

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

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

FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT on

PEARL KAI TERRACE
834 Lehua Avenue
Pearl City, Hawaii 96782

REGISTRATION NO. 1105

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 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: May 17, 1979
Expires: June 17, 1980

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 and prospective purchaser is particularly directed to the following:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED MARCH 20, 1979 AND INFORMATION SUBSEQUENTLY FILED AS OF MAY 15, 1979. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. PEARL KAI TERRACE is a fee simple condominium project consisting of one (1) 4-story residential building, containing twenty-one (21) apartments, and twenty-seven (27) parking spaces.

2. The Developer of the project has submitted to the Commission for examination all documents and exhibits deemed necessary for the issuance of this Final Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, with By-Laws of Association of Apartment Owners attached) have been recorded in the Bureau of Conveyances of the State of Hawaii in Liber 13550 at Page 25. The Bureau of Conveyances has assigned Condominium Map No. 599 to the project.
4. Advertising and promotional matter required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to public dissemination.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to Horizontal Property Regime.
7. This Final Public Report is made a part of the registration on PEARL KAI TERRACE condominium project. The Developer has the responsibility of placing a true copy of the Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers and for securing a signed copy of the receipt for Horizontal Property Regime Public Report from each purchaser or prospective purchaser.
8. This Final Public Report automatically expires thirteen (13) months from the date of issuance, May 17, 1979, unless a Supplementary or Final 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: PEARL KAI TERRACE

LOCATION: The project is located at 834 Lehua Avenue, Pearl City, Hawaii, and contains a land area of 13,056 square feet or thereabouts. The description of the land and the reserved easements, rights, powers and privileges of the owners are more fully set forth in the Declaration.

TAX KEY: First Division, 9-7-20-21

ZONING: A-2, Apartment

DEVELOPER: The Notice of Intention reveals the Developer to be PEARL CITY INVESTMENT, a Hawaii limited partnership, Suite 1730, Pacific Trade Center, 190 South King Street, Honolulu, Hawaii 96813, Telephone No. 524-5770. The general partners of the partnership are Robert N. Miura and Real Property Hawaii, Inc.

ATTORNEY REPRESENTING DEVELOPER: OKUMURA TAKUSHI FUNAKI & WEE,
ATTORNEYS AT LAW, A LAW CORPORATION (Alfred M. K. Wong), Suite
500, Alexander Young Building, 1015 Bishop Street, Honolulu,
Hawaii 96813, Telephone No. 536-1791.

DESCRIPTION OF PROJECT: The improvements consist of a 4-story
concrete building with twenty-one (21) two-bedroom apartments.
The ground floor consists of a lobby and laundry area along
with twenty-seven (27) parking stalls numbered 1 through 27.
Six (6) of the 27 parking stalls are compact stalls and are
indicated by the letter "c" after the parking stall number.
The compact stalls are 6c, 10c, 17c, 20c, 21c and 22c. Each of
the second, third and fourth floors contain seven (7)
two-bedroom apartments, a corridor and two stairwells. The
length of the building is parallel to First Street with the
corridor along the north side. The stairwells are located on
each end of the building or on the Lehua Avenue end and the end
furthest from Lehua Avenue. There is a recreation deck of
approximately 1200 square feet for lounging and sunning which
is enclosed by a chain link fence on the roof of the building.

The apartments in the project are more particularly described
as follows:

a. There are twenty-one (21) freehold estates in the
spaces within the perimeter walls, floors and ceilings of the
21 apartments in said building. The 21 apartments shall not be
deemed to include the undecorated or unfinished surfaces of the
perimeter walls or of the interior loadbearing walls, the
floors and perimeter ceilings surrounding each apartment, or
any pipes, wires, ducts, conduits, or other utility or service
lines running through such apartments which are utilized for or
serve more than one apartment, all of which are common elements
as provided herein. Each apartment shall be deemed to include
the walls and partitions which are not loadbearing and which
are within its perimeter walls; doors and door frames; windows
and window frames; the inner decorated or finished surfaces of
walls, floors and ceilings, adjoining or connected thereto; and
all fixtures originally installed therein. Notwithstanding the
designation of the limits of the apartments, the square footage
of each respective apartment is measured from the exterior face
of exterior walls and the center line of party walls, and no
reduction is made to account for interior loadbearing walls,
ducts, vent shafts and the like, located within the perimeter
walls.

b. The apartments will be numbered starting with the
apartment furthest from the corner of Lehua Avenue and First
Street commencing with "01" through "07" preceded by the floor
on which such apartment is located, all as shown on said
Condominium Map.

c. Each of the 21 apartments will have immediate
access to a corridor which leads to two stairways.

d. Each of the 21 apartments are identical and consists of a living room, kitchen, bathroom, dressing room and two bedrooms for a total of approximately 600 square feet. The layout of the 01, 02, 04 and 06 apartments are the reverse of the 03, 05 and 07 apartments.

COMMON ELEMENTS: The Declaration states that the owners of apartments will have an undivided interest in the common elements, including specifically but not limited to:

- a. Said land in fee simple.
- b. All foundations, columns, girders, beams, supports, main walls, roofs, entrances, corridors, stairways and exits of said building.
- c. All driveways and parking spaces.
- d. The yards and recreational deck.
- e. All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities and installations which serve more than one apartment for services such as power, light, water, gas, refuse, telephone, radio and television signal distribution.
- f. All tanks, pumps, motors, fans, compressors, ducts, and, in general, all apparatus and installations existing for common use.
- g. Any and all other apparatus and installations of common use and all other parts of the project necessary or convenient to its existence, maintenance or safety, and normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called and designated "limited common elements", are 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 as follows:

- a. Each apartment will be assigned one (1) parking stall which shall be appurtenant to and for the exclusive use of such apartment, as shown on Exhibit "A" attached hereto and made a part hereof, except for Apartment No. 307 which shall be assigned six (6) parking stalls, as shown on said Exhibit "A"; PROVIDED, HOWEVER, that Developer reserves the right to sell to owners of other apartments any of the parking stalls assigned to Apartment No. 307 by way of an amendment to the Declaration in order to redesignate such parking stalls. Any automobile parking stall may be transferred from apartment to apartment so long as each apartment shall always have at least one (1) parking stall appurtenant to it.

b. All other common elements of the project which are rationally related to less than all of said apartments shall be limited to the use of such apartments.

INTEREST TO BE CONVEYED TO PURCHASER: Each of the twenty-one (21) apartments shall have appurtenant thereto an undivided 1/21st fractional interest in all the common elements of the project, such interest being defined and referred to as the "common interest", and the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The purposes for which said buildings and other improvements and each of the apartments are intended and shall be restricted as to use are as follows:

a. The common interest and easements appurtenant to each apartment shall have a permanent character, shall not be altered without the consent of all owners of apartments affected thereby as expressed in an amendment to the Declaration duly recorded, shall not be separated from such apartment and shall be deemed to be conveyed or encumbered with such apartment even though not expressly mentioned or described in the conveyance or other instrument; excepting, however, the exclusive easements for the use of parking stalls. Any exclusive easement for the use of a parking stall may be conveyed to another apartment owner by a written instrument expressly identifying the apartment to which the parking stall is appurtenant as well as the apartment to which the parking stall will become appurtenant, which written instrument shall be denominated as an amendment of the Declaration and of the deeds of each apartment affected. Such amendment need only be executed by owners directly affected. To the extent that the joinder of apartment owners in addition to those directly affected may be required in order to validate the amendment of declaration for the limited purpose of transferring such easements, such joinder shall be accomplished by power of attorney from each of the owners not affected to the affected owners, the acceptance of ownership of an apartment subject to the Declaration being a grant of such power and the grant, being coupled with an interest, being irrevocable. The transfer, amendment of declaration and amendment of deeds shall be effective upon recording of the same in the Bureau of Conveyances of the State of Hawaii. A copy of said conveyance and amendment of declaration and apartment deeds shall be given to the Board of Directors of the Association of Apartment Owners (herein called the "Board") by the affected owners within fifteen (15) days of the filing thereof.

b. The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided by said Horizontal Property Act.

c. The apartments shall be occupied and used only for residential purposes and no apartment shall be used as a

tenement or rooming house or for or in connection with the carrying of any business, trade or profession whatsoever. The foregoing notwithstanding, the Owners of the respective apartments shall have the absolute right to lease such apartments for residential purposes.

The proposed House Rules states in part: (a) No fireworks shall be set off on the project; and (b) All apartments shall be occupied by no more than five (5) persons.

OWNERSHIP OF TITLE: The Preliminary Report dated May 14, 1979 prepared by Security Title Corporation reflects that title to the land is vested in Pearl City Investments, a Hawaii limited partnership, the developer of the project.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report dated May 14, 1979 by Security Title Corporation reports that title to the land is subject to the following:

(a) For real property taxes that may be due and owing, reference is made to the Tax Assessor, First Taxation Division.

(b) The whole of sewer easement Parcel 2 (10.00 feet wide) and a portion of sewer easement Parcel 3 (10.00) feet wide of Pearl City Sewers Improvement District No. 114 (Civil Number 20042 Eminent Domain) over and across the Northwesterly side of the project land, as created by that certain Final Order of Condemnation dated February 10, 1969, recorded in said Bureau of Conveyances in Liber 6404 at Page 469.

(c) "SUBJECT, FURTHER to no abutter's rights of access into and from Interstate Highway, Federal Aid Project No. I-H1-1 (13), over and across Course 4 (being Course 1 of Parcel 22, Civil Number 22211 Eminent Domain) of the above described parcel of land.", as mentioned in Deed dated April 12, 1972, recorded in said Bureau of Conveyances in Liber 8272 at Page 380.

(d) Real Property Mortgage, Security Agreement and Financing Statement dated August 8, 1973, recorded in said Bureau of Conveyances in Liber 9383 at Page 359, made by Rex Shoichi Kuwasaki, husband of Ethel Morita Kuwasaki, as Mortgagor, to Honolulu Federal Savings and Loan Association, as Mortgagee.

(e) Condominium Map No. 599, filed in said Bureau of Conveyances on March 15, 1979.

(f) The covenants, agreements, obligations, conditions and other provisions set forth in Declaration of Horizontal Property Regime under the Horizontal Property Act, Pearl Kai Terrace, dated February 5, 1979, recorded in said Bureau of Conveyances in Liber 13550 at Page 25, and the By-Laws attached thereto.

PURCHASE MONEY HANDLING. A copy of the Specimen Sales Contract and the executed Escrow Agreement dated March 8, 1979 have been submitted as part of the registration. The Escrow Agreement identifies Security Title Corporation as the Escrow. Upon examination, the Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. It is incumbent upon the purchaser and prospective purchaser that he reads with care the Sales Contract and the executed Escrow Agreement. The latter agreement establishes how proceeds from the sale of apartments and all sums received from any source are placed in escrow, as well as the methods of disbursement of said funds.

The sales contract provides, among other things: (a) that purchaser's rights under the Sales Contract are subordinate to any interim or construction mortgages; (b) that the purchaser acknowledges that the project was completed in 1974 and accepts the apartment in an "as is" condition, and purchaser further acknowledges that purchaser has had an opportunity to inspect the apartment and common elements and that the purchase price takes into consideration the fact that the building and fixtures and appliances are five years old; (c) that interest on monies payable on monies deposited with escrow shall belong to and be payable to the Seller; and (d) that Seller has expressly reserved the right to sell or lease unsold apartments free from any restrictions on sale or lease which may under the By-Laws apply to purchasers.

Among other provisions, the executed Escrow Agreement states that a purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said purchaser, without interest if purchaser shall in writing request refund of his funds and any one of the following shall have occurred: (a) Escrow receives a written request from Seller to return to purchaser the funds of such purchaser then held by Escrow; or (b) If a purchaser's funds were obtained prior to the issuance of a Final Public Report and if there is any change in the condominium building plans, subsequent to the execution of purchaser's sales contract, requiring the approval of a county officer having jurisdiction over the issuance of permits for construction of buildings, unless the purchaser has given written approval or acceptance of the specific change; or (c) if a purchaser's funds were obtained prior to the issuance of a Final Public Report and the request is prior to the time of the Final Public Report is issued.

MANAGEMENT AND OPERATIONS: The Declaration discloses that the administration of the project shall be vested in the Association of Apartment Owners. Operation of the project shall be conducted for the Association by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the By-Laws except that the initial Managing Agent shall be appointed by the Developer. Certified Management whose address is Kaahumanu Street, Suite 404, Pearl City, Hawaii 96782, has been named as the initial Managing Agent and is designated as the agent to receive

service of process until such time as the Board of Directors of the Association is elected. The Management Agreement shall be for a term of one (1) year from March 1, 1979, and may be terminated upon thirty (30) days written notice by the Association or sixty (60) days notice by the Managing Agent.

STATUS OF PROJECT: As evidenced by a Notice of Completion filed with the First Circuit Court of the State of Hawaii on April 4, 1974, the project was completed in March 1974. The Developer has advised the Commission that since completion of the building, the units have been rented on six-month lease agreements.

NOTE: Any changes to the structure in the future would be subject to the zoning requirements in effect at that time, including Section 21-107, Non-Conforming Uses.

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 20, 1979 and information subsequently filed as of May 15, 1979.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1105.

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

Ah Kau Young

AH KAU YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Department of Taxation
Bureau of Conveyances
Department of Planning, City and
County of Honolulu
Federal Housing Administration
Escrow Agent

Registration No. 1105

Dated: May 17, 1979

EXHIBIT "A"

PEARL KAI TERRACE

INITIAL PARKING STALL ASSIGNMENT:

<u>Parking Stall Number</u>	<u>Condominium Unit Number</u>
1	102
2	103
3	104
4	105
5	106
6c	101
7	201
8	207
9	301
10c	107
11	202
12	203
13	204
14	205
15	206
16	302
17c	303
18	307
19	307
20c	307
21c	307
22c	307
23	307
24	307
25	304
26	305
27	306

NOTE: "c" denotes compact parking stall