.057 .044
PA 139 and PA 176	207.4 161.5	.057 .044
PA 140 and PA 175	207.4 161.5	.057 .044
PA 141 and PA 174	207.4 161.5	.057 .044
PA 142 and PA 173	207.4 161.5	.057 .044
PA 143 and PA 172	207.4 161.5	.057 .044
PA 144 and PA 171	207.4 161.5	.057 .044
PA 145 and PA 170	178.8 161.5	.052 .044
PA 146 and PA 169	206.4 161.5	.056 .044
PA 147 and PA 168	231.8 161.5	.068 .044

<u>APT. TYPE/NO.</u>	<u>APPROX. FLOOR AREA (SQ. FT.)</u>	<u>% OF COMMON INTEREST</u>
PA 148 and	161.5	.044
PA 167	161.5	.044
PA 149 and	161.5	.044
PA 166	161.5	.044
PA 150 and	161.5	.044
PA 165	161.5	.044
PA 151 and	161.5	.044
PA 164	161.5	.044
PA 152 and	161.5	.044
PA 163	161.5	.044
PA 153 and	161.5	.044
PA 162	161.5	.044
PA 154 and	161.5	.044
PA 161	161.5	.044
PA 155 and	161.5	.044
PA 160	161.5	.044
PA 156 and	161.5	.044
PA 159	161.5	.044
PA 157 and	161.5	.044
PA 158	161.5	.044

CANNERY ROW
DISCLOSURE ABSTRACT

1. (a) PROJECT: CANNERY ROW
Iwilei, Honolulu, Hawaii
 - (b) DEVELOPER: Cannery Row Associates, Inc.
1001 Bishop Street
1400 Pauahi Tower
Honolulu, Hawaii 96813
Telephone: (808) 531-4202
 - (c) PROPOSED PROJECT
MANAGER: Grubb & Ellis
1001 Bishop Street
1400 Pauahi Tower
Honolulu, Hawaii 96813
Telephone: (808) 531-4202
2. USE OF APARTMENTS:
 - (a) Number of Apartments in Project for Residential
Use: -0-
 - (b) Proposed Number of Apartments in Project for Hotel
Use: -0-
 - (c) Extent of Commercial or Other Nonresidential
Development in Project: All of the apartments in
the Project are for nonresidential use.
3. WARRANTIES:

DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, ABOUT THE APARTMENT, THE PROJECT (INCLUDING THE COMMON ELEMENTS), OR ANY FIXTURES OR ANYTHING ELSE INSTALLED, ATTACHED, AFFIXED OR OTHERWISE CONTAINED IN THE APARTMENT OR THE PROJECT (INCLUDING THE COMMON ELEMENTS), INCLUDING ANY WARRANTIES OR PROMISES OF "MERCHANTABILITY", "HABITABILITY", "WORKMANLIKE CONSTRUCTION" OR "FITNESS FOR A PARTICULAR PURPOSE". THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. WITHOUT LIMITING THE GENERALTY OF ANY OF THE FOREGOING, DEVELOPER MAKES NO WARRANTIES OR PROMISES THAT THE PROJECT OR ANY IMPROVEMENTS IN THE APARTMENT, THE PROPERTY OR THE PROJECT (INCLUDING THE COMMON ELEMENTS OF THE PROJECT) WILL BE FREE FROM CRACKS IN, OR OTHER DAMAGE TO, THE CONCRETE OR OTHER BUILDING MATERIALS. IN OTHER WORDS, DEVELOPER MAKES NO WARRANTIES OR PROMISES AT ALL. The Developer does, however, agree to attempt to pass on to the buyer the benefit of the contractors' warranty or warranties, if any, and also any transferable manufacturer's or dealer's warranties, if any, covering any fixtures in the apartment.

4. BREAKDOWN OF ANNUAL MAINTENANCE CHARGES AND ESTIMATED COSTS FOR EACH APARTMENT:

Attached to this Disclosure Abstract as Exhibit "A" is a breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project, which has been examined by Hedberg, Beedle & Associates, Certified Public Accountants, as of February 28, 1986, and whose report is an integral part of that exhibit. The attached breakdown of annual maintenance charges and the estimated cost for each apartment are subject to change based on actual costs of the items listed. The Developer can make no assurances regarding the estimated maintenance assessments. Variables such as inflation, uninsured casualty loss or damage, increased or decreased services from those contemplated by the Developer, apartment owner delinquencies and other factors may cause the maintenance assessments to be greater or less than the estimated maintenance assessments. The breakdown of the estimated cost for each apartment contained in this Disclosure Abstract does not include the Buyer's obligation for the payment of real property taxes and does not include or otherwise take into account the one-time "start-up" fee required to be paid in addition to the normal maintenance charges. Estimates of the real property taxes will be provided by the Developer upon request.

NOTE: THE DEVELOPER ADVISES THAT COSTS AND EXPENSES OF MAINTENANCE AND OPERATION OF A CONDOMINIUM PROJECT ARE VERY DIFFICULT TO ESTIMATE INITIALLY AND EVEN IF SUCH MAINTENANCE CHARGES HAVE BEEN ACCURATELY ESTIMATED, SUCH CHARGES WILL TEND TO INCREASE IN AN INFLATIONARY ECONOMY AND AS THE IMPROVEMENTS AGE. MAINTENANCE CHARGES CAN VARY DEPENDING ON SERVICES DESIRED BY APARTMENT OWNERS. THE BUYER SHOULD EXAMINE THE MAINTENANCE CHARGE SCHEDULE TO SEE WHAT SERVICES ARE INCLUDED IN THE SCHEDULE.

Exhibit "A"

HEDBERG, BEEDLE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

B. JEANNIE HEDBERG
TERESA BEEDLE
RICHARD E. FREITAS

733 BISHOP STREET, SUITE 1220
HONOLULU, HAWAII 96813

(808) 523-6955

Michael S. Myers
Cannery Row Associates, Inc., Developer
Honolulu, Hawaii

We have examined the accompanying forecasted maintenance charges and the monthly maintenance fee for each apartment unit based upon their undivided percentage interest in all common elements of Cannery Row as of February 28, 1986. Our examination was made in accordance with standards for an examination of a forecast established by the American Institute of Certified Public Accountants and, accordingly, included such procedures as we considered necessary to evaluate both the assumptions used by the developer and the preparation and presentation of the forecast.

This financial forecast of the maintenance charges and the monthly maintenance fee allocations are incorporated in the "Disclosure Abstract" submitted with the project's "Horizontal Property Regimes". The warranties and assumptions noted in the "Disclosure Abstract" must be reviewed in conjunction with this report.

In our opinion, the accompanying forecast is presented in conformity with guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants and the underlying assumptions provide a reasonable basis for the developer's forecast. However, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Hedberg, Beedle & Associates

February 28, 1986

CANNERY ROW

Forecasted Maintenance Charges as of
February 28, 1986

COMMON AREA EXPENSES

	<u>MONTHLY</u>	<u>ANNUALLY</u>
Accounting & Legal	\$ 500	\$ 6,000
Insurance		
Fire	1,084	13,008
Comprehensive General Liability	500	6,000
Liability - Umbrella	582	6,984
Officers and Directors	334	4,008
Management Fees	700	8,400
Maintenance/Repair - Building	150	1,800
Maintenance/Repair - Grounds	250	3,000
Electricity - (Common Area)	100	1,200
Water - (Common Area)	40	480
Real Property Taxes - (Common Area)	918	11,016
Contingency Reserve	<u>1,031</u>	<u>12,372</u>
TOTAL:	<u>\$ 6,189</u>	<u>\$ 74,268</u>

See accompanying Summary of Significant Forecast Assumptions
and the Accountants' Report.

FORECASTED MAINTENANCE CHARGES OR FEES FOR EACH APARTMENT:

The estimated monthly maintenance fee for each apartment is as follows:

Warehouse Apartments

WA 1, 8, 141	\$ 37.23
WA 2-7, 142-144	36.32
WA 9, 16, 17, 24, 25, 32, 33, 40, 41, 48, 49, 56, 57, 64, 65, 72, 80, 88, 89, 96, 97, 104, 105, 112, 113, 120, 121, 129, 135, 136	35.51
WA 73	22.42
WA 81	50.42
WA 128	46.97
WA 134	63.41
WA 140	57.32
All others	34.70

Loading Platform Apartments

LPA 1	3.96
2	6.65
3	8.98
4	9.26
5	12.74
6	4.20
7	17.94
8	22.44
9	2.30
10	2.39
11 & 12	3.96
13	15.85
14	10.50
15	1.50
16	.80
17	6.35
18	3.15
19	4.41
20	7.09
21	8.74
22	13.26
23	2.83
24	3.85
25	8.54

See accompanying Summary of Significant Forecast Assumptions and the Accountants' Report.

Loading Platform Apartments

26	.48
27	1.35
28 & 29	3.85
30	1.67
31	.46

Yard Apartments

YA 1	32.72
2	37.48
3	32.28
4	30.09
5	25.28
6	42.83
7	29.02
8 - 20	28.59
21	31.20
22 & 23	32.96

Parking Apartments

PA 1-45; 50-76; 82-113; 118-128; 148-186	.96
PA 129-144	1.24
PA 46	1.61
47	1.20
48	1.17
49	1.09
77	.91
78	.76
79	.57
80	.78
81	.93
114	.87
115	.65
116	.85
117	.89
145	1.13
146	1.22
147	1.48

See accompanying Summary of Significant Forecast Assumptions and the Accountants' Report.

CANNERY ROW

Summary of Significant Assumptions Employed in the Preparation
of the Statement of Forecasted Maintenance Charges and the
Monthly Maintenance Fee Allocated to Useable Space.

As of February 28, 1986

Summary of Significant Assumptions

Note 1 - Accounting and Legal Fees:

Accounting and legal fees are estimates made by the developer of fees to be charged.

Note 2 - Insurances:

Insurance premium estimates were the product of a specialist in the field. Premiums in noted categories were based on the following assumptions:

- a) Fire insurance is based on a replacement cost of \$50/sq.ft., and the non-hazardous use of the warehouse by future tenants.
- b) Comprehensive general liability insurance is based upon a \$1,000,000 single limit coverage.
- c) Liability - umbrella insurance is based on a \$3,000,000 coverage.

Note 3 - Management Fees:

Proposed management fees of the project were prepared by its prospective managing agent.

Note 4 - Maintenance/Repair of Building and Grounds:

Maintenance and repair of building and grounds area were estimated by the prospective managing agent in light of the fact that the building is a steel framed structure with aluminum siding and roof. The grounds consist of a road encircling the building.

Note 5 - Electricity and Water (Common Area):

Charges for common area electricity and water were estimated by the developer and are based on the fact that the common area is responsible for minimal outside lighting and has no green area.

Note 6 - Real Property Tax (Common Area):

Real property tax of the common area are estimated based on City and County records.

Note 7 - Contingency Reserve:

The contingency reserve is 20% of all other common area expenses as stated by Horizontal Property Regime statute.