

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
PACIFIC ISLANDER HOTEL
249 Kapili Street
Honolulu, Oahu, Hawaii

REGISTRATION NO. 821

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: November 19, 1975

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 NOVEMBER 6, 1975 AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF NOVEMBER 18, 1975. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME LAW, HAWAII REVISED STATUTES, CHAPTER 514.

1. The Pacific Islander Hotel is a proposed leasehold condominium project consisting of 38 apartments, sometimes called "lodging units" or "lodging suites", arranged in a seven-story building. There are a total of five different apartment floor plans within the building consisting of seven "Type A" lodging suites having two bathrooms and two living room/bedrooms, thirteen "Type B" lodging units each

having one bathroom and one living room/bedroom, one "Type C" lodging suite having two bathrooms and two living room/bedrooms, twelve "Type D" lodging units having one bathroom and one living room/bedroom and five "Type E" lodging suites having two bathrooms and two living room/bedrooms. There are twelve (12) regular parking stalls and two (2) compact parking stalls as common elements.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project for the issuance of this Final Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the 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 Number 742288 and the Map is designated Condominium File Map No. 267.
4. Securing a signed copy of the Receipt for Horizontal Property Regimes Public Report from each purchaser and prospective purchaser is also the responsibility of the Developer.
5. The Developer has advised the Commission that at the time the first apartment lease is entered into by and between the master lessee and apartment purchaser, every mortgage and other lien affecting both such apartment and any other apartment shall be paid and satisfied of record, or the apartment being leased shall be released therefrom by partial release duly recorded.
6. This Final Public Report automatically expires thirteen (13) months after the date of issuance, November 19, 1975, unless a Supplementary Public Report is issued or the Commission, upon review of the Registration, issues an order extending the effective period of this report.
7. The purchaser or prospective purchaser is advised to acquaint himself or herself with the provisions of Chapter 514 of the Hawaii Revised Statutes and the Condominium Rules and Regulations which relates to Horizontal Property Regimes.
8. Each purchaser of an apartment shall have the opportunity to become a participant in the hotel operation (hereinafter called the "COMMON RENTAL PROGRAM").

THE DEVELOPER PROVIDES IN THE SALES CONTRACT THAT NO PERSON WILL BE PERMITTED TO PURCHASE AN APARTMENT IN THE PROPOSED CONDOMINIUM OR TO PARTICIPATE IN THE COMMON RENTAL PROGRAM UNLESS HE OR SHE IS A BONA FIDE RESIDENT OF THE STATE OF HAWAII. THE DEVELOPER HAS ADVISED THE COMMISSION THAT NO PURCHASE OF AN APARTMENT OR PARTICIPATION IN THE COMMON RENTAL PROGRAM BY A NON-RESIDENT IS VALID; IF FRAUDULENTLY ATTEMPTED, NO MONEY WILL BE REFUNDED. NO APARTMENT OR INTEREST IN THE COMMON RENTAL PROGRAM MAY BE TRANSFERRED TO A PERSON NOT A BONA FIDE RESIDENT OF HAWAII UNTIL AT LEAST NINE MONTHS HAVE ELAPSED FROM THE DATE OF CLOSING (BY RECORDATION OF APARTMENT LEASE) OF THE LAST APARTMENT IN THE PROJECT SOLD BY DEVELOPER.

NOTE: The Developer has advised the Commission that participation in the Common Rental Program will be voluntary for the purchasers. The exact nature of the Common Rental Program has not yet been resolved but will be determined in large measure by the number of apartment owners who indicate an interest in participating in the program.

NAME OF PROJECT: PACIFIC ISLANDER HOTEL

LOCATION: The 6,721 square foot parcel of land be committed to the regime is situated at 249 Kapili Street, Honolulu, Hawaii.

TAX KEY: 2-6-24-41.

ZONING: H-2

DEVELOPER: HALE KAPILI, INC., a Hawaii corporation, is the Developer of the project, and has as its principal place of business and post office address 249 Kapili Street, Honolulu, Hawaii 96815. The President and Secretary-Treasurer of the Developer is Grace Kim Gunn and the Vice-President is Paul Steven Lee.

ATTORNEY REPRESENTING DEVELOPER: Hamilton & Taylor (Attention: Geoffrey Hamilton), 14th Floor, Davies Pacific Center, 841 Bishop Street, Honolulu, Hawaii 96813; telephone: (808) 524-3824.

DESCRIPTION: The Declaration of Horizontal Property Regime For the Pacific Islander Hotel condominium reflects that the project consists of one seven-story building containing thirty-eight (38) apartments and fourteen (14) parking stalls situated on a 6,721 square foot parcel of land as hereinbefore described. The building is constructed principally of concrete masonry, reinforced concrete, steel, aluminium framing and glass. Each apartment shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls, the interior decorated

or finished surfaces of all walls, floors and ceilings, doors and door frames, windows and window frames, the lanai air space, if any, and all fixtures originally installed therein.

The types and numbers of lodging units are as follows:

The first floor contains one (1) Type A lodging suite and one (1) Type B lodging unit. The second floor contains one (1) Type A lodging suite, two (2) Type B lodging units, one (1) Type C lodging suite, and two (2) Type D lodging units. The third through the seventh floor each contain one (1) Type A lodging suite, two (2) Type B lodging units, two (2) Type D lodging units, and one (1) Type E lodging suite.

i) Type A: The Type A lodging suite is a two (2) room suite with two (2) baths. The end living/bedroom has two (2) lanais, one (1) facing mauka and one (1) facing makai. The adjoining living room/bedroom has one (1) lanai facing makai. Each living room/bedroom has a bathroom containing a tub-shower and water closet. Adjacent to the bathroom door in each of the living room/bedrooms is a lavatory, counter, storage cabinet, and closet. The Type A lodging suite contains 567 gross square feet (458 sq. ft. net and 109 sq. ft. lanai area); however, the first floor Type A suite has an additional 224 square feet of terrace area. Each Type A lodging suite contains the following rooms:

Two bathrooms
Two living room/bedrooms

ii) Type B: The Type B lodging unit consists of a living room/bedroom, bathroom with tub-shower and water closet, and lanai. The living room/bedroom contains a lavatory, counter, storage cabinet, and closet. The Type B lodging unit contains 221 gross square feet (180 sq. ft. net and 41 sq. ft. lanai); however, the first floor unit has an additional 115 square feet of terrace area. Each Type B lodging unit contains the following rooms:

One bathroom
One living room/bedroom

iii) Type C: The Type C lodging suite is a two (2) room suite with two (2) baths. The end living room/bedroom has two (2) lanais, one (1) facing mauka and one (1) facing makai. The adjoining living room/bedroom has one (1) lanai facing makai. Each living room/bedroom has a bathroom containing tub-shower and water closet. Adjacent to the bathroom door in each of the living room/bedrooms is a lavatory, counter, storage cabinet, and closet. The Type C lodging suite contains 559 gross square feet (447 sq. ft. net and 112 sq. ft. lanai area). Each Type C

lodging suite contains the following rooms:

Two bathrooms
Two living room/bedrooms

iv) Type D: Type D lodging unit consists of a living room/bedroom, bathroom with tub-shower and water closet and lanai. The living room/bedroom contains a lavatory, counter, storage cabinet, and closet. The Type D lodging unit contains 249 gross square feet (208 sq. ft. net and 41 sq. ft. lanai). Each Type D lodging unit contains the following rooms:

One bathroom
One living room/bedroom

v) Type E: The Type E lodging suite is a two (2) room suite with two (2) baths. The end living room/bedroom and the adjacent living room/bedroom each have one (1) lanai facing makai. Each living room/bedroom has a bathroom containing a tub-shower and water closet. Adjacent to the bathroom door in each of the living room/bedrooms is a lavatory, counter, storage cabinet, and closet. The Type E lodging suite contains 527 gross square feet (450 sq. ft. net and 77 sq. ft. lanai area). Each Type E suite contains the following rooms:

Two bathrooms
Two living room/bedrooms

Typical Finishing of Lodging Units:

All A, B, C, D, and E lodging units are carpeted in the living room/bedroom areas. The bathroom is finished with floor tile and a formica shower enclosure.

The building has a lobby and two (2) lodging units, 101 and 102, on the first floor. There are six (6) lodging units on each floor starting with the second floor through the seventh floor. There is a recreation deck and elevator penthouse located on the roof. The lodging units in the building as viewed from the mauka side, are numbered from left to right, 101 and 102 on the first floor, and 01, 02, 03, 04, 05 and 06 on the second through the seventh floors, all preceded by a number corresponding to the floor on which the units is located.

COMMON ELEMENTS: The Declaration reflects that the common elements shall include all of the land and improvements other than the apartments specifically including:

- (a) Said land in fee simple;
- (b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roofs, entries, stairways, elevators, walkways, entrances and exits of said building;

- (c) All yards, grounds and landscaping;
- (d) All parking areas;
- (e) All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any;
- (f) Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: The Declaration reflects that the limited common elements consist of lodging entries adjoining the lodging units.

INTEREST TO BE CONVEYED TO PURCHASER: The Declaration reflects that each apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the project and the same proportionate share in all common profits and expenses of the project and for all other purposes including voting, as follows:

<u>Lodging Unit Numbers</u>	<u>Percentage Interest</u>
Type A Units (1 unit) 102	05.92
Type A Units (6 Units) 206, 306, 406, 506, 606, 706	04.24 each unit
Type B Unit (1 Unit) 101	02.51
Type B Units (12 Units) 202, 205, 302, 305, 402, 405 502, 505, 602, 605, 702, 705	01.65 each unit
Type C Unit (1 Unit) 201	04.31
Type D Units (12 Units) 203, 204, 303, 304, 403, 404 503, 504, 603, 604, 703, 704	01.86 each unit
Type E Units (5 Units) 301, 401, 501, 601, 701	03.94 each unit

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The apartments herein described shall at all times be used only for (1) 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.

Note: The specimen Sales Contract provides that the purchaser acknowledges that the project is presently operated as a hotel and even after the conversion to a condominium, the primary use shall be as a hotel.

OWNERSHIP OF TITLE: The Developer has filed with the Commission a Preliminary Title Report, dated November 5, 1975, prepared by Security Title Corporation, which certifies that the fee ownership to the land committed to this regime is vested in Georgie Lyle Rector of Pendleton, Indiana.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report of Security Title states that as of November 5, 1975, the date of that report, Grace Kim Gunn is the lessee of the property under 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 the term of 60 years commencing on January 1, 1973. Said Lease, through mesne assignments is now held by GRACE KIM GUNN, unmarried, as Lessee, by Assignment of Lease dated July 7, 1975, filed in said Office of the Assistant Registrar as Document No. 726952. Consent thereto filed as Document No. 726953 and Document No. 733177.

SUBJECT TO:

1. Mortgage dated August 3, 1971, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 644871, made by BERNIS WILLIAM McMAHAN and JEAN DELLA McMAHAN, husband and wife, and JOHN CALVIN SATTERBERG and ELLEN CAROLYN SATTERBERG, husband and wife, as Mortgagors, to PACIFIC SAVINGS AND LOAN ASSOCIATION, a Hawaii corporation, as Mortgagee.

By instrument dated November 1, 1974, filed in said Office of the Assistant Registrar as Document No. 704745, the foregoing mortgage was amended.

2. Mortgage dated January 31, 1974, filed in said Office of the Assistant Registrar as Document No. 668002, made by BERNIS WILLIAM McMAHAN and JEAN DELLA McMAHAN, husband and wife, as Mortgagors, to PAC-SERVICE INCORPORATED, a Hawaii corporation, as Mortgagee.

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

PURCHASE MONEY HANDLING: A copy of the specimen sales contract and the executed escrow agreement, dated November 5, 1975, has been submitted as part of the registration. The escrow agreement identifies SECURITY TITLE CORPORATION as the escrow agent. Upon examination, the specimen sales contract and executed escrow agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes. The purchaser should carefully examine the form of the sales contract and escrow agreement to determine the time for and amount of installment payments on the purchase price.

The specimen Sales Contract provides in part that purchaser warrants that:

(a) Purchaser is aware that no federal or state agency has made any finding or determination as to the fairness for public investment, nor any recommendation nor endorsement, of participation in the Common Rental Program or of purchase of a lodging unit in the Project.

(b) Purchaser is aware that the Project and right to participate in the Common Rental Program are not being registered for sale under the Securities Act of 1933 and agrees that he will not sell to any person who is not a bona fide resident of the State of Hawaii a unit or participation in the Common Rental Program or any interest in either of them, unless and until a period of nine (9) months have passed from the recordation of the last conveyance document for a unit sold by the Developer. In case of a resale within such period purchaser agrees to furnish Seller the same information concerning the new purchaser as purchaser is required to furnish to Seller and to otherwise cooperate with Seller in verifying the residence of the new purchaser.

(c) Purchaser represents that the Apartment and the participation in the Common Rental Program, if any, are being purchased for his own account and not for the interest of any other, and not for the resale to any other.

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

HOUSE RULES: The prepared House Rules provide in part that occupancy is limited to not more than six (6) persons per two bedroom apartments, four (4) persons per one bedroom apartment and two (2) persons per studio apartment.

MANAGEMENT AND OPERATION: Article IV, Section 2, of the Bylaws attached to the Declaration of Horizontal Property Regime, provides that the Board of Directors of the Association of Apartment Owners shall annually employ a responsible

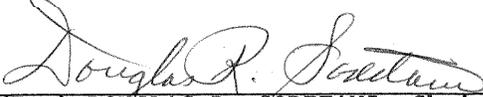
corporate managing agent to manage and control the project subject at all times to the direction of the Board. As part of this Registration the Developer has submitted a Property Management Agreement dated November 11, 1975, by which the Developer acting on behalf of the Association of Apartment Owners has employed itself to manage the project for the first year of operation. The Agreement is subject to cancellation by either party upon sixty (60) days written notice.

STATUS OF PROJECT: The Developer has advised that the building was completed July, 1974 and has been operated since that time as a hotel.

The purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted November 6, 1975, and additional information submitted as of November 18, 1975.

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

The 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.


(For) DOUGLAS R. SODEHANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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REGISTRATION NO. 821
November 19, 1975