REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES
STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

SUPPLEMENTARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT

on
PACIFIC ISLANDER HOTEL
249 Kapili Street
Honolulu, Oahu, Hawaii

REGISTRATION NO. 821

This Report Is Not an Approval or Disapproval of This Condominium Project

It was prepared as a supplement to an earlier Report dated November 19, 1975 **issued by the Real Estate Commission on the above 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 until

(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: July 6, 1976
Expires: December 19, 1976

Special Attention

A comprehensive reading by the prospective purchaser is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the prospective purchaser is particularly directed to the following:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED ON NOVEMBER 6, 1975, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF JULY 2, 1976. THE DEVELOPER, BY SUBMITTING ADDITIONAL INFORMATION TO THE COMMISSION, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME LAW, HAWAII REVISED STATUTES, CHAPTER 514.

1. Since the issuance of the Commission's Final Public Report dated November 19, 1975, the Developer has submitted additional information and has requested the issuance of a Supplementary Public Report.

The changes subsequently made are determined to be a material revision to the information disclosed earlier. This Supplementary Public Report (pink paper stock) amends the Final Public Report (white paper stock), becoming a part of "PACIFIC ISLANDER HOTEL" registration. The Developer is responsible for placing a true copy of this Supplementary Public Report in the hands of all purchasers and prospective purchasers, along with a copy of the Final Public Report and securing a signed copy of a Receipt for both reports.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration and the updating of information disclosed therein.

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 been filed in the Office of the Assistant Registrar of Land Court of the State of Hawaii as Document No. 742288, as amended on May 3, 1976 as Document No. 767712. The approved floor plans have been designated Condominium Map No. 267.

4. No advertising or promotional matter have been submitted pursuant to the Rules and Regulations promulgated by the Commission.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, and the rules and regulations which relate to Horizontal Property Regimes.

6. This Supplementary Public Report automatically expires on December 19, 1976, unless another Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

THE DEVELOPER HAS ADVISED THE COMMISSION THAT THE APARTMENT UNITS WILL BE SOLD IN CANADA AND IN THE STATE OF HAWAII, BUT THAT NO DISCRIMINATION WILL BE MADE AGAINST RESIDENTS OF THE STATE OF HAWAII, WHO WILL BE FREE TO PURCHASE APARTMENT UNITS AT THE SAME PRICES AND UPON THE SAME TERMS AND CONDITIONS AS MAY BE OFFERED TO THE CANADIAN PURCHASERS. INASMUCH AS THERE WILL BE NO COMMON RENTAL PROGRAM, THERE WILL BE NO RESTRICTION ON THE RESALE OF APARTMENT UNITS TO RESIDENTS OR NON-RESIDENTS OF THE STATE OF HAWAII.

The information contained in the Final Public Report of November 19, 1975 under the topical headings: DEVELOPER, ATTORNEY REPRESENTING DEVELOPER, PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE, OWNERSHIP OF TITLE, ENCUMBRANCES AGAINST TITLE, PURCHASE MONEY HANDLING, HOUSE RULES and MANAGEMENT AND OPERATIONS have been altered as follows:

DEVELOPER: CANTEX DEVELOPMENT CORPORATION has succeeded as the Developer of this project. Its office and place of business in Hawaii is 249 Kapili Street, Honolulu, Hawaii, 96815; Phone: 922-6444. The President is William L. Ling and its Secretary is Janet Schmalz, both of 1250-505 Burrard Street, Vancouver, B. C., Canada.

NOTE: Hale Kapili, Inc., the former developer, has sold and assigned the Master Lease and the existing building and improvements known as the PACIFIC ISLANDER HOTEL to CANAM DEVELOPMENT CORPORATION, a Texas corporation duly licensed to do business in the State of Hawaii, who has subleased all 38 apartments in the project to CANTEX DEVELOPMENT CORPORATION, a Canadian corporation duly licensed to do business in the State of Hawaii.

ATTORNEY REPRESENTING DEVELOPER: Robert K. Fukuda, Suite 470, Alexander Young Building, Honolulu, Hawaii 96813; Telephone (808) 538-7164.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The apartments herein described shall at all times be used only for (1) living accommodations, including but not limited to hotel purposes, or (2) such other uses as may be permitted by the applicable laws, ordinances, rules and regulations of the City and County of Honolulu and State of Hawaii and as approved by the Lessor and fee owner of the land. Prospective purchasers should carefully note that the current zoning requirements of the City and County of Honolulu for the project may preclude purchasers from using their apartment as their primary residence.

The Developer advises that the proposed "common rental program" for hotel operation as stated in the Final Public Report of November 19, 1975 has been dropped. No reference or emphasis will be placed on the economic benefit to be derived from the managerial efforts of the developer to purchasers of a unit in said condominium project.

OWNERSHIP OF TITLE: The Developer has filed with the Commission a continuation of the Preliminary Report filed previously. The continuation report dated June 18, 1976 and prepared by Security Title Corporation, certifies that

fee ownership to the land committed to this regime continues to be vested in Georgie Lyle Rector of Pendleton, Indiana.

ENCUMBRANCES AGAINST TITLE: Said title report of June 18, 1976 also reflects that title to the land is subject to the following encumbrances:

1. The terms and provisions of that certain Indenture of Lease dated December 18, 1972, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 629449, made by and between GEORGIE LYLE RECTOR, widow of Frank Rector, as Lessor, and INCOME BUILDERS, INC., a Hawaii corporation, as Lessee, for a term of 60 years commencing on January 1, 1973; as amended by instrument dated May 3, 1976, filed in said Office of the Assistant Registrar as Document No. 767711. Said lease, through mesne assignments, is now held by CANAM DEVELOPMENT CORPORATION, a Texas corporation, registered and licensed to do business in the State of Hawaii, as Lessee, by Assignment of Lease dated April 28, 1976, filed in said Office o f the Assistant Registrar as Document No. 767708. Consents thereto being Documents Numbered 767709 and 767710.

2. The covenants, agreements, obligations, conditions and other provisions set forth in that certain Declaration of Horizontal Property Regime of "Pacific Islander Hotel", dated November 14, 1975, filed in said Office of the Assistant Registrar as Document No. 742288, and the By-Laws attached thereto to which reference is hereby made, and the Amendment to Declaration of Horizontal Property Regime dated May 3, 1976, Document No. 767712, to which reference is also made.

3. Condominium Map No. 267, filed in said Office of the Assistant Registrar on November 18, 1975.

4. Mortgages in favor of Pacific Savings and Loan Association of Honolulu, State of Hawaii, all dated June 9, 1976, and all filed as aforesaid on June 16, 1976, as Document No's. 768887; 768889; 768891; 768893; 768895; 768897; 768899; 768901; 768903; 768905; 768907; 768909; 768911; 768913; 768915; 768917; 768919; 768921; 768923; 768925; 768927; 768929; 768931; 768933; 768936; 768938; 768940; 768942; 768944; 768946; 768948; 768950; 768952; 768954; 768956; 768958; 768960; 768961.

NOTE: Each apartment unit is presently subject to a mortgage in favor of Pacific Savings & Loan Association which a qualified purchaser may assume. However the assumption of the existing mortgage is not a condition of the apartment sale and purchasers may secure other financing.

5. For any taxes that may be due and owing, reference is made to the Office of the Tax Assessor, First Division, State of Hawaii.

6. The terms and provisions of those certain Apartment Subleases made by and between CANAM DEVELOPMENT CORPORATION, a Texas corporation as Sublessor, and CANTEX DEVELOPMENT CORPORATION, a Canadian corporation, as Sublessee for a term commencing on June 9, 1976 until December 31, 2032 and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document Nos: 768886; 768888; 768890; 768892; 768894; 768896; 768898; 768900; 768902; 768904; 768906; 768908; 768910; 768912; 768914; 768916; 768918; 768920; 768922; 768924; 768926; 768928; 768930; 768932; 768934; 768935; 768937; 768939; 768941; 768943; 768945; 768947; 768949; 768951; 768953; 768955; 768957; 768959.

7. Any and all easements encumbering the apartments and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, as amended, and/or said Apartment Sublease, and/or as delineated on said Condominium Map No. 267.

PURCHASE MONEY HANDLING: The Developer reports that a new escrow agreement has been executed on April 29, 1976, by CANTEX DEVELOPMENT CORPORATION as the Seller, and Security Title Corporation, a Hawaii corporation, as the Escrow.

The Specimen "Sale Contract and Deposit Receipt" provides in part that the purchaser warrants that;

(a) The sale and offer to sell units in this project do not in any way contain any offer of participation in a rental pool arrangement;

(b) That none of the condominiums in this project have been offered or sold or will be offered or sold with any rental arrangement or other similar service;

(c) That no emphasis has been placed on the economic benefits to the purchaser to be derived from the managerial efforts of the Developer or the Seller, or by the efforts of any third party designated and arranged for by the Developer or the Seller;

(d) That none of the sales or offers to sell units in this project have contained or will contain an offer of a rental or similar arrangement whereby the purchaser must hold his unit available for rental for any part of the year, or must use an exclusive rental agent, or is otherwise materially restricted in his occupancy or rental of his unit;

(e) That all sales literature was devoid of any reference to the economic benefit to be derived from the purchase of a unit in said condominium project;

(f) That no sales personnel of the Seller mentioned any of the foregoing in their sales pitch.

It is incumbent on the purchaser to read and understand the executed Escrow Agreement before signing the Sales Contract and Deposit Receipt as the Escrow Agreement prescribes the procedures for receiving and disbursing the purchaser's funds.

HOUSE RULES: The Developer reports that House Rule I(2) has been amended as follows: "All apartments of the project shall be used only for the purposes set forth in the Declaration and for no other purpose." Paragraph E of the Declaration as amended on May 3, 1976 states in part: "The apartments herein above described shall at all times be used only for (1) living accomodations, including but not limited to hotel purposes or....."

The Developer also reports that the first sentence of Paragraph II. LEASE AND RENTAL AGREEMENTS has been deleted from the House Rules, to-wit: the following language has been removed: "No apartment owner shall be permitted to lease or rent his apartment for transient or hotel purposes, which are defined as (a) rental for any period less than 30 days, or (b) any rental in which occupants are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen or bellboy service".

MANAGEMENT AND OPERATION: The Developer reports that a new management agreement has been executed with Pacific Islands Management, Ltd. The new management agreement is subject to cancellation by either party upon thirty (30) days written notice to the other party.

The purchaser or prospective purchaser should be cognizant of the fact that this report represents information disclosed by the Developer in the required Notice of Intention submitted on November 6, 1975, and information subsequently filed as of July 2, 1976.

This SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 821 filed with the Commission on November 6, 1975.

This report, when reproduced, shall be a true copy of the Commission's public report. The paper stock used in making facsimilies must be pink in color.

Ah Kau Young

AH KAU YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

REGISTRATION NO. 821
July 6, 1976.