

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

DISCOVERY BAY
Ala Moana, Hobron Lane and
Kaioo Drive, Honolulu, Hawaii

REGISTRATION NO. 758

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 10, 1975

Expires: May 10, 1976

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:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED MARCH 3, 1975, AND INFORMATION SUBSEQUENTLY FILED AS OF MARCH 31, 1975. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME LAW, HAWAII REVISED STATUTES, CHAPTER 514.

1. Discovery Bay is a proposed leasehold condominium project consisting of six hundred sixty-five (665) residential apartments (exclusive of two manager's apartments designated as common elements) and one (1) commercial apartment. The apartments are arranged throughout two separate buildings identified as the Endeavour and Resolution Towers. A total of nine hundred twenty-seven (927) parking stalls will be provided to accommodate the residential apartments and commercial areas, of which seven hundred six (706) will be assigned to or available for sale to purchaser of residential apartments and two hundred twenty-one (221) will be included within the Commercial Unit.
2. The Developer of the Project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and issuance of this Preliminary Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners and a copy of the approved Floor Plans) have not been filed in the office of the recording officer.
4. The Developer has advised the Commission that advertising and promotional matter required to be filed pursuant to rules and regulations promulgated by the Commission will be submitted prior to public exposure.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Hawaii Revised Statutes, Chapter 514, 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 date of issuance, April 10, 1975, unless a Supplementary Public Report is published or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: DISCOVERY BAY

LOCATION: The project site consists of approximately 84,471 square feet located in the block bounded by Ala Moana Boule-

vard, Hobron Lane and Kaioo Drive in Waikiki, Honolulu, Hawaii.

TAX KEY: 2-16-12-10 through 21, inclusive (First Division).

ZONING: H-2 with B-5 zoning on Ala Moana frontage to a depth of 100 feet.

DEVELOPER: MEPC Properties (Hawaii) Inc., a Hawaii corporation, whose business and post-office address is Suite 2345, 190 South King Street, Honolulu, Hawaii 96813 (Telephone No. 521-4751). The corporate officers are: Peter Wood, President; Allen W. Wooddell, Vice President; and Ronald D. Olsen, Secretary/Treasurer.

ATTORNEY REPRESENTING DEVELOPER: Wooddell, Mukai & Ichiki (Richard G. MacMillan), Suite 500, Alexander Young Building, Honolulu, Hawaii 96813 (Telephone No. 531-6277).

DESCRIPTION:

(a) Project. The proposed Declaration of Horizontal Property Regime reflects that the Project will consist of an integrated parking and commercial structure and two 42-story towers constructed above and arising out of such structure. The Project will contain 666 condominium units, consisting of 665 residential apartment units (exclusive of two manager's apartments which are part of the common elements), one commercial apartment unit (the "Commercial Unit") and 927 parking stalls, all constructed of reinforced concrete, steel, glass, aluminium and allied building materials.

The residential building on the Ewa end of the Project is designated as the "Endeavour" tower and will contain a total of 333 residential units, together with the two manager's apartments. The other residential building, located on the Diamond Head end of the Project, is identified and designated herein as the "Resolution" tower and will contain a total of 332 residential units. Connecting and integrated with the two residential towers is a ten (10) level parking and commercial structure. The Commercial Unit will be comprised of various separate areas on the first four floors of such structure, as more particularly described in said Declaration and hereinbelow. The main recreation area of the project will be located on the eleventh floor on the roof of the parking and commercial structure and will consist of a swimming pool, wading pool, putting green and a cabana with meeting rooms and kitchen and lavatory facilities. A second recreation deck and promenade area will be located on the fifth floor of the Project.

For convenience in reference, a set of plans is attached to this Preliminary Public Report as Exhibit "A" for the purpose of showing the location of the Commercial Unit and its relationship to certain of the common elements and limited common elements of the Project. All areas designated as "Commercial" on said Exhibit "A" are included within the

Commercial Unit, all areas designated as "Common" are common elements for the benefit of both the Commercial Unit and the residential units, and all areas designated as "Residential" are limited common elements for the exclusive use of the residential units only.

(b) Apartments. Each apartment, whether commercial or residential, shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings surrounding each such apartment or any pipes, wires, conduits or other utility lines running through such unit which are utilized for or serve more than one unit, the same being deemed common elements. Each apartment shall include all of the walls and partitions which are not load bearing within its perimeter walls, any glass windows or panels along its perimeter, the inner decorated or finished surfaces of all walls, floors and ceilings, any fixtures, equipment or built-ins originally installed therein and adjacent lanai, if any.

1. The Commercial Unit shall consist of those areas on the first level, mall (second) level, third level and fourth level of the Project which are designated as being within the Commercial Unit on the plans which are attached as Exhibit "A" to this report, and which are described as follows:

(i) 221 parking stalls on the first, third and fourth floors which shall be operated as a commercial parking garage.

(ii) On the first floor, (A) all space designated as "Supermarket" and the trash room adjacent thereto; (B) all of the parking area contained on said floor but excluding the vehicular entry and exit ramps and the portions of the driveway area which are required to serve the common areas located on the first floor, all as delineated in said Exhibit "A"; (C) the commercial elevator and any stairways and ramps shown in said Exhibit "A" as being located within the Commercial Unit; and (D) the conveyor equipment and the other fixtures and facilities originally installed within any portion of the Commercial Unit located on such floor.

(iii) On the second or mall level, (A) the areas designated on said Exhibit "A" as "Restaurant", "Bank" and "Commercial Area (mall and shops)"; (B) all yards and landscaped areas fronting Ala Moana Boulevard and approximately the first 100 feet of the landscaped areas fronting on Hobron Lane, as shown on said Exhibit "A"; (C) all pedestrian walkways, stairways and ramps giving access to the enclosed portions of the Commercial Unit (or any part thereof) from Ala Moana Boulevard and all walkways and stairways between and among any portions of the Commercial Unit situate on such floor; and (D) the commercial elevator, conveyor equipment and other fixtures and facilities originally installed within any portion of the Commercial Unit on the second floor.

(iv) On the third level, the parking stalls located adjacent to the vehicular ramp, as shown on said Exhibit "A".

(v) On the fourth level, (A) all parking areas contained on said floor and all driveways and turn around areas serving such parking stalls, but excluding any driveways and ramps which are necessary for access to the third and fifth levels; and (B) the commercial elevator and all other fixtures and facilities originally installed within any portion of the Commercial Unit on the fourth floor.

2. Each residential unit has been given a number designation by which its location in the project can be determined. The last two digits of each apartment number indicates the building within which such unit is situate and the digit or digits preceding the last two digits indicates the floor of the building on which a residential unit is located. With respect to the last two digits, all apartment numbers ending in "01" through "10", inclusive, refer to units located in the Endeavor tower and all apartment numbers ending in "11" to "20", inclusive, refer to units situate in the Resolution tower. On the forty-second floor, the residential units in the Resolution tower are numbered PH-1 through PH-4, inclusive, and the units in the Endeavor tower are numbered PH-11 through PH-14, inclusive.

Each residential unit designated hereinbelow and on said Condominium Map as utilizing a Type "A", "A-1", "E" and "F" floor plan shall contain two bedrooms, two bathrooms, living-dining room, kitchen and adjacent lanai. Type "A-1" units have an enclosed lanai which is smaller than the open lanai contained in the Type "A" units and occur only on the 41st floor of each tower.

Each residential unit designated hereinbelow and on said Condominium Map as utilizing a Type "B", "B-1" and "C" floor plan contain one bedroom, one bathroom, living-dining room, kitchen and adjacent lanai. Type "B-1" units have an enclosed lanai which is smaller than the open lanai contained in the Type "B" units and occur only on the 41st floor of each tower. Apartment Numbers 801, 811, 901, 911, 1001 and 1011 differ from other Type "B" units of the Project in that they do not have a window in the makai wall of the living room.

Each residential unit designated hereinbelow and on said Condominium Map as utilizing a Type "D" floor plan shall contain two bedrooms, two bathrooms, living room, dining room, kitchen and adjacent lanai.

Each residential unit designated hereinbelow and on said Condominium Map as utilizing a "Studio" floor plan shall contain one multi-purpose room, a kitchen and a bathroom. Studio units will not have a lanai.

3. The location, gross floor area (including lanai, if any), net floor area (excluding lanais but including

interior walls), number of rooms, and common interest of each condominium unit and the two manager's apartments, are set forth below. All areas shown are computed by measuring from the outside of the exterior walls and from the centerline of interior party walls. Furthermore, any sequential apartment numbers are designated hereinbelow, i.e., 802-4102, are inclusive only of apartment numbers containing the same final two digits.

<u>Unit Number or Designation</u>	<u>Type of Unit</u>	<u>Gross Floor Area Sq. Ft.</u>	<u>Net Floor Area Sq. Ft.</u>	<u>Location</u>	<u>No. of Rooms</u>	<u>Common Interest</u>
Commercial Unit	-	-	43,014.0	Portions of first, second and fourth floors	Various, subject to partition	7.4173%
<u>Endeavor Tower</u>						
801-1101	B	852.0	724.4	Southwest (Makai) Corner	4	.1465%
1201-4001	A	1,130.8	1,003.2	Southwest (Makai) Corner	6	.1945%
4101	A-1	1,081.2	1,003.2	Southwest (Makai) Corner	6	.1859%
802-4102	C	769.5	682.7	West Side	4	.1324%
803-4103	C	769.5	682.7	West Side	4	.1324%
804-4004	A	1,130.8	1,003.2	Northwest (Ewa) Corner	6	.1945%
4104	A-1	1,081.2	1,003.2	Northwest (Ewa)	6	.1859%
805-4105	Studio	464.0	464.0	North Side	3	.0798%
806-4006	B	852.0	724.4	Northeast (Mauka) Corner	4	.1465%
4106	B-1	802.4	724.4	Northeast (Mauka) Corner	4	.1379%
807-4107	C	769.5	682.7	East Side	4	.1324%
1108-4108	C	769.5	682.7	East Side	4	.1324%
1109 (Manager's Apartment)	B	852.0	724.4	Southeast (Diamond Head) Corner	4	----
1209-4009	B	852.0	724.4	Southeast (Diamond Head) Corner	5	.1465%

<u>Unit Number or Designation</u>	<u>Type of Unit</u>	<u>Gross Floor Area Sq. Ft.</u>	<u>Net Floor Area Sq. Ft.</u>	<u>Location</u>	<u>No. of Rooms</u>	<u>Common Interest</u>
4109	B-1	802.4	724.4	Southeast (Diamond Head) Corner	5	.1379%
1110 (Manager's Apartment)	Studio	464.0	464.0	South Side	3	----
1210-4110	Studio	464.0	464.0	South Side	3	.0798%
PH-01	E	1,838.0	1,667.0	Southwest (Makai) Corner	6	.3161%
PH-02	D	1,897.1	1,564.3	Northwest (Ewa) Corner	7	.3263%
PH-03	F	1,838.0	1,667.0	Northwest (Mauka) Corner	6	.3161%
PH-04	D	1,897.1	1,564.3	Southeast (Diamond Head) Corner	7	.3263%
<u>Resolution Tower</u>						
811-1111	B	852.0	724.4	Southwest (Makai) Corner	4	.1465%
1211-4011	A	1,130.8	1,003.2	Southwest (Makai) Corner	6	.1945%
4111	A-1	1,081.2	1,003.2	Southwest (Makai) Corner	6	.1859%
812-4112	C	769.5	682.7	South Side	4	.1324%
813-4113	C	769.5	682.7	South Side	4	.1324%
814-4014	A	1,130.8	1,003.2	Southeast (Diamond Head) Corner	6	.1945%
4114	A-1	1,081.2	1,003.2	Southeast (Diamond Head) Corner	6	.1859%
815-4115	Studio	464.0	464.0	East Side	4	.0798%
816-4016	B	852.0	724.4	Northeast (Makai) Corner	4	.1465%
4116	B-1	802.4	724.4	Northeast (Makai) Corner	4	.1379%
1117-4117	C	769.5	682.7	North Side	4	.1324%
1118-4118	C	769.5	682.7	North Side	4	.1324%

<u>Unit Number or Designation</u>	<u>Type of Unit</u>	<u>Gross Floor Area Sq. Ft.</u>	<u>Net Floor Area Sq. Ft.</u>	<u>Location</u>	<u>No. of Rooms</u>	<u>Common Interest</u>
1119-4019	B	851.0	724.4	Northwest (Ewa) Corner	4	.1465%
4119	B-1	802.4	724.4	Northwest (Ewa) Corner	4	.1379%
1120-4120	Studio	464.0	464.0	West Side	3	.0798%
PH-11	E	1,838.0	1,667.0	Southwest (Makai) Corner	6	.3161%
PH-12	D	1,897.1	1,564.3	Southeast (Diamond Head) Corner	7	.3263%
PH-13	F	1,838.0	1,667.0	Northeast (Mauka) Corner	6	.3161%
PH-14	D	1,897.1	1,564.3	Northeast (Ewa) Corner	7	.3263%

COMMON ELEMENTS: The proposed Declaration of Horizontal Property Regime reflects that the common elements shall include all of the land and improvements other than the apartments, including, but not be limited to:

(a) All of the said land (which land will be leased to an apartment purchaser separately and apart from a conveyance or other transfer of an apartment);

(b) All foundations, columns, girders, beams, floor slabs, supports, and load-bearing walls (except for the inner decorated surfaces within each unit) below the level of the floor slab on the fifth floor of the Project, and all portions of the following stairways which are below the level of the floor slab on the fourth floor: (i) the stairway at the Diamond Head end of the Project which serves the first eight floors of the Project, and (ii) the stairways adjacent to the residential elevators in each tower which are shown as common elements on said Condominium Map;

(c) On the first level of the Project, the vehicular entrance and exit ramps, loading docks, chiller room, and all telephone, mechanical and electrical rooms situate on such level;

(d) On the second or mall level, the loading dock area adjacent to Kaiwo Drive, the vehicular ramp leading to the fourth level, the lavatory facilities adjacent to the main lobby area of the Endeavour tower, and the access corridor between such lavatory and the common stairway;

(e) All vehicular entrance and exit ramps and driveways on the first through fourth levels, except any which are shown

on said Condominium Map as being contained within the Commercial Unit and the vehicular ramp on the Diamond Head end of the Project leading from Ala Moana Boulevard to the second floor parking area which shall be deemed a limited common element appurtenant to the residential units; and

(f) All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities and installations which serve all condominium units for services such as power, light, water, gas, air conditioning, refuse, telephone, radio and television signal distribution.

LIMITED COMMON ELEMENTS: The Declaration states certain parts of the common elements, designated as "limited common elements", are set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are listed below. Unless otherwise provided in the Declaration, all costs of every kind pertaining to each limited common element, including but not limited to costs of security, maintenance, repair, replacements, additions and improvements, shall be borne entirely by the apartment or apartments to which they are appurtenant. If any cost is charged to more than one apartment, each such apartment shall bear a portion of the cost equal to the ratio which its common interest bears to the total common interest of all apartments responsible for such costs.

(a) The following limited common elements are appurtenant to and for the exclusive use of the Commercial Unit: (i) all ducts, water lines, electrical equipment, pipes, wiring and other facilities and installations serving only the commercial unit or any limited common elements appurtenant only to the Commercial Unit; and (ii) all other common elements of the Project which are rationally related to only the Commercial Unit.

(b) The following limited common elements are appurtenant to for the exclusive use of all residential units:

(1) All foundations, columns, girders, beams, floor slabs, supports, load-bearing walls (except for the inner decorated surface within each unit) on all floors of the Project above the bottom level of the floor slab on the fifth floor;

(2) All yards, grounds, and landscaped areas (except such areas as are contained within the Commercial Unit, as shown on the Condominium Map);

(3) All parking areas of the Project (with the exception of those parking areas on the first, third and fourth levels which constitute a part of the Commercial Unit as shown on the Condominium Map), the vehicular ramp connecting the second floor parking area with Ala Moana Boulevard, and all ramps, driveways and turnaround areas situate above the

fourth floor of the Project;

(4) The two manager's apartments, being Apartment Nos. 1109 and 1110 in the Endeavour tower;

(5) All ventilating fans and shafts providing ventilation to the floors of the Project above the fourth floor;

(6) All electrical rooms and electrical wiring, with appurtenant ducts and related equipment, located above the fourth floor of the Project;

(7) All components of the hot and cold water circulation system serving the residential units, including heaters, pumps, waste lines, conduits and pipes;

(8) All components of the air-conditioning circulation system which directly serve only the residential units; and

(9) All recreation areas of the Project, including the promenade on the fifth floor and the recreation deck on the eleventh floor, including the swimming pool and wading pool and their respective filtration systems, barbeque pits, putting green, children's play area and other amenities.

(c) Certain areas of the Resolution and the Endeavour towers are set aside and reserved for the exclusive use of all residential units located in such tower or all residential units located on a particular floor of such tower; provided that all residential units of the Project shall be responsible for all costs pertaining to each such limited common element in proportion to their respective common interests. The limited common elements so set aside and reserved are as follows:

(1) The main lobby area of each residential tower on the second floor of the Project, including the manager's office, mail room, and storage rooms shall be appurtenant to and for the exclusive use of apartments located in the tower served by such lobby;

(2) The four (4) residential apartment elevators serving all floors of each tower, with elevator housing and machinery and elevator rooms, shall be appurtenant and for the exclusive use of all apartments situated within such residential tower; and

(3) All elevator lobbies and access corridors on each floor from the eighth through the forty-second floors, inclusive, of each of the two residential towers shall be appurtenant to and for the exclusive use of the apartments on such floor; provided that the elevator lobby, foyer, and restroom facilities on the eleventh floor of each tower, and the corridors on such floor giving direct access to the recreation deck shall be appurtenant to and for the use of all apartments situate within such tower.

(d) One or more automobile parking spaces, bearing the number corresponding to the number of each residential unit, shall be appurtenant to and for the exclusive use of each unit. Each unit, as part of the purchase price, shall be assigned one parking stall with the exception of the eight penthouse units which will each be assigned two parking stalls. Purchasers and prospective purchasers should be cognizant of the fact that there are thirty-one (31) additional parking stalls which the Developer will offer for sale to purchasers of residential apartments upon such terms and conditions as Developer shall establish.

BY-LAWS: Prospective purchasers are advised to carefully read the By-Laws attached to the Declaration of Horizontal Property Regime which govern the operation and administration of the Project and which provide in part that the owner of the Commercial Unit shall have the right to select two (2) of the nine (9) members of the Board of Directors of the Association of Apartment Owners, which Directors shall have no voting rights on matters affecting only the residential units. The By-Laws further provide, in part, that the owner of the Commercial Unit shall have the right, from time to time, to adopt, amend or repeal any rules or regulations governing the use of the Commercial Unit and the commercial limited common elements.

INTEREST TO BE CONVEYED TO PURCHASERS: Each unit shall have appurtenant thereto the undivided percentage interest (herein called the "common interest") in all common elements of the Project and the same proportionate share in all common profits and expenses of the Project and for all other purposes including voting, as set forth under the topical heading "Description" hereinabove.

RESTRICTIONS AS TO USE: The apartments, except for the Commercial Unit, shall be occupied and used only as single-family residences. According to the proposed House Rules, occupancy of any residential apartment is limited to not more than two (2) persons per bedroom, except that such limitation may be exceeded by members of the immediate family of the owner, lessee, or rentee. Except for such limitations, the owners of the respective apartments shall have the absolute right to lease such apartments subject to all of the provisions of the Declaration and By-Laws. The Commercial Unit (and any constituent units into which the same may be divided pursuant to the Declaration) may be used for any purposes which may from time to time be permitted by law.

ALTERATION OF UNITS: The proposed Declaration of Horizontal Property Regime provide in part that:

(a) The owner of the Commercial Unit shall have the right at any time, at its sole cost and expense and without the consent or joinder of the residential owners, to make alterations within the Commercial Unit; provided that any such alterations shall not adversely affect the project. With respect to any portion of the Commercial Unit which shall be

separated only by a common element which is a wall or floor, the owner of the Commercial Unit shall have the right at any time to alter all or portions of the intervening wall or floor (whether or not load-bearing) if the structural integrity of the project is not affected and if the finish of the common element is restored to the condition substantially comparable to that of the common element prior to such alterations;

(b) The owner of two adjacent residential units on any floor (except the 42nd floor) consisting of a corner unit and an adjoining one-bedroom or studio unit which are separated by a wall may, with the consent of the Trustee, the Board of Directors and any mortgagee, alter or remove all or any portion of the intervening wall (whether or not load-bearing) which separates such units if the structural integrity of the project is not thereby affected and if the finish of the common element then remaining is restored to a condition substantially comparable to that of the common element prior to such alterations; and

(c) The owner of the Commercial Unit shall have the right, at its expense and without being required to obtain the consent or joinder of the owners of the residential units or any other person or group (other than any mortgagee of such unit), to execute and file an amendment to the Declaration and Condominium Map: (1) to divide the Commercial Unit into two or more commercial units; (2) to describe the common interest and common elements appurtenant to the additional commercial units; (3) to decrease the common interest appurtenant to the existing Commercial Unit; and (4) when applicable, to alter, reserve and grant all easements and rights of way over, under and on the common elements necessary or desirable to service all of the commercial units so created.

OWNERSHIP OF TITLE: Information submitted to the Commission indicates that the project site consists of the following lots, all of which are owned in fee simple by Hawaiian Trust Company, Ltd., a Hawaii corporation, as Trustee under that certain Trust Agreement, dated June 6, 1974, and filed as Land Court Document No. 687964, which Trust Agreement was amended by instrument, dated November 27, 1974, filed as Document No. 705673 and was further amended by instrument, dated January 13, 1975, filed as Document No. 707915: Lots 37-A-1, 35-A-1, 29-A-1, 38-A, 42, 40, 31-A, 33-A-1, 30, 32, 34, 36 and 38-B.

ENCUMBRANCES AGAINST TITLE: A certificate of title, dated March 7, 1975, issued by Title Guaranty of Hawaii, Inc. reflects that that land is subject to the following encumbrances; Lot 38-A is subject to that certain unrecorded lease, dated July 30, 1969, entered into by and between Toyoko Ishiguro Lucas, as Lessor, and Trans-Pacific Properties, Inc., a Nevada corporation, as Lessee, of which a Memorandum of Agreement is filed as Land Court Document No. 491911, which lease was amended by unrecorded instrument, dated June 6, 1974, of which a Memorandum of Amendment is filed as

Document No. 687955 and supplemented by instrument, dated November 29, 1974, filed as Document No. 705669. Lots 42 and 40 are subject to that certain Declaration of Trust, dated July 23, 1969, filed as Document No. 479656, and are also subject to that certain unrecorded lease, dated July 30, 1969, entered into by and between Helen Nahm Choy, a widow, and Herbert Young Choy, as trustee of the Doo Wook and Helen Nahm Choy Foundation, as Lessors, and Trans-Pacific Properties, Inc., as Lessee, of which is a Memorandum Agreement is filed as Document No. 491904, which lease was amended by unrecorded instrument, dated June 6, 1974, of which a Memorandum of Amendment of Lease is filed as Document No. 687957, and supplemented by instrument, dated November 26, 1974, filed as Document No. 705664. Lot 31-A is subject to that certain unrecorded lease, dated July 30, 1969, entered into by and between Umematsu Watada and Yasu Nakao Watada, husband and wife, as Lessors, and Trans-Pacific Properties, Inc., as Lessee, of which a Memorandum Agreement is filed as Document No. 491906, which lease was amended by unrecorded instrument, dated June 4, 1974, of which a Memorandum of Amendment is filed as Document No. 687956 and supplemented by instrument, dated December 5, 1974, filed as Document No. 705670. Lot 33-A-1 is subject to that certain unrecorded lease, dated July 30, 1969, entered into by and between, Bow Sun Wong & Quon Moi Ching Wong, husband and wife, as Lessors, and Trans-Pacific Properties, Inc., as Lessee, of which a Memorandum Agreement is filed as Document No. 491908, which lease was amended by unrecorded instrument, dated June 6, 1974, of which a Memorandum of Amendment of Lease is filed as Document No. 687958, and supplemented by instrument, dated November 30, 1974, filed as Document No. 705671. Lot 30 is subject to that certain unrecorded lease, dated August 22, 1969, entered into by and between Louis Lyman Gowans and Helen Taylor Gowans, husband and wife, as Lessors, and Trans-Pacific Properties, Inc., as Lessee, of which a Memorandum Agreement is filed as Document No. 491914, which lease was amended by unrecorded instrument, dated June 6, 1974, of which a Memorandum of Amendment of Lease is filed as Document No. 687959, and supplemented by instrument, dated November 27, 1974, filed as Document No. 705665. Lot 34 is subject to that certain unrecorded lease, dated August 22, 1969, entered into by and between Louis Lyman Gowans and Helen Taylor Gowans, husband and wife, as Lessors, and Trans-Pacific Properties, Inc., as Lessee, of which a Memorandum of Agreement is filed as Document No. 491917, which lease was amended by unrecorded instrument, dated June 6, 1974, for which a Memorandum of Amendment is filed as Document No. 687961, and supplemented by instrument, dated November 27, 1974, filed as Document No. 705667. Lots 36 and 38-B are subject to that certain unrecorded lease, dated August 22, 1969, entered into by and between Louis Lyman Gowans and Helen Taylor Gowans, husband and wife, as Lessors, and Trans-Pacific Properties, Inc., as Lessee, of which a Memorandum of Agreement is filed as Document No. 491919, which lease was amended by unrecorded instrument, dated June 6, 1974, of which a Memorandum of Amendment is filed as Document No. 687962, and supplemented by instrument, dated November 27, 1974, filed as Document No. 705668.

Note: Land Court Order No. 40110, filed June 28, 1974, sets forth the merger of Trans-Pacific Properties, Inc., a Nevada corporation, with and into Mainline-MEPC Properties (Hawaii), Inc., a Hawaii corporation, effective September 21, 1973. The corporate name of Mainline-MEPC Properties (Hawaii), Inc. was changed to MEPC Properties (Hawaii), Inc. by Certificate of Amendment, dated October 18, 1974, filed as Document No. 704855.

As to All Lots:

1. The terms and conditions of that certain Trust Agreement, dated June 6, 1974, filed as Document No. 687964, made by Helen Nahm Choy and Hebert Young Cho Choy, trustee of the Doo Wook and Helen Nahm Choy Foundation; Toyoko Ishiguro Lucas, wife of Norman Ululani Lucas, and Alice Hanako Kodama Yokoyama, wife of Irvine Kiyoshi Yokoyama; Louis Lyman Gowans and Helen Taylor Gowans, husband and wife, Umematsu Watada and Yasu Nakao Watada, husband and wife; Quon Moi Ching Wong, a widow; and Mainline-MEPC Properties (Hawaii), Inc., a Hawaii corporation, as Settlers, to Hawaiian Trust Company, Limited, a Hawaii corporation, as Trustee, consent thereto filed as Document No. 705662. Said Trust Agreement was amended by instrument, dated November 27, 1974, filed as Document No. 705673, and was further amended by instrument, dated January 13, 1975, filed as Document No. 707915.

2. Mortgage and Security Agreement, dated December 13, 1974, filed as Document No. 705674, made by MEPC Properties (Hawaii), Inc. to Bank of Hawaii, which mortgage constitutes a first lien on the fee simple interest of MEPC Properties (Hawaii), Inc. as to Lots 37-A-1, 35-A-1 and 29-A-1, and on the leasehold estate of MEPC Properties (Hawaii), Inc. as to the other lots described hereinabove.

3. An undated Financing Statement, filed December 17, 1974, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 10315, Page 581, in favor of Bank of Hawaii.

4. Mortgage dated December 6, 1961, filed as Document No. 282775, in favor of American National Insurance Company, which mortgage was subordinated to that certain lease filed as Document No. 49121 by instrument dated December 24, 1969, filed as Document No. 493303. By instrument dated December 24, 1969, and filed as Document No. 493304, the interest in said Lease Document No. 49121 was assigned to said mortgagee as additional security.

5. Real property taxes that may be due and owing, reference is made to the officer of the State Assessor, First Division, State of Hawaii.

PURCHASE MONEY HANDLING: An executed Escrow Agreement, dated February 19, 1975, identifies Honolulu Mortgage Co., Ltd. as the Escrow Agent. Upon examination of the Escrow Agreement, as amended, it is found to be in compliance with Chapter 514,

Hawaii Revised Statutes, and particularly Section 514-35 through Section 514-40.

Among other provisions, the executed Escrow Agreement states that a purchaser under contract of sale, upon written request, shall be entitled to a refund of all monies deposited with escrow without interest if any, if the following events shall have occurred:

(1) Developer has requested escrow to return to purchaser the funds of purchaser then being held hereunder by Escrow;

(2) Developer has notified escrow of developer's exercise of the option to rescind the sales contract pursuant to any right of rescission stated therein or otherwise available to Developer;

(3) If the purchaser's funds were obtained prior to the issuance of the Final Public Report and if there is any change in the building plans requiring approval of a county officer having jurisdiction over the issuance of building permits, except such changes as are specifically authorized in the Declaration of Horizontal Property Regime or by terms of the Sales Contract, or to which said purchaser has otherwise consented in writing;

(4) The Final Report differs in any material respect from the Preliminary Report, and the purchaser's written approval of such change has not been obtained; or

(5) The Final Report is not issued within one (1) year from the date of issuance of the Preliminary Report.

The executed Escrow Agreement also provides that the purchaser's funds may be used to pay for construction costs of the building and other improvements and fixtures and to other persons for other architectural, engineering, finance, advertising, legal fees and other incidental expenses of the Project following the issuance of a Final Report on the Project from the Real Estate Commission. No purchaser's funds obtained prior to the issuance of a Final Public Report of the Real Estate Commission shall be disbursed from the escrow fund.

The specimen Deposit Receipt and Sales Contract sets forth the conditions upon which the purchaser may elect to avoid the sales contract. The specimen Deposit Receipt and Sales Contract also provides that the Developer shall have the option to cancel the Deposit Receipt and Sales Contract in the event less than four hundred (400) apartments in the Project are sold prior to July 1, 1976. In the event the Sales Contract is cancelled, the Developer shall refund to the purchaser all monies paid without interest.

Any interest earned on purchaser's funds deposited with escrow shall accrue to the Developer.

It is incumbent upon the purchaser and prospective purchaser to read and understand the Escrow Agreement before executing the Deposit Receipt and Sales Contract since the Escrow Agreement, prescribes the procedure for receiving and disbursing purchaser's funds and the Deposit Receipt and Sales Contract specifically provides that the purchaser approves said Escrow Agreement and assumes the benefits and obligations therein provided.

MANAGEMENT OF PROJECT: The By-Laws which are incorporated in the Declaration provide that the operation of the Project shall be conducted for the Association under the direction of its Board of Directors by a responsible corporate managing agent. No contract with a Managing Agent has yet been entered into. However, the Developer reserves the right to designate a managing agent at any time prior to the first conveyance of an apartment. The specimen Deposit Receipt and Sales Contract authorizes the Developer, from time to time prior to closing, to enter into such contracts and arrangements on behalf of the apartment purchasers as are necessary or desirable for the management, operation or maintenance of the Project.

STATUS OF PROJECT: The Developer has entered into a contract for the construction of the Project with DMA-Pacific, a joint venture, a copy of which contract has been furnished to the Commission. Construction was commenced on September 29, 1974 and is expected to be completed on or about November 1, 1976.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted March 3, 1975, and information subsequently filed as of March 31, 1975.

This is a PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT which is made a part of REGISTRATION NO. 758, filed with the Commission on March 3, 1975. This report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles shall be yellow in color.

As Kam Young

For DOUGLAS R. SODETANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
PLANNING DEPARTMENT, CITY AND COUNTY OF HONOLULU
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

Registration No. 758
April 10, 1975