

REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES
STATE OF HAWAII
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HONOLULU, HAWAII 96801

FINAL
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT

on
POLYNESIAN SHORES
Honoapiilani Highway
Mahinahina, Kaanapali, Maui
State of Hawaii
REGISTRATION NO. 457

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: June 8, 1972
Expires: July 8, 1973

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 MAY 26, 1972. 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. POLYNESIAN SHORES is a proposed leasehold condominium project consisting of fifty-two (52) residential apartments arranged throughout three separate buildings designated Buildings A through C, inclusive. There are a total of forty-four one-bedroom and eight two-bedroom apartments.

Each apartment shall have one parking stall located in the parking area as an appurtenant limited common element. The common elements include the swimming pool and its appurtenant facilities, Building D as shown on the Condominium File Plan containing the laundry, storage and manager's facilities, the grounds and driveways.

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 Final Public Report. This Final Report is made a part of the registration, a copy of which the Developer is required to provide all purchasers or prospective purchasers of apartments.
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 Bureau of Conveyances of the State of Hawaii. The Declaration was filed on May 26, 1972 in Liber 8330, at Page 257, and the map is designated Condominium File Plan No. 230.
4. Securing a signed copy of the Receipt for Horizontal Property Regimes Public Report from each purchaser or prospective purchaser is also the responsibility of the Developer.
5. The Developer has advised the Commission that at the time the apartment deed and ground lease are issued to an apartment purchaser, such apartment and the undivided interest in the ground lease appurtenant thereto shall be free and clear of any mortgage encumbrance.
6. 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.
7. This Final Public Report automatically expires thirteen (13) months after date of issuance, June 8, 1972; unless a Supplementary Public Report is published or the Commission, upon review of registration, issues an order extending the effective period of this report.

NAME OF PROJECT: POLYNESIAN SHORES

LOCATION: The project site is located on approximately 2.055 acres of land situated on beach front property in Mahinahina, Kaanapali, Maui, State of Hawaii.

TAX KEY: 4-3-8-2 and 4-3-8-3, Second Taxation Division

ZONING: A-1 under the zoning code of the County of Maui.

DEVELOPER: Aloe Development Corp. and Polynesian Shores, Inc., Hawaii corporations, with principal place of business and post office address at 195 South King Street, Honolulu, Hawaii 96813, acting as joint venturers (partners) which joint venture has been registered as a Hawaii partnership with the Director of Regulatory Agencies of the State of Hawaii. In accordance with the terms of said joint venture agreement, Aloe Development Corp. is designated as the managing joint venturer. The officers of the aforesaid corporations are as follows:

Aloe Development Corp.: Mun On Chun, president; Merton S. C. Lau, Senior Vice President; Clifford H. N. Yee, Vice President; Daniel B. T. Lau, Secretary; Alvin M. H. Lee, Treasurer.

Polynesian Shores, Inc.: Wadsworth Yee, President; Michael M. C. Yee, Vice President; Hunnie C. Yee, Secretary-Treasurer.

ATTORNEY REPRESENTING DEVELOPER: Chun, Kerr & Dodd (Attention: Edward Y. C. Chun), 1408 Amfac Building, 700 Bishop Street, Telephone No. 531-6575.

DESCRIPTION: The Declaration of Horizontal Property Regime describes the project to consist of fifty-two (52) residential apartments arranged throughout three separate two-story buildings situate upon the 2.055 acres of land hereinbefore described.

Each apartment shall consist of the space measured horizontally by the distances between the interior surfaces of the perimeter walls of each apartment, and the space measured by the area of the lanai patio or balcony of each apartment; and measured vertically by the distance between the topside surface of the concrete floor and the underside surface of the ceiling.

The principal materials of which the apartment buildings shall be constructed are as follows: wood structure frame on concrete slab, exterior plywood siding, gypsum board and wood interior partitions, wood shingle roof and vinyl flooring.

The apartments will be of two general types: one and two bedrooms. The one bedroom apartments consist of a bath, kitchen, bedroom and living-dining area. The two bedroom apartments consist of two baths, kitchen, two bed rooms, and living-dining area. The floor area of each apartment, together with the area of its appurtenant lanai patio or balcony and also its appurtenant individual percentage interest in the common elements is as follows:

<u>Apt. No.</u>	<u>No. of Rooms</u>	<u>Enclosed Living Area</u>	<u>Patio or Lanai</u>	<u>Total</u>	<u>Percentage of Common Interest</u>
101	6	853	203	1,056	.027301245
102 - 109	4	555	95	650	.017763410
110	6	853	203	1,056	.027301245
111 - 118	4	555	95	650	.017763410
119	6	853	203	1,056	.027301245
120 - 125	4	555	95	650	.017763410
126	6	853	203	1,056	.027301245
201	6	853	203	1,056	.027301245
202 - 209	4	555	95	650	.017763410
210	6	853	203	1,056	.027301245
211 - 218	4	555	95	650	.017763410
219	6	853	203	1,056	.027301245
220 - 225	4	555	95	650	.017763410
226	6	853	203	1,056	.027301245

COMMON ELEMENTS: The Declaration reflects that the common elements shall include all of the land and improvements other than apartments. The common elements, exclusive of land, are sometimes referred to as the "common elements of the buildings". Said common elements include:

(a) Said land in fee simple (which land is intended to be leased to an apartment owner separately and apart from a conveyance or other transfer of an apartment);

(b) "Building D" as identified and shown on said Condominium File Plan filed herein, including the storage facilities, laundry facilities and manager's facilities located therein;

(c) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter and load-bearing walls, roofs, and walkways around and between said building;

(d) All yards, grounds, landscaping, mail boxes, refuse facilities, swimming pool and like facilities;

(e) All driveways and parking areas;

(f) All ducts, sewer lines, sanitary equipment, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities, installations for services including power, light, water, gas, air conditioning, refuse, telephone and radio and television signal distribution.

(g) Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance or safety, or normally in common use.

LIMITED COMMON ELEMENTS: The Declaration, reflects that the limited common elements include:

(a) One automobile parking space so designated on said Condominium File Plan by the number corresponding to the number of each apartment shall be appurtenant to and for the exclusive use of such apartment, with which the same is conveyed upon the initial conveyance by lease or deed.

(b) Each stairway, if any, which provides access to an apartment or apartments shall be appurtenant to and for the exclusive use of the apartment or apartments for which it provides access.

(c) All other common elements of the project which are rationally related to less than all of said apartments or buildings shall be limited to the use of such apartments or buildings.

INTEREST TO BE CONVEYED TO PURCHASER: The Developer has advised that it intends to issue to purchasers an Apartment Deed conveying the absolute interest in one particular apartment and the appurtenant common interest in "common elements of the buildings" described above under "Common Elements" as being all of the common elements with the exception of the land. An undivided interest in the land, equal to the percentage of an apartment owner's common interest is intended to be separately leased for a term of years to expire on December 31, 2032.

The Declaration provides that the common interest and easements appurtenant to such apartment shall have a permanent character and shall not be altered without the consent of all of the apartment owners affected expressed in an amendment to the Declaration. The Declaration also provides "the common interest and easements shall not be separated from the apartment to which they appertain and shall be deemed to be conveyed, leased and encumbered with such apartment even though such interest or easements are not expressly mentioned or described in the conveyance or other instrument, except that the land shall be separately leased as permitted by Act 16, Session Laws of Hawaii, 1972".

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration reflects that the "apartments" are intended to be used as residential apartments, and for no other purpose.

OWNERSHIP OF TITLE: A policy of title insurance issued on March 30, 1972 by Security Title Insurance Corporation shows a fee simple title in the land committed to the project vested in Wilbert Y. K. Yee, Kenneth F. C. Char, Wadsworth Y. H. Yee and Polynesian Investment Co., Ltd. By lease dated January 1, 1972 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 8220, at Page 405, the fee owners leased the subject property to the Developer.

ENCUMBRANCES AGAINST TITLE: The policy of title insurance shows that the property is subject to the following:

1. Taxes for the Fiscal Year 1971-1972 that may be due and owing. The second installment payment was due on May 20, 1972.
2. As to that portion of the land bordering on the ocean:
 - (a) Saving and excepting that portion of the land lying seaward of the line of vegetation.
 - (b) The effect of Section 205-31 to 205-37, inclusively, Hawaii Revised Statutes, as now or hereafter amended.
3. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent Grant 1166.
4. Rights of Native Tenants as contained in said Royal Patent Grant 1166.
5. Lease dated January 1, 1972 and recorded in the Bureau of Conveyances in Liber 8220, at Page 405.
6. Mortgage dated March 29, 1972 and recorded in the Bureau of Conveyances in Liber 8220, at Page 431, in favor of Finance Factors, Limited, to secure repayment of \$1,000,000, and other additional advances if any.

The Developer has advised that prior to issuance of the apartment deed and ground lease, the same shall be free and clear of any mortgage encumbrance.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated May 26, 1972, identifies Honolulu Mortgage Co., Ltd., a Hawaii corporation, as Escrow Agent. On examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Hawaii Revised Statutes, Chapter 514, and particularly Hawaii Revised Statutes Sec. 514-15.

The specimen Sales Contract states that the terms of the Escrow Agreement are made a part of the Sales Contract by reference. It is incumbent upon the purchaser and prospective purchaser that he reads with care the Sales Contract and the executed Escrow Agreement. The Escrow Agreement establishes how the proceeds from the dwelling units and all sums received from any source are placed in trust, as well as the retention and disbursement of said trust funds.

MANAGEMENT AND OPERATIONS: Although no management contract has yet been entered into, the Developer has advised that it is presently negotiating for the services of a corporate managing agent for the project. In this connection, the attention of the prospective purchaser is specifically directed to paragraph 9 of the specimen Sales Contract which provides, in part, as follows:

"Buyer also agrees that Sellers (Developer) may employ, at Buyer's pro rata expense, a responsible and competent Hawaii corporation for the management, operation and maintenance of said project upon such terms and conditions and for such period as Sellers in their discretion deem necessary or desirable.

"Buyer also acknowledges his understanding that Sellers have entered into contracts with Cable Vision Corporation, dated April 7, 1972 for cable television and fm reception, and with Thrifty-Wash, Inc., dated April 1, 1972 for a lease of space for laundry facilities, all in accordance with the terms of said contracts on file in the office of the Sellers, and that Buyer shall and does hereby agree to assume, at his pro rata expense or profit, the burdens and benefits of said contracts from and after the date of closing until the expiration date of said contracts."

FINANCING OF PROJECT: The Developer has submitted to the Commission a written commitment given by Honolulu Mortgage Co., Ltd. to provide long-term financing for the purchasers of individual apartment units. The commitment provides for loans to be made to qualified buyers for an amount not in excess of 80% of the selling price or appraised value, whichever is lower, repayable, together with interest at the rate of eight and one-fourth per cent (8-1/4%) per annum, over a maximum loan term of 30 years. A condition of the loan is that the same must be insured, at the borrower's cost, by Mortgage Guaranty Insurance Corporation, or, if the loan is to a corporation, by Commercial Loan Insurance Corporation. The loan and the commitment therefor is also subject to other terms and conditions, including payment of financing fees, prepayment privileges and penalties, closing costs, escrow reserves, etc., with which the prospective purchaser should familiarize himself.

The Developer has filed a verified statement showing the total project cost. The Developer has also shown in its verified statement and supporting exhibits that it has sufficient funds to cover the total project costs from equity funds and construction loan commitments.

STATUS OF PROJECT: The Developer has filed a copy of a construction contract dated January 19, 1972 made with Wardco, Inc., a Hawaii corporation, as contractor. That construction contract provides for completion within 210 calendar days following contractor's receipt of a notice to proceed. The Developer has advised that notice was given on or about March 6, 1972; that the work is in advance of schedule; and that the estimated date of completion is September 1, 1972. A performance bond in an amount equal to 100% of the cost of construction was issued on January 19, 1972 in favor of the Developer, as obligee. Aetna Casualty and Surety Company of Hartford Connecticut serves as surety on said bond.

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 May 26, 1972.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 457 filed with the Commission on May 26, 1972.

The report, when reproduced, shall be a true copy of the Commission's Public Report. In making facsimiles the paper stock must be white in color.


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

Distribution:

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REGISTRATION NO. 457

June 8, 1972