

**REAL ESTATE COMMISSION**

PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

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

**PRELIMINARY  
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)  
PUBLIC REPORT**

OF

POLYNESIAN SUNSET I  
904 Lunalilo Street  
Honolulu, Hawaii

REGISTRATION NO. 1040

**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 but may only take reservations therefore after

- (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: October 25, 1978  
Expires: November 25, 1979

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 SEPTEMBER 20, 1978, AND INFORMATION SUBSEQUENTLY SUBMITTED AS OF OCTOBER 19, 1978. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514 A, HAWAII REVISED STATUTES.

1. The POLYNESIAN SUNSET I is a proposed fee simple condominium project consisting of eighteen (18) units contained in two (2) separate three-story reinforced concrete hollow tile buildings. There are nine (9) parking stalls available.

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 Preliminary Public Report.

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 not been filed in the appropriate recording office.

4. No advertising or promotional matter has been submitted pursuant to rules and regulations promulgated by the Commission.

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

6. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, October 25, 1978, unless a Final or Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: POLYNESIAN SUNSET I

LOCATION: The subject 7,441 square feet property is situate at 904 Lunalilo Street, Honolulu, City and County of Honolulu, State of Hawaii.

TAX MAP KEY: First Taxation Division: 2-4-14-09

ZONING: Apartment

DEVELOPER: Polynesian Sunset I, Inc., a Hawaii corporation, whose principal place of business and post office address is 888 Mililani Street, Honolulu, Hawaii, telephone number 521-1891.

The officers and their respective addresses are:

President - Daniel R. Matsukage	- 888 Mililani Street, Honolulu, Hawaii
Vice-President- James G. Y. Ho	- 3381 Kamaaina Place, Honolulu, Hawaii
Secretary	- 3381 Kamaaina Place, Honolulu, Hawaii
Treasurer - Florence J. Ho	- 3381 Kamaaina Place, Honolulu, Hawaii

ATTORNEY REPRESENTING DEVELOPER: Allen I. Marutani, Attorney At Law, A Law Corporation, Suite 602 Capital Investment Building, 850 Richards Street, Honolulu, Hawaii, telephone number 537-6575, is the attorney for the Developer.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime and the plans submitted by the Developer indicate a fee simple condominium project consisting of two (2) separate three-story reinforced concrete hollow tile buildings. All parking stalls are located on the ground level.

There are two (2) studio one-bath apartment units, thirteen (13) one-bedroom one-bath apartment units, and three (3) two-bedroom one-bath apartment units located in two (2) separate three-story reinforced concrete hollow tile buildings.

The building located on the north side of the lot, designated as Building A, has ten (10) apartment units, all of which are one-bedroom one-bath apartment units. The building located on the south side of the lot, designated as Building B, has eight (8) apartment units, of which two (2) are studio one-bath apartment units, three (3) are two-bedroom one-bath apartment units, and three (3) are one-bedroom one-bath apartment units. Each building has three levels. Building A has two (2) apartment units on the first level, four (4) apartment units on the second level, and four (4) apartment units on the third level, while Building B has two (2) apartment units on the first level, four (4) apartment units on the second level, and two (2) apartments on the third level. Each of the apartments is designated in a numerical fashion, having either one-digit or two digits, and is numbered in a chronological fashion proceeding from north to south, starting with Building A. The two (2) apartment units on the first level of Building A are designated as Apartment No. 1, on the north side, and Apartment No. 2, on the south side, and the two (2) apartment units on the first level of Building B are designated as No. 3, on the north side, and Apartment No. 4 on the south side. The four (4) apartment units on the second level of Building A are designated Apartment Nos. 5 through 8, while the four (4) apartment units on the second level of Building B are designated Apartment Nos. 9 through 12. The four (4) apartment units on the third level of Building A are designated as Apartment Nos. 13 through 16, while the two (2) apartment units on the third level of Building B are designated as Apartment Nos. 17 and 18.

The gross floor area for each of the apartments is set forth in the schedule marked Exhibit "A" which is attached hereto and made a part hereof.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits, or other utility lines running through each apartment which are utilized for or serve more than one apartment the same being the common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors, and ceiling and all fixtures and other such improvements located therein, including range, heater, refrigerator, and garbage disposal unit.

COMMON ELEMENTS: The proposed Declaration identified the following as common elements:

- (a) Said land in fee simple;
- (b) All foundations, columns, girders, beams, supports, bearing walls, roofs, chases, entries, stairways, walkways, balconies, entrances and exits of said buildings;
- (c) All storage, multi-purpose and laundry areas and appurtenant facilities;
- (d) All hallways and lobbies;
- (e) All yards, grounds, landscaping, refuse, and recreation area;
- (f) All parking and driveway areas;
- (g) 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 such as power, light, gas, water, and sewer, telephone and television signal distribution, if any;
- (h) All other parts of the Project necessary or convenient to its existence, maintenance, and safety, or normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called and designated as "limited common elements", are hereby set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto an exclusive easement for the use of such limited common elements; the limited common elements so set aside and reserved are as follows:

- (a) Those parking stalls designated on said Condominium Map by those numbers which are reserved for the exclusive use of the respective apartments, as more particularly set forth in said Exhibit "A" attached hereto shall be appurtenant to and for the exclusive use of such apartments;
- (b) All other elements of the project which are rationally of limited common use for less than all of said apartments.

INTEREST TO BE CONVEYED TO PURCHASER: Each owner of an apartment, whether owned jointly or singly, shall have an undivided percentage interest in and to the land, buildings, and the common elements herein described in accordance with the schedule set forth in Exhibit "A" attached hereto. For purposes of voting on all matters requiring action by the apartment owners, there shall be eighteen (18) votes, the number of votes being dependent on the number of units. There shall be one (1) vote for each such unit, whether owned jointly or singly.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration states that each unit shall be used only in accordance with the uses permitted under the applicable laws and ordinances, unless such uses are prohibited by the Association, in accordance with the terms of the Declaration, the By-Laws of the Association of Apartment Owners, and the House Rules as they exist or as they may be amended from time to time, and each owner shall observe, comply with, and perform all rules, regulations, ordinances, and laws made or adopted by the various governmental agencies.

NOTE: The proposed Declaration further provides in part that notwithstanding anything to the contrary in the Declaration, the Developer shall, from time to time, and at any time, prior to the sale of any apartment, have the right, at its option, to require alteration of the project as follows:

1. To change the number or arrangement of rooms and make any alterations of any non load-bearing walls or partitions within the perimeter of such apartment in accordance with complete plans and specifications therefor prepared by a licensed architect;

2. To change the configuration of, or to decrease or increase the size of any building, or to increase the size of any apartment within such building, or to change the number of apartments within such building in accordance with complete plans and specifications therefor prepared by a licensed architect; provided, however, that the Developer shall not have the option of increasing or decreasing the total number of apartments in the project pursuant to this subparagraph; (2) and provided, further, however, that no change in configuration, or decrease or increase in the size of such building or change in the number of apartments within any building and no increase in the size of an apartment shall increase the undivided percentage interest in the common elements appurtenant to any other apartment in the Project;

3. The Developer, at its expenses and without being required to obtain the consent of any apartment owner or lienholder, shall execute and file an amendment to the Declaration and the condominium map: (i) to show such changes, alterations, or increases or decreases in size of apartments or buildings; (ii) to increase or decrease the common interest appurtenant to each apartment in the Project as provided below; and (iii) when applicable, to add, delete, relocate, realign, reserve and grant all easements and rights-of-way over, under and on the common elements necessary or desirable including but not limited to easements and rights-of-way for utilities, cesspools, sanitary and storm sewers, cable television, refuse disposal, driveways, parking areas and roadways provided that such easements and rights-of-way do not materially impair the use of any apartment previously sold or its appurtenant interest in the common elements;

4. Every apartment owner and all holders of liens affecting any apartments in the Project will, if required by law or by the Developer, join in and execute all instruments and documents necessary or desirable to effect the provisions herein for changes, alterations, or increases or decreases in size, of apartments or buildings;

5. If the size of any apartment is increased as provided in subparagraph (2), or if the number or arrangement of rooms in an apartment is changed, or if any non load-bearing walls and partitions within the perimeter of any apartment are altered as provided in subparagraph (1), the common interest appurtenant to that apartment shall remain the same or be increased (as the case may be) and the common interest appurtenant to all other apartments in the Project shall remain the same or be decreased so that after said increase and decrease, respectively, the common interest appurtenant to each apartment shall bear the same ratio to the total of the common interests appurtenant to all apartments as the gross area of each apartment bears to the total gross areas of all apartments combined;

6. As used in these paragraphs, the word "sale" means the existence of a binding contract for the sale of an apartment to an initial purchaser, and an apartment shall be deemed sold when such binding contract comes into existence; provided, however, that a previously sold apartment shall be deemed unsold if the contract for the sale of that apartment is subsequently terminated or cancelled.

OWNERSHIP TO TITLE: The Preliminary Report issued by Title Guaranty of Hawaii Inc. dated September 8, 1978 states that the ownership to the fee title is in Norah Young Avison, Yong Ki Ebesu, and Hawaiian Trust Company, Limited, as Trustee under unrecorded Revocable Living Trust Agreement dated November 29, 1974.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report dated September 8, 1978 issued by Title Guaranty of Hawaii, Incorporated, shows no encumbrances against title to the property except for the following:

- (a) For any taxes that may be due and owing on the land, reference is hereby made to the Office of the Tax Assessor of the First Taxation Division;
- (b) Reservation in favor of the State of Hawaii of all mineral and metallic mines;
- (c) That certain mortgage dated May 4, 1973 made in favor of American Savings and Loan Association, as Mortgagee, and recorded in the Bureau of Conveyances of the State of Hawaii, in Liber 9134, page 114.
- (d) That certain Agreement of Sale dated July 12, 1974 made by and between Soo Yuen Yang, Norah Young Avison and Yong Ki Ebesu, as Vendor, and James G. Y. Ho and Florence J. Ho, as Vendee, and recorded as aforesaid in Liber 10033, page 293, which Agreement of Sale was assigned to Polynesian Sunset I, Inc. by document dated July 24, 1978 and recorded as aforesaid in Liber 13049, page 433.
- (e) Application for Mechanic's Lien filed in the Circuit Court of the First Circuit, State of Hawaii, on February 6, 1976, being M. L. No. 3178; Geoffrey

W. Fairfax, Claimant, vs. James G. Y. Ho, Florence J. Ho, Mary Kim, Kyung Soon Park, Sung Yoon Tark, also known as Sung Yong Tark, Soo Yuen Yang, Nora Young Avison, also known as Norah Young Avison, and Yong Ki Ebesu, Respondents;

Notice of Lis Pendens dated June 28, 1976, filed in said Circuit Court on June 29, 1976 and recorded in Liber 11508, at page 143.

Judgment filed in said Circuit Court on July 7, 1976; Re: Application for Mechanic's Lien by Claimant herein is denied.

Notice of Appeal from M. L. No. 3178 (First Circuit) filed in Supreme Court of the State of Hawaii as No. 6299, on July 7, 1976, entitled Geoffrey W. Fairfax, Claimant-Appellant, vs. James G. Y. Ho and Florence J. Ho, Respondents-Appellees, and Mary Kim, Kyung Soon Park, Sung Yoon Tark, also known as Sung Yong Tark, Soo Yuen Yang, Nora Young Avison, also known as Norah Young Avison, and Yong Ki Ebesu, Respondents.

- (f) Terms, conditions and provisions contained in that certain unrecorded revocable living trust agreement dated November 29, 1974.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated August 3, 1978, between Real Estate Finance Corporation, as "Escrow" and Polynesian Sunset I, Inc., as "Seller", has been filed with the Commission. On examination, the executed Escrow Agreement, as well as the specimen Condominium Reservation Agreement Deposit Receipt and Contract filed with the Commission are found to be in compliance with Chapter 514 A, Hawaii Revised Statutes.

It is incumbent on the purchaser and prospective purchaser to read and understand the Escrow Agreement before signing since the Escrow Agreement prescribes the procedure for receiving and disbursing purchasers' funds. The specimen sales agreement specifically provides that the purchaser approves said Escrow Agreement and assumes the benefits and obligations therein provided.

Among other provisions the Escrow Agreement provides that if at any time prior to the recordation of any deed, (a) Escrow receives a written request from Seller to return to a purchaser such purchaser's funds held hereunder by Escrow, (b) Seller notifies Escrow in writing that the Project cannot be completed within the time specified in the agreements with Buyers and that Seller has exercised the option of cancellation granted Seller in such event; (c) if a purchaser's funds were obtained prior to the issuance of a final public report and if there is any change in the building plan subsequent to the execution of the sales agreement 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 (d) if the final public

report differs in any material respect from the preliminary public report, unless the purchaser has given written approval or acceptance of the difference; then in any such event Escrow shall return such purchaser's funds, without interest, together with such sales agreement, marked "cancelled", and the Seller and purchaser shall be deemed no longer held hereunder.

Among other provisions the specimen sales agreement provides that in the event less than 9 apartment units are sold prior to May 1, 1979, Seller may at its option cancel this agreement, in which event Seller will cause Escrow to refund to Buyer all monies paid, without interest, and Seller shall be relieved and released of all further liability hereunder. In the event development and construction of the project is delayed due to governmental restrictions or regulations enacted after the date of this agreement or by occurrence of a contingency, the nonoccurrence of which was a basic assumption on which this agreement was made, and Seller determines that increases in development and construction costs because of such delay require increases in Apartment sales prices to maintain financial feasibility of the project, then and in any of such event Seller may at its option terminate this agreement and cause Escrow to refund to Buyer all monies paid, without interest, and Seller shall be released from all liability hereunder, provided, however, that Seller shall offer to Buyer the first right to execute a new reservation agreement in a form similar hereto at the increased Apartment unit price. Said termination and offer by Seller to Buyer shall be in writing, and Buyer shall have fifteen (15) days to notify Seller in writing of his acceptance of such offer. If no response from Buyer is received within said fifteen (15) day period, Seller may offer said Apartment unit to another party at said increased sales price, free and clear of any claims or rights thereto, if any, on the part of the Buyer.

The specimen Sales Contract also provides that the Buyer agree that all rights of the Buyer shall be subject and subordinate to the lien of any mortgage securing the repayment of the loan made to finance cost of construction and other costs and to any and all sums which may become a lien pursuant to the terms of such loan.

MANAGEMENT OF THE PROJECT: The By-Laws which are incorporated in the Declaration provide that the operation of the project shall be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible managing agent. The initial managing agent as set forth in the Condominium Reservation Agreement lists Real Estate Finance Corporation.

HOUSE RULES: The proposed House Rules provide in part that household pets are not allowed on the premises.

STATUS OF PROJECT: Construction of the building has been completed since approximately 1959 and has been formerly used primarily for rental purposes. The apartment units are presently vacant and renovations being made to the interior.

NOTE: The existing buildings are non-conforming structures as defined under Section 21-110 Revised Ordinances, meaning any structure

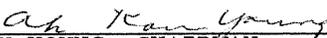
which was previously lawful but which does not comply with the bulk, yard, set-back or height regulations of the district in which it is located, either on the effective date of Chapter 21 Revised Ordinances, or as a result of any subsequent amendment thereto.

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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 September 20, 1978.

This is a PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT which is made a part of REGISTRATION NO. 1040, filed with the Commission September 20, 1978, and information subsequently filed as of October 19, 1978.

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

  
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AH KAU YOUNG, CHAIRMAN  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

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

Registration No. 1040

October 25, 1978

EXHIBIT "A"

<u>APT. NO.</u>	<u>TYPE OF APT.</u>	<u>BUILDING</u>	<u>FLOOR</u>	<u>GROSS FLOOR AREA</u>	<u>UNDIVIDED PERCENTAGE INTEREST IN ALL COMMON ELEMENTS</u>	<u>PARKING STALL NO.</u>
1	1 BR	A	First	525 SF	5.07%	
2	1 BR	A	First	525 SF	5.07%	
3	2 BR	B	First	900 SF	8.70%	1
4	Studio	B	First	400 SF	3.86%	
5	1 BR	A	Second	525 SF	5.07%	6
6	1 BR	A	Second	525 SF	5.07%	
7	1 BR	A	Second	525 SF	5.07%	
8	1 BR	A	Second	525 SF	5.07%	5
9	1 BR	B	Second	525 SF	5.07%	
10	1 BR	B	Second	525 SF	5.07%	
11	1 BR	B	Second	525 SF	5.07%	
12	Studio	B	Second	346 SF	3.34%	
13	1 BR	A	Third	525 SF	5.07%	7
14	1 BR	A	Third	525 SF	5.07%	8
15	1 BR	A	Third	525 SF	5.07%	9
16	1 BR	A	Third	525 SF	5.07%	4
17	2 BR	B	Third	1,037.5 SF	10.02%	2
18	2 BR	B	Third	846 SF	8.17%	3