

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

SECOND

SUPPLEMENTARY

HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)

PUBLIC REPORT

on

PEARL HORIZONS, PHASE I

98-640 Moanalua Loop

Waimalu, Oahu, Hawaii

REGISTRATION NO. 1378

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

It was prepared as a supplement to an earlier Report dated February 12, 1981 and April 2, 1981 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: August 19, 1983

Expires: March 12, 1984

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 DECEMBER 23, 1980 and INFORMATION SUBSEQUENTLY FILED AS OF AUGUST 16, 1983. 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. PEARL HORIZONS PHASE I is a proposed fee simple condominium project consisting of ninety (90) residential apartments contained in two (2) three-story buildings and one hundred sixty-two (162) open parking stalls of which sixty-six (66) stalls are undesignated parking stalls, six (6) are guest parking stalls, and ninety (90) stalls are designated limited common elements appurtenant to the residential apartments in the Project.
2. Developer has submitted to the Commission for examination all documents deemed necessary for the issuance of this Second Supplementary Public Report.
3. Developer has submitted to the Commission for examination a proposed Declaration of Horizontal Property Regime, proposed By-Laws of the Association of Apartment Owners and the floor plans. A Final Public Report will not be issued until these items have been executed, approved and recorded where applicable.
4. No advertising or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to the Horizontal Property Regime.
6. Developer is responsible for placing a true copy of this Second Supplementary Public Report (pink paper stock) and the revised Disclosure Abstract dated August 2, 1983 in the hands of all purchasers and prospective purchasers. Developer is further required, upon request of a prospective purchaser, to deliver copies of the Preliminary Public Report of February 12, 1981 and Supplementary Public Report of April 2, 1981. It is also the responsibility of Developer to obtain the required receipt therefor.
7. This Second Supplementary Public Report automatically expires March 12, 1984, unless a further Supplementary Public Report or Final Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective period of this Report.

PEARL HORIZONS PHASE I WAS REGISTERED AS PEARL HORIZONS CONDOMINIUM AND THE REAL ESTATE COMMISSION ISSUED A PRELIMINARY PUBLIC REPORT NO. 1378 ON FEBRUARY 12, 1981, A SUPPLEMENTARY PUBLIC REPORT DATED APRIL 2, 1981, AND THEIR EXTENSIONS THEREOF. SINCE THEN, DEVELOPER REPORTS THAT

SUBSTANTIAL CHANGES HAVE BEEN MADE IN THE SET-UP OF THE PROJECT, PARTICULARLY IN THE PHASING OF THE PROJECT. THIS SECOND SUPPLEMENTARY PUBLIC REPORT AMENDS AND SUPERSEDES IN ITS ENTIRETY ALL THE INFORMATION PROVIDED IN THE PRELIMINARY AND SUPPLEMENTARY PUBLIC REPORTS, AND THIS SECOND SUPPLEMENTARY REPORT IS DEEMED COMPLETE IN ITSELF.

NAME OF PROJECT: PEARL HORIZONS, Phase I

LOCATION: The 282,008 square feet of property to be committed to the regime as a fee simple condominium project is situated at 98-640 Moanalua Loop, Waimalu, Oahu, Hawaii.

NOTE: Subject parcel pending subdivision into three separate parcels.

TAX MAP KEY: 9-8-11:37

ZONING: A-1 (Low density apartment)

DEVELOPER: PEARL HORIZONS ASSOCIATES, a Hawaii registered general partnership, whose address is 500 Hakaka Place, Honolulu, Hawaii 96816, telephone 735-2544 is the Developer. The parties to the general partnership are Waimalu Venture, a registered Hawaii general partnership, whose address is 1062 Kikowaena Place, Honolulu, Hawaii, and Pearl Sun Associates, a registered Hawaii limited partnership, whose address is 500 Hakaka Place, Honolulu, Hawaii.

ATTORNEYS REPRESENTING DEVELOPER. Ikazaki, Devens, Lo, Youth & Nakano (Attention: Richard C. Lo or Curtis H. Shiramizu), 700 Bishop Street, Suite 1412 Amfac Building, Honolulu, Hawaii 96813; telephone 521-1456.

DESCRIPTION: The Project will involve the joint development of adjacent lots pursuant to §21-2.71 of the City and County of Honolulu Comprehensive Zoning Code 1978, and will be developed pursuant to an Agreement for Issuance of Special Use Permit under Ordinance No. 4451, Bill No. 40(1975), which binds Developer to maintain the development of the Project in such a way that conformity with applicable zoning regulations will be assured. This Agreement will be filed as a covenant running with the land with the Bureau of Conveyances, and the proposed Declaration of Horizontal Property Regime of Pearl Horizons shall be subject to said Agreement.

A. Phase Development. Developer is considering the development of the Project in separate phases. DEVELOPER DOES NOT REPRESENT THAT ANY PHASE AFTER PHASE I WILL BE DEVELOPED. The present plan of phase development is as follows:

- (1) Phase I. Phase I consists of two (2) separate three-story buildings without basements, being designated as Buildings I and II, containing a total of ninety (90) residential apartments, to be constructed

on said land, as shown on the proposed Condominium Map. Building I contains forty-two (42) residential apartments; Building II contains forty-eight (48) residential apartments. The principal materials of which the buildings will be constructed are wood, concrete, gypsum board, glass and metal.

Phase I will also contain one hundred sixty-five (165) uncovered parking stalls, which consist of one hundred three (103) regular stalls, sixty-one (61) compact stalls and one (1) compact parallel stall, two (2) loading spaces and two (2) trash receptacles, all situated on the ground level, located as shown on the proposed Condominium Map. Each of the ninety (90) residential apartments shall have appurtenant thereto at least one (1) parking stall designated as a limited common element. There are six (6) guest parking stalls designated as common elements.

(2) Phase II. Phase II, if constructed, will add three (3) separate three-story buildings without basements, being designated as Buildings III, IV and V, containing a total of sixty-six (66) residential apartments. The principal materials of which the buildings will be constructed are wood, concrete, gypsum board, glass and metal.

Phase II will also contain ninety-eight (98) uncovered parking stalls, which consist of fifty-five (55) regular stalls, thirty-eight (38) compact stalls and five (5) compact parallel stalls, one (1) loading space and one (1) trash receptacle, all situated on the ground level, located as shown on the proposed Condominium Map.

(3) Phase III. Phase III, if constructed, will add one (1) separate three-story building without basement, being designated as Building VI, containing a total of sixty-six (66) residential apartments. The principal materials of which the building will be constructed are wood, concrete, gypsum board, glass and metal.

Phase III will also contain ninety-one (91) uncovered parking stalls, which consist of forty-eight (48) regular stalls, sixteen (16) compact stalls and twenty-seven (27) compact parallel stalls, one (1) loading space and one (1) trash receptacle, all situated on the ground level, located as shown on the proposed Condominium Map.

Phase III shall also contain a recreation area consisting of a jacuzzi and sauna, a swimming pool, men's and women's exercise facilities, including shower and toilet facilities, and a lawn storage area, a manager's office and a cook out area, all situated on

the ground level, located as shown on the proposed Condominium Map.

The recreation area, if constructed, will be part of (1) the common elements of the Project as hereinafter described and (2) a privately owned park and playground owned and maintained by or on behalf of all owners of apartments in the Project pursuant to a Declaration of Restrictive Covenants which shall be recorded in the Bureau of Conveyances of the State of Hawaii, as required by Article 7 of Chapter 22 of the Revised Ordinances of Honolulu 1978. The proposed Declaration of Horizontal Property Regime of the Project shall be subject to said Declaration of Restrictive Covenants.

PURCHASER SHOULD BE AWARE OF THE FACT THAT THE RECREATION AREA WILL BE CONSTRUCTED ONLY IN THE EVENT THAT PHASE III IS CONSTRUCTED.

B. Description of Buildings. Subject to the provisions hereinabove, the Project is presently planned to contain a total of ninety (90) residential apartments in two (2) separate three-story buildings without basements, being designated as Buildings I and II. Building I will contain forty-two (42) apartments and Building II will contain forty-eight (48) apartments

C. Description of the Apartments. Each residential apartment will consist of two bedrooms, one bath, a living/dining room and a kitchen. There will be three (3) types of residential apartments designated as Types A, C and E. Twelve (12) of the apartments, designated as Type A, are end units with a lanai of approximately 72.74 square feet; thirty (30) of the apartments designated as Type C, are interior units with a lanai of approximately 80.00 square feet; and forty-eight (48) of the apartments, designated as Type E, are interior units without a lanai. Each of the ground floor apartments will have immediate access to a walkway which leads to the grounds of the Project and the parking area. The apartments on the second and third floors will have immediate access to a walkway which leads to stairways eventually leading to the grounds of the Project and the parking area. The approximate gross and net floor areas of each residential apartment in the Project are set forth in Exhibit "A", attached hereto and made a part hereof.

D. Apartment Location and Numbering. The residential apartments will be numbered and located as shown on the proposed Condominium Map. The first digit of an apartment number indicates the floor on which the apartment is located. The second and third digits indicate the number of the apartment. Building I will contain fourteen (14) apartments on each of its three (3) floors. Apartments 100 through and including 113 are located on the first floor; apartments 200 through and including 213 are located on the

second floor; and apartments 300 through and including 313 are located on the third floor. Building II will contain sixteen (16) apartments on each of its three (3) floors. Apartments 114 through and including 129 are located on the first floor; apartments 214 through and including 229 are located on the second floor; and apartments 314 through and including 329 are located on the third floor.

E. Limits of Apartments. The respective residential apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or of the interior load-bearing 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. Each residential apartment shall be deemed to include the walls and partitions which are not load-bearing and which are within its perimeter walls, doors and floor frames, window frames, the inner decorated or finished surfaces of walls, floors and ceilings, adjoining and connected thereto, and all fixtures originally installed therein.

Notwithstanding the designation of the limits of the apartments, the net floor area of each respective residential apartment as enumerated on Exhibit "A", attached hereto, is measured from the interior face of the apartment perimeter walls, and the interior face of party walls, and no reduction is made to account for interior load-bearing walls, ducts, vent shafts and the like, located within the perimeter walls.

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

- (1) Said land in fee simple.
- (2) All foundations, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roofs, stairs and stairways, entrances and exits of said buildings.
- (3) All driveways, sidewalks, parking areas, yards, gardens, trash areas and loading zones.
- (4) All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities, installations which serve more than one apartment for services such as power, light, water, gas, refuse, telephone, radio and television signal distribution.
- (5) All tanks, pumps, motors, fans, compressors, ducts, and, in general, all apparatus and installations existing for common use.

(6) A total of six (6) guest parking stalls, as designated in Exhibit "A", attached hereto and made a part hereof, being stall nos 62C, 63C, 123C, 263CP, 154 and 161.

(7) 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: The proposed Declaration reflects that certain parts of the common elements, herein called the limited common elements, are designated and set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the use of such limited common elements, as follows:

(1) One (1) automobile parking stall shall be assigned to each of the residential apartments, except Apartment No. 100, which shall have assigned to it an additional sixty-nine (69) parking stalls, for a total of seventy (70) parking stalls, as designated on the Exhibit "A", attached hereto, upon the original conveyance thereof and shall be appurtenant to and for the exclusive use of each such apartment. There are three types of parking stalls designated as regular, compact and compact parallel. The parking stalls are numbered consecutively and are designated on said Condominium Map with the letter C if they are compact and the letters CP if they are compact parallel. There is no letter designation for the regular stalls. Sixty-one (61) of the parking stalls are compact, each containing an area of approximately 120 square feet; one (1) of the parking stalls is compact parallel, containing an area of approximately 142.50 square feet; and one hundred three (103) of the parking stalls are regular, each containing an area of approximately 161.50 square feet. Any parking stall easement appurtenant to a residential apartment may be transferred from residential apartment to residential apartment in the Project as provided in the proposed Declaration and in Section 514A-14, HRS.

(2) Entry patios, porches, decks and steps, and entry walkways and stairways which would be used only for the purposes of ingress to and egress from a particular apartment shall be appurtenant to and for the exclusive use of said apartment.

(3) Adjustable shelves located in front of each apartment on the second and third floors of each building in the Project shall be appurtenant to and for the exclusive use of such apartments.

(4) All other common elements of the Project which are rationally related to less than all of said

apartments shall be limited common elements appurtenant to the apartments to which they are so related.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the Project (herein called the "common interest"), and the same proportionate share in all common profits and expenses of the Project and for all other purposes, including voting, as set forth in Exhibit "A", attached hereto and made a part hereof.

EASEMENTS: The proposed Declaration of Horizontal Property Regime provides that the apartments and common elements (including limited common elements) shall have and be subject to a number of easements including but not limited to the following which purchaser should note:

(1) With respect to each phase, Developer shall have the right to conduct extensive sales activities on the Project, including the use of model apartments, sales, and management offices, and extensive sales displays and activities until the earlier to occur of (a) forty-eight (48) months from the date of recording in the Bureau of Conveyances of the State of Hawaii of the first apartment deed conveying an apartment in that phase or (b) the closing of the sale of the last unsold apartment in the Project. In the event that Developer is unable to sell all of the apartments within the forty-eight (48) month period, Developer shall have the right to conduct sales activities on the Project until the closing of the sale of the last unsold apartment in the Project provided that such sales activities are conducted in an unobtrusive manner which will not unreasonably interfere with the use, possession and aesthetic enjoyment of the Project by the other apartment owners. In the event that Developer's mortgage lender or any successor to or assignee of Developer's mortgage lender shall acquire any portion of the Project in the course of any foreclosure or other legal proceeding or by an assignment in lieu of foreclosure, such mortgage lender, its successors and assigns shall have the right to conduct such extensive sales activities on the Project until at least ninety-five percent (95%) of all of the apartments have been sold and recorded, notwithstanding the foregoing.

(2) With respect to each phase, Developer, its agents, employees, contractors, licensees, successors and assigns shall have an easement over and upon the Project as may be reasonably necessary for the completion of improvements to and correction of defects in the Project. Such easement shall terminate twenty-four (24) months after the later of (i) the date of the recording in the Bureau of Conveyances of the State of Hawaii of the first apartment deed conveying an apartment in that phase, or (ii) "substantial completion" (as that term is used in Chapter 507, Part

II, Hawaii Revised Statutes) of the improvements to be completed or corrected in that phase. Such period shall be extended for such additional period (not to exceed twenty-four (24) months) as may be reasonably necessary for the completion of such improvements in the exercise of due diligence or such additional period as may become necessary if such completion is delayed by reason of force majeure.

(3) Developer, its agents, employees, contractors, licensees, successors and assigns shall have an easement over, under and upon the Project or any portion thereof, to create and cause noise, dust and other nuisances created by and resulting from any work connected with or incidental to the development, construction and sale of any apartment or other improvements in any subsequent phases.

PURPOSE OF BUILDINGS AND EACH APARTMENT AND RESTRICTIONS AS TO USE: The proposed Declaration of Horizontal Property Regime provides that the residential 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 carrying on of any business, trade or profession whatsoever. The parking stalls may be used only as a parking space for a motor vehicle or for such other purposes as Developer shall determine in its sole discretion, provided that such determination shall be made prior to the sale of any apartments to a bona fide purchaser.

The proposed House Rules provides in part: (1) occupancy is limited to two persons per bedroom (with certain exceptions), (2) pets must be registered, (3) no barbecuing will be permitted from lanais, if any, and (4) no water beds are permitted.

RIGHTS RESERVED TO DEVELOPER WITH RESPECT TO THE CONSTRUCTION OF THE SUBSEQUENT PHASES AND CONSOLIDATION OR MERGER AND CONSEQUENCES OF CONSOLIDATION OR MERGER: Subject to the provisions contained in the proposed Declaration and in furtherance of the rights reserved to Developer under the proposed Declaration, Developer, its contractors and subcontractors, and their respective employees and agents, shall have the right and an easement in favor of Developer and its assigns is hereby granted at any time, and from time to time prior to December 31, 1993, to enter upon and use the common elements of the Project and do all things reasonably necessary, desirable or useful for designing, developing, constructing or completing the subsequent phases, connecting the same to the utility installations of the Project, and selling the apartments contained within said subsequent phases, upon and subject to the following terms and conditions:

(1) The subsequent phases, if constructed, shall be constructed in accordance with plans and specifi-

cations prepared by a licensed architect; provided, however, that such plans and specifications shall not require the alteration or demolition of any existing apartments of the Project or the elimination of any parking areas.

(2) Developer shall have the right to add, delete, relocate, realign, reserve and grant all easements and right-of-ways and to otherwise make alterations in and use the common elements for such development and construction, and to designate limited common elements over, under and on the common elements, necessary or desirable with respect to the construction or use of the subsequent phases, including but not limited to easements and right-of-ways for utilities, cesspools, sanitary and storm sewers, sewage treatment plants, refuse disposal, driveways, parking areas and roadways; provided, that such easements and right-of-ways and limited common elements shall not be located on or within any existing apartment building of the Project and, upon completion, shall not unreasonably and materially impair the use of any existing apartment.

(3) Every apartment owner and all holders of liens affecting any of the apartments in the Project and each and every other party acquiring an interest in the Project or any part thereof, by acquiring such apartment lien or other interest, consents to and agrees for himself, his heirs, legal representatives, successors and assigns that he/it shall, if required by law or by Developer, join in, consent to and execute all instruments and documents necessary or desirable to effect the granting of easements and/or right-of-ways and/or the designation of limited common elements provided for hereinabove, and appoints Developer and its assigns his attorney-in-fact with full power of substitution to execute such documents and to do such things on his behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights and shall not be affected by disability of any such party.

(4) Developer, its contractors and subcontractors, and their respective employees and agents, shall not cause any interruption other than a temporary interruption in the service of utilities to the Project and shall use reasonable efforts without additional cost to Developer and consistent with maintaining the progress of the design, development, construction, completion and sale, to minimize interference with the apartment owners' use and enjoyment of the Project.

And at any time or times prior to December 31, 1993, Developer reserves the right to any time and from time to time without being required to obtain the joinder or consent of any apartment owner, lien holder or other person, to

consolidate or merge the initial phase with the subsequent phases or any portion thereof as though they had been developed as a single project. THE METHODS AND CONSEQUENCES OF ANY SUCH MERGER OR CONSOLIDATION ARE MORE PARTICULARLY SET FORTH IN THE DECLARATION, AND IT IS INCUMBENT ON PROSPECTIVE PURCHASERS TO READ WITH CARE ALL SUCH PROVISIONS RELATING TO ANY SUCH MERGER OR CONSOLIDATION.

Each and every party acquiring an interest in the Project, by such acquisition, consents to all such consolidations and/or mergers of phases, and to the recording of such documents as may be necessary to effect the same; agrees to execute such documents and do such other things as may be necessary or convenient to effect the same; and appoints Developer and its assigns his attorney-in-fact with full power of substitution to execute such documents and to do such things on his behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights and shall not be affected by disability of any such party. Each and every person also acknowledges, accepts and agrees that the construction and sales activity for the subsequent phases may continue on the Project submitted by the proposed Declaration, as well as adjacent property, after he has taken occupancy in the Project, that such activity or activities may result in noise, dust or other annoyances to him, and waives any rights, claims or actions he may have or acquire against Developer, its contractors, subcontractors and their respective agents and employees, as a result of such activity or activities.

DEVELOPER'S OPTION TO SUBDIVIDE AND WITHDRAW AREAS AND TO GRANT EASEMENTS AND/OR RIGHT-OF-WAYS: Developer may, but Developer is under no obligation to, withdraw from the Project any portion or all of those areas designated in Exhibit "C" to the proposed Declaration and on the proposed Condominium Map as "Possible Withdrawal Areas." Notwithstanding anything to the contrary in the proposed Declaration, Developer shall, from time to time and at any time up to but not later than December 31, 1993, have the right at its option, to require alteration of the Project by subdividing and withdrawing from the Project and the horizontal property regime all or any portion of the common element areas designated in Exhibit "C" to the proposed Declaration as "Possible Withdrawal Areas", on the following terms and conditions:

(1) Developer shall, at Developer's expense and without being required to obtain the consent or joinder of any apartment owner, lien holder or other person, execute and record an amendment to the proposed Declaration and the proposed Condominium Map: (a) to subdivide and withdraw any areas chosen for withdrawal; and (b) when applicable or necessary, to add, delete, relocate, realign, reserve and grant all easements and right-of-ways over, under and on the common elements necessary or desirable, including but not limited to,

easements and/or right-of-ways for utilities, cesspools, sanitary and storm sewers, cable television, refuse disposal, driveways, parking areas and roadways, provided that such easements and/or right-of-ways shall not be located on or within any existing structure on said Project and shall not be exercised as to unreasonably disturb, impair or interfere with the normal use and enjoyment of the Project by the apartment owners.

(2) Every apartment owner and all holders of liens affecting any of the apartments in the Project shall, if required by law or by Developer, join in, consent to, and execute all instruments and documents necessary or desirable to effect the subdivision and withdrawals provided herein.

(3) The withdrawal of an area shall become effective upon the recording in the Bureau of Conveyances of the State of Hawaii of (a) an amendment to the proposed Declaration provided for in subparagraph (1) above, (b) an exhibit setting forth a description of the land withdrawn from the Project, (c) a memorandum of withdrawal, and (d) a deed of the areas withdrawn from Developer as Grantor.

(4) The granting of easements and/or right-of-ways provided for herein shall become effective upon the recording in the Bureau of Conveyances of the State of Hawaii of (a) an amendment to the proposed Declaration as provided for in subparagraph (1) above, and (b) an exhibit setting forth a description of the grant, addition, deletion, relocation, realignment or reservation of easement and/or right-of-ways.

Each and every party acquiring an interest in the Project by such acquisition, consents to such subdivisions and withdrawals from the Project and/or the granting of easements and/or right-of-ways as provided in the proposed Declaration and to the amendment or amendments of the proposed Declaration and the recording thereof in the Bureau of Conveyances of the State of Hawaii to effect the same; agrees to execute such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints Developer and its assigns his attorney-in-fact with full power of substitution to execute such documents and instruments and to do such things on his behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights, and shall not be affected by the disability of such party or parties.

The "Possible Withdrawal Areas" designated in said Exhibit "C" to the proposed Declaration are part of the common elements of the Project. Purchasers and prospective purchasers should be cognizant of the fact that the administrative expense of the condominium project includes

expenses pertaining to the care and maintenance of the "Possible Withdrawal Areas".

DEVELOPER'S RESERVED RIGHT TO RECONSOLIDATE AND TO GRANT EASEMENTS AND/OR RIGHT-OF-WAYS. Notwithstanding anything to the contrary in the proposed Declaration, in the event the Property (as the term is defined in the proposed Declaration) is subdivided and the subdivided land is withdrawn from the Project pursuant to subparagraph 3.D. of the proposed Declaration, Developer shall have the right, at its option, at any time up to but not later than December 31, 1993, upon consolidation or merger of any additional phases beyond Phase I, to reconsolidate the subdivided land previously withdrawn upon the following terms and conditions:

(1) Developer shall, at Developer's expense and without being required to obtain the consent or joinder of any apartment owner, lien holder or other person, execute and record an amendment to the proposed Declaration and the proposed Condominium Map, or if merger by Declaration has occurred, amendments to the declarations and condominium maps, if any, for all additional phases beyond Phase I: (a) to reconsolidate the subdivided land; and (b) when applicable or necessary, to add, delete, relocate, realign, reserve and grant all easements and right-of-ways over, under and on the common elements and/or right-of-ways for utilities, cesspools, sanitary and storm sewers, cable television, refuse disposal, driveways, parking areas and roadways, provided that such easements and/or right-of-ways shall not be located on or within any existing structure on said Project and shall not be exercised as to unreasonably disturb, impair or interfere with the normal use and enjoyment of the Project by the apartment owners.

(2) Every apartment owner and all holders of liens affecting any of the apartments in the Project shall, if required by law or by Developer, join in, consent to, and execute all instruments and documents necessary or desirable to effect the reconsolidation and/or the granting of easements and/or right-of-ways provided for in this paragraph.

(3) The reconsolidation shall become effective upon the recording in the Bureau of Conveyances of the State of Hawaii of (a) an amendment to the proposed Declaration or declarations as provided for in subparagraph (1) of this paragraph, (b) an exhibit setting forth a description of the reconsolidated land, and (c) a memorandum of reconsolidation.

(4) The granting of easements and/or right-of-ways provided for herein shall become effective upon the recording in the Bureau of Conveyances of the State of Hawaii of (a) an amendment to the Declaration as

provided for in subparagraph (1) of this paragraph, and (b) an exhibit setting forth a description of the grant, addition, deletion, relocation, realignment or reservation of easement and/or right-of-ways.

Each and every party acquiring an interest in the Project by such acquisition, consents to such reconsolidation and/or the granting of easements and/or right-of-ways as provided in this paragraph and to the amendment or amendments of the proposed Declaration and the recording thereof in the Bureau of Conveyances of the State of Hawaii to effect the same; agrees to execute such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints Developer and its assigns his attorney-in-fact with full power of substitution to execute such documents and instruments and to do such things on his behalf, which grant of such power, being coupled with an interest, is irrevocable and shall not be affected by the disability of such party or parties.

OWNERSHIP OF TITLE: The Preliminary Title Report dated July 15, 1983, issued by Security Title Corporation, reports that title to the land is vested in Pearl Horizons Associates, a registered Hawaii Joint Venture.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report dated July 15, 1983 reports that title to the land is subject to the following encumbrances:

(1) Real Property taxes as may be due and owing. For further information on taxes, check with the Finance Director, City and County of Honolulu.

(2) Assessment for Improvement District No. 207 - Moanalua Road, Assessment Lot No. 83-005 - Balance \$3,335.53. Interest (6.00% for 20 years) - \$200.13, 17th installment - \$860.61. Total - Due August 1, 1983 \$1,060.74.

(3) The terms and provisions of that certain Lease of Right-of-way dated July 5, 1941, recorded on July 15, 1941 in the Bureau of Conveyances of the State of Hawaii in Book 1657 Page 225, made by and between A. LESTER MARKS, Executor, and BISHOP TRUST COMPANY, LIMITED, Administrator with the will annexed, of the Estate of LINCOLN LOY McCANDLESS, deceased, as Lessors, and THE HAWAIIAN ELECTRIC COMPANY, LIMITED, a Hawaiian corporation, as Lessee(s), for a term beginning with the date hereof and ending on the 31st day of December, 1965. Said lease demises a right and easement to build, etc., pole and wire lines, etc., as may be necessary for the transmission of electricity to be used for light and power and/or telephone, etc., as may be necessary for the transmission of electricity to be used for light and power and/or telephone, etc., along, across and over the land herein described; as extended by instrument dated October 27, 1965, recorded on

November 15, 1965 in said Bureau of Conveyances in Book 5188 Page 171.

(4) Conditions set forth in that certain Unilateral Agreement and Declaration for Conditional Zoning dated September 22, 1980, recorded on September 23, 1980 in said Bureau of Conveyances in Book 15005 Page 320.

(5) Mortgage dated September 28, 1981, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 16098 at Page 304, in favor of HAWAII THRIFT & LOAN, INCORPORATED, a Hawaii corporation. Terms and Provisions of a Joinder to First Mortgage and Loan Agreement dated November 20, 1981, recorded in said Bureau of Conveyances in Liber 16098 at Page 339.

(6) Mortgage dated December 16, 1981, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 16530 at Page 258, in favor of JACK H. UJIMORI, husband of Harumi Ujimori.

PURCHASE MONEY HANDLING: Copies of the executed Escrow Agreement dated December 17, 1980 and an Amendment of Escrow Agreement dated July 15, 1983, between Security Title Corporation, as Escrow, and Developer, and a copy of Second Amendment of Escrow Agreement dated August 2, 1983, have been filed with the Commission. On examination, the executed Escrow Agreement, as amended (herein "Escrow Agreement") and specimen Sales Contract filed with the Commission are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, and particularly Sections 514A-39, 514A-40, 514A-62 through 514A-66. The Escrow Agreement recites that no purchaser's funds will be utilized by Developer until it is vested with legal title to the property.

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

(1) Developer requests Escrow Agent to return to Purchaser the funds of Purchaser then being held hereunder by Escrow Agent; or

(2) Developer notifies Escrow Agent 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; or

(3) If a Purchaser's funds were obtained prior to the issuance of a Final Public Report and the request is prior to the time the Final Public Report is issued; or

(4) If the Final Public Report differs in any material respect from the Preliminary Public Report, unless Purchaser has received for the Final Public Report; or

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

Upon return of such funds to Purchaser, Escrow Agent shall return to Developer Purchaser's Sales Contract and any conveyancing documents theretofore delivered to Escrow Agent; and thereupon Purchaser shall no longer be obligated under the Sales Contract. The Escrow Agreement also contains the following provisions, among others: that the Escrow Agent shall make no disbursements of Purchaser's funds unless and until Developer has acquired title to the real property and Developer has complied with all the provisions of the Escrow Agreement.

It is incumbent upon Purchaser and the prospective purchaser that he read with care the Sales Contract and the executed Escrow Agreement. The latter establishes how the proceeds from the sale of apartments are placed in trust, as well as the retention and disbursement of said trust funds.

The specimen Sales Contract specifically provides that Purchaser approves said Escrow Agreement, assumes the benefits and obligations therein provided, that such contract is subordinate to the lien of any construction loan, that Developer makes no warranties with respect to the Project and that the percentage interest in common elements to be conveyed with the apartment is subject to change upon addition of future phases.

MANAGEMENT OF THE PROJECT: The proposed Declaration provides that the management of the Project shall be conducted for the Association of the Apartment Owners under the direction of the Board of Directors by a responsible managing agent. The Sales Contract to be signed by purchasers provides that Developer may appoint the initial managing agent of the Project. Developer intends to select Aaron M. Chaney, Inc. and Wendco, Inc., dba Chaney Brooks & Company, a registered Hawaii partnership, whose principal place of business and mailing address is 606 Coral Street, Honolulu, Hawaii 96813 (telephone 549-1600), as the initial managing agent for the Project. The proposed Declaration provides that (i) the managing agent shall act for the consolidated/merged phases on the same terms and conditions and for the same or lesser fee per apartment, subject to termination, however, upon the affirmative vote to terminate of a majority of the apartment owners of the consolidated/merged phases at the first annual meeting of the Association of the consolidated/merged phases; and (ii) if at the time of any consolidation/merger and the recording of then necessary documents to effect the same, the managing agent should be unable or unwilling to act as the managing

agent for the consolidated/merged phases, such contract shall automatically terminate; provided however that the managing agent shall continue in its capacity as the managing agent for such period, not exceeding sixty (60) days, as determined in the sole discretion of the Board to be necessary to effect an orderly transition of duties and authority to the new managing agent.

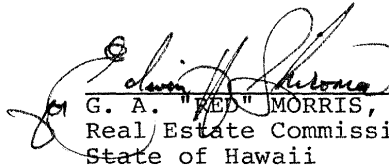
STATUS OF PROJECT: The construction of the proposed Phase I will commence on or about October, 1983 and is scheduled for completion on or about June, 1984.

IMPROVEMENT DISTRICT ASSESSMENT. Purchasers and prospective purchasers should be aware that the proposed Sales Contract and Apartment Deed provide that purchasers and prospective purchasers shall assume and be responsible for their pro rata share of Assessment for Improvement District No. 207, Assessment Lot No. 83-005.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by Developer in the required Notice of Intention submitted December 23, 1980 and information subsequently filed as of August 16, 1983.

This SECOND SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1378, filed with the Commission on December 23, 1980.

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


G. A. "RED" MORRIS, Chairman
Real Estate Commission
State of Hawaii

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Federal Housing Administration
Escrow Agent

Registration No. 1378

August 19, 1983

EXHIBIT "A"

Phase I

(Buildings I
& II)

<u>Apt. No.</u>	<u>Type</u>	<u>Apartment Area Approx. Sq. Ft. (Gross)/(Net)</u>	<u>Percentage Interest, Each Apartment</u>	<u>Parking Stall No.</u>
<u>Building I</u>				
100	A	854.82/736.41	1.09821%	1C*
101	C	917.94/800.55	1.179%	4
102	E	834.61/793.66	1.07197%	7
103	E	834.61/793.66	1.07197%	10C
104	E	834.61/793.66	1.07197%	13
105	E	834.61/793.66	1.07197%	16
106	E	834.61/793.66	1.07197%	19
107	E	834.61/793.66	1.07197%	22
108	E	834.61/793.66	1.07197%	25C
109	E	834.61/793.66	1.07197%	28
110	E	834.61/793.66	1.07197%	31
111	E	834.61/793.66	1.07197%	34C
112	C	917.94/800.55	1.179%	37
113	A	854.82/736.41	1.09793%	40
200	A	854.82/736.41	1.09793%	2C
201	C	917.94/800.55	1.179%	5
202	E	834.61/793.66	1.07197%	8
203	E	834.61/793.66	1.07197%	11
204	E	834.61/793.66	1.07197%	14
205	E	834.61/793.66	1.07197%	17C
206	E	834.61/793.66	1.07197%	20
207	E	834.61/793.66	1.07197%	23
208	E	834.61/793.66	1.07197%	26C
209	E	834.61/793.66	1.07197%	29
210	E	834.61/793.66	1.07197%	32
211	E	834.61/793.66	1.07197%	35
212	C	917.94/800.55	1.179%	38
213	A	854.82/736.41	1.09793%	41C
300	A	854.82/736.41	1.09793%	3
301	C	917.94/800.55	1.179%	6
302	E	834.61/793.66	1.07197%	9C
303	E	834.61/793.66	1.07197%	12
304	E	834.61/793.66	1.07197%	15
305	E	834.61/793.66	1.07197%	18C
306	E	834.61/793.66	1.07197%	21
307	E	834.61/793.66	1.07197%	24
308	E	834.61/793.66	1.07197%	27
309	E	834.61/793.66	1.07197%	30
310	E	834.61/793.66	1.07197%	33C
311	E	834.61/793.66	1.07197%	36
312	C	917.94/800.55	1.179%	39
313	A	854.82/736.41	1.09793%	42C

Phase I

(Buildings I
& II)

<u>Apt. No.</u>	<u>Type</u>	<u>Apartment Area Approx. Sq. Ft. (Gross)/(Net)</u>	<u>Percentage Interest, Each Apartment</u>	<u>Parking Stall No.</u>
<u>Building II</u>				
114	A	854.82/736.41	1.09793%	77C
115	C	917.94/800.55	1.179%	80C
116	C	917.94/800.55	1.179%	83
117	C	917.94/800.55	1.179%	86
118	C	917.94/800.55	1.179%	89C
119	C	917.94/800.55	1.179%	92
120	C	917.94/800.55	1.179%	95
121	C	917.94/800.55	1.179%	98C
122	E	834.61/793.66	1.07197%	101
123	E	834.61/793.66	1.07197%	104
124	E	834.61/793.66	1.07197%	107
125	E	834.61/793.66	1.07197%	110
126	E	834.61/793.66	1.07197%	113C
127	E	834.61/793.66	1.07197%	116
128	C	917.94/800.55	1.179%	119
129	A	854.82/736.41	1.09793%	122
214	A	854.82/736.41	1.09793%	78C
215	C	917.94/800.55	1.179%	81
216	C	917.94/800.55	1.179%	84
217	C	917.94/800.55	1.179%	87
218	C	917.94/800.55	1.179%	90C
219	C	917.94/800.55	1.179%	93
220	C	917.94/800.55	1.179%	96
221	C	917.94/800.55	1.179%	99
222	E	834.61/793.66	1.07197%	102
223	E	834.61/793.66	1.07197%	105C
224	E	834.61/793.66	1.07197%	108
225	E	834.61/793.66	1.07197%	111
226	E	834.61/793.66	1.07197%	114C
227	E	834.61/793.66	1.07197%	117
228	C	917.94/800.55	1.179%	120
229	A	854.82/736.41	1.09793%	157C
314	A	854.82/736.41	1.09793%	79C
315	C	917.94/800.55	1.179%	82
316	C	917.94/800.55	1.179%	85
317	C	917.94/800.55	1.179%	88
318	C	917.94/800.55	1.179%	91
319	C	917.94/800.55	1.179%	94
320	C	917.94/800.55	1.179%	97C
321	C	917.94/800.55	1.179%	100
322	E	834.61/793.66	1.07197%	103
323	E	834.61/793.66	1.07197%	106C
324	E	834.61/793.66	1.07197%	109
325	E	834.61/793.66	1.07197%	112
326	E	834.61/793.66	1.07197%	115

Phase I

(Buildings I
& II)

<u>Apt. No.</u>	<u>Type</u>	<u>Apartment Area Approx. Sq. Ft. (Gross)/(Net)</u>	<u>Percentage Interest, Each Apartment</u>	<u>Parking Stall No.</u>
327	E	834.61/793.66	1.07197%	118
328	C	917.94/800.55	1.179%	121
329	A	854.82/736.41	<u>1.09793%</u>	158
Total of 90 Residential Apartments			100.000%	

* Total of 69 parking stalls are assigned to Apartment No. 100 as follows:
43C, 44C, 45C, 46C, 47C, 48C, 49C, 50C, 51C, 52C, 53C, 54C, 55C, 56C, 57C, 58C, 59C, 60C, 61C, 64C, 65C, 66, 67, 68, 69C, 70C, 71, 72, 73, 74, 75, 76, 124C, 125C, 126C, 127C, 128C, 129C, 130C, 131C, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 155C, 156C, 159, 160, 162, 163, 164

Guest Parking Stalls

62C, 63C, 123C, 263CP, 154, 161