

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

ON

SUNSET PAUMALU ESTATES

59-001 Holawa Street

Haleiwa, Hawaii
REGISTRATION NO. 1442

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: September 4, 1981

EXPIRES: October 4, 1982

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 June 29, 1981, FILED WITH THE COMMISSION AS OF September 1, 1981. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT SET FORTH IN CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. SUNSET PAUMALU ESTATES is a proposed fee simple condominium project consisting of seven (7) two story buildings containing nine (9) 3 bedroom apartments, together with eighteen (18) parking stalls, regular size.

2. The basic documents (Declaration of Horizontal Property Regime, ByLaws of Association of Apartment Owners and a copy of the approved floor plans) have not yet been filed in the office of the Bureau of Conveyances.

3. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of the condominium project and the issuance of this Preliminary Public Report.

4. Advertising and promotional matter has not as yet 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 Horizontal Property Regimes.

6. This Preliminary Public Report is made a part of the registration on SUNSET PAUMALU ESTATES condominium project. The Developer is responsible for placing this Preliminary Public Report (yellow paper stock) together with Disclosure Abstract in the hands of all purchasers and prospective purchasers and for securing a signed copy of the receipt therefor from each purchaser and prospective purchaser.

7. This Preliminary Public Report automatically expires thirteen months after date of issuance, September 4, 1981 unless a Final or Supplementary Public Report is issued or the Commission upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: SUNSET PAUMALU ESTATES

LOCATION: The project is located at 59-001 Holawa Street, Haleiwa, Hawaii, and consists of 54,165 square feet of land.

TAX MAP KEY: 5-9-01:23

ZONING: Residential R-6

DEVELOPER: SUNSET PAUMALU VENTURES, a Hawaii general partnership, having its principal place of business at 841 Bishop Street, Suite 2003, Honolulu, Hawaii. Telephone: 536-8530.

THE GENERAL PARTNERS ARE: HLF Investment, Inc., a Hawaii corporation, Suite 1500, 190 S. King Street, Honolulu, Hawaii, and Kurisu Corporation, a California corporation, Suite 2003, 841 Bishop Street, Honolulu, Hawaii.

ATTORNEY REPRESENTING DEVELOPER: DOUGLAS S. HASEGAWA, 503 Stangenwald Building, 119 Merchant Street, Honolulu, Hawaii 96813. Telephone: 531-5943.

DESCRIPTION OF PROJECT: The Project consists of seven (7) two story buildings containing nine (9) freehold apartments, together with eighteen (18) parking stalls. Said structure is constructed principally of wood with concrete slab floors, monier tile roof and glass windows. The apartments will be designated as Unit No. A, B, AR, BR, C, D, E, F and K. The types of apartment units, the description, layout, number of rooms and approximate area of each type apartment are as follows:

(1) Design Type "A". The Design Type "A" apartment units include: first floor - stairwell, garage, storage closet under stairwell, living-room dining-room combination, two lanais, toilet, kitchen with bar counter, hallway storage closet, laundry with washer dryer and garage with storage closet; second floor - stairwell, hallway, hallway closet, open living area, two bathrooms of which one has a vanity area and three bedrooms, two of which have wardrobe closets.

The Design Type "A" apartment unit contains a net area of approximately 1,708 square feet and a lanai of 106 square feet.

(2) Design Type "AR" is merely the reverse of Design Type "A".

(3) Design Type "B". The Design Type "B" apartment unit includes: first floor - stairwell, garage, toilet, hallway with hall closet and washer and dryer, kitchen, bar counter with bar sink, living-room dining-room combination, lanai and a garage with a storage closet; second floor - stairwell, hallway, two bathrooms, one with vanity area, hall closet and three bedrooms with wardrobe closet.

The Design Type "B" unit contains a net area of approximately 1,566 square feet with a lanai of 64 square feet.

(4) Design Type "BR" is merely the reverse of Design Type "B".

(5) Design Type "C". The Design Type "C" apartment unit includes: first floor - stairwell, lanai, toilet, hallway with hallway closet and washer and dryer, kitchen, bar counter with bar sink, living-room dining-room combination and a garage with a storage closet; second floor - stairwell, hallway with hall closet and three bedrooms with wardrobe closets.

The Design Type "C" unit contains a net area of approximately 1,653 square feet with a lanai of 63 square feet.

(6) Design Type "D". The Design Type "D" apartment unit includes: first floor - stairwell, lanai, toilet,

living-room dining-room combination, kitchen with washer and dryer and a garage with a storage closet; second floor - stairwell, hallway with hall closet, a dressing room with closet, two bathrooms and three bedrooms, two with wardrobe closets.

The Design Type "D" unit contains a net area of approximately 1,470 square feet with a lanai of 143 square feet.

(7) Design Type "E". The Design Type "E" apartment unit includes: first floor - stairwell, toilet, living-room dining-room combination, kitchen, bar counter, garage with storage, refrigerator range, sink with disposal and lanai; second floor - stairwell, hallway with storage closet, laundry room with washer and dryer, two bathrooms and three bedrooms with closets.

The Design Type "E" unit contains a net area of approximately 1,501 square feet with a lanai of 204 square feet.

(8) Design Type "F". The Design Type "F" apartment unit includes: first floor - stairwell, laundry room with washer and dryer, bathroom, garage, living-room dining-room combination, lanai, kitchen with refrigerator range and sink with disposal; second floor - stairwell, two bathrooms, hall closet, three bedrooms and one den.

The Design Type "F" unit contains a net area of approximately 1,907 square feet with a lanai of 423 square feet.

(9) Design Type "K". The Design Type "K" apartment includes: first floor - stairwell, kitchen with refrigerator, range and sink with disposal, dining-room, living-room, toilet, bathroom, foyer, rock garden, tokunoma room, bedroom, garage and lanai; second floor - stairwell, bedroom, wardrobe closet, dressing room, bathroom, study and balcony.

The Design Type "K" unit contains a net area of approximately 2,496 square feet with a lanai of 466 square feet.

The respective apartments shall be deemed to include all items which are lying within the exterior faces of all exterior walls, the center line of the interior party walls, windows and roofs including but not limited to doors and door frames, windows and window frames, the inner decorated or finished surfaces of all walls, floors, and ceilings, the patio or patios, including the lanai or lanais, adjoining and connected thereto; and all fixtures originally installed therein.

All units will be furnished with wall to wall carpeting in the living room, hallway and bedroom. The appliances included with each apartment are a range and oven, refrigerator, garbage disposal, washer, dryer and heater. Excepting, however, that apartments K, E and F are reserved to the principals of the developer, Akira Kurisu and Hiram Fong, Jr.

Each of the apartments will have access to the walkways and roads on the grounds of the Project.

COMMON ELEMENTS: One freehold estate is hereby designated in all of the remaining portions and appurtenances of the project herein called the "common elements" including specifically, but not limited to:

(a) Said land in fee simple.

(b) All yards, grounds, landscaping, roadways, planters, walkways, planting areas, and fences for the use by more than one apartment.

(c) 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, and telephone signal distribution.

NOTE: There will be individual electric meters installed for each unit.

(d) The workshop attached to Apartment Building EF containing an area of 340 square feet for use by the grounds keeper.

(e) The swimming pool located on lot EF.

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

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

The lots appurtenant to the apartments as outlined in read on the proposed Condominium Map.

EASEMENTS: The apartments shall have and be subject to the following:

(a) Each apartment shall have appurtenant thereto nonexclusive easements in the common elements designed for such purposes, for ingress to, egress from, utility services for, and support, maintenance, and repair of such apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided herein, above, and in all other apartments and common elements within or under the same building in which such apartment is located for support.

(b) If any common element encroaches upon any apartment or limited common element, or if any apartment encroaches upon any other apartment or common element, a valid easement for such encroachment and the maintenance thereof, as long as it continues, does and shall exist. If any of said buildings or any other improvement is partially or totally destroyed and then rebuilt, minor encroachments by any common element due to construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

(c) The Association of Apartment Owners shall have the right, to be exercised by its Board of Directors or the Managing Agent, to enter each apartment from time to time during reasonable hours as may be necessary for the operating of the Project, or at any time for making emergency repairs therein which may be necessary to prevent damage to any apartment or common element or for the repair, replacement, restoration, or installation of any common element.

(d) Easements for ingress and egress to the swimming pool and the workshop over and across Lot EF as shown on the Condominium Map of the project.

(e) Developer reserves the right to grant or lease to any public utility or governmental authority rights of way and other easements over, across, and under the common elements for lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, cesspool, drainage, and other public services and utilities, and rights to enter for the purposes of installing, repairing, altering, and removing such lines and facilities and of trimming any trees in the way thereof.

INTEREST TO BE CONVEYED PURCHASER: The interest to be conveyed to a purchaser will be a fee simple title in and to an apartment and an undivided interest in all common elements of the project. Each apartment shall have appurtenant thereto an undivided interest in all common elements of the project in

the proportion as set forth in Exhibit "A" attached hereto and made a part hereof and the same proportionate share in all common profits and expenses of the project and for all other purpose, including voting.

PURPOSE OF BUILDING AND RESTRICTION AS TO USE: The apartments shall be occupied and used only as private residences and only by the respective owners thereof and their tenants, and the families, servants and guests of such owners and tenants and for no other purpose. The apartments shall not be rented for transient or hotel purposes, which purposes are defined as (a) rental for any period less than thirty (30) days, or (b) rental under which the occupants of the apartment are provided room service for food and beverage, maid service, laundry and linen or bellboy service. Except for the foregoing, the apartment owners shall have the absolute right to lease their apartments subject to the conditions contained in the Declaration and ByLaws.

OWNERSHIP OF TITLE: The Preliminary Report dated August 11, 1981 and prepared by Title Guaranty of Hawaii, Inc. states that fee simple title to the land is held by Sunset Paumalu Ventures, the developer.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report shows the premises are subject to the following encumbrances:

1. Formal property taxes that may be due and owing, reference is made to the Office of the Tax Assessor, First Division.
2. Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance.
3. Mortgage and Security Agreement dated July 28, 1981 between Sunset Paumalu Ventures, a registered Hawaii general partnership, as "mortgagor" and American Security Bank, a Hawaii corporation, as "mortgagee", recorded in the Bureau of Conveyances, State of Hawaii, in Liber 15732 at Page 175.

PURCHASE MONEY HANDLING: An Escrow Agreement dated June 22, 1981, has been executed and a copy of same has been filed with the Commission. The Escrow Agent is Title Guaranty Escrow Services, Inc., a Hawaii corporation. Upon examination, the specimen Sales Contract and the executed Escrow Agreement are found to be consonant with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly Section 514A-39, 514A-40 and 514A-63 through 514A-66.

It is incumbent upon the prospective purchaser that he reads with care the Sales Contract and the executed Escrow Agreement. The Escrow Agreement establishes how the proceeds from the apartments and all sums received from any

source are placed in trust, as well as the retention and disbursement of said trust funds among other provisions, the Escrow Agreement provides that a purchaser shall be entitled to a return of his funds and Escrow shall pay such funds to such purchaser, without interest, if any one of the following has occurred:

(a) Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, there shall have been a change in the building plans, subsequent to the execution of purchaser's sales contract, requiring approval of a county officer having jurisdiction over the issuance of building permits, unless such change is specifically authorized in the Declaration of Horizontal Property Regime or by the terms of the sales contract or unless a purchaser's written approval or acceptance of the specific change is obtained or ninety days have elapsed since the purchaser has accepted in writing the unit or the purchaser has first occupied the units; or

(d) The Final Report differs in a material respect from the Preliminary Report, and the purchaser's written approval of such change shall not have been obtained; or

(e) The Final Report shall not have been issued within one (1) year from the date of issuance of the Preliminary Report and the purchaser has not waived or has not been deemed to have waived his right to a refund.

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (a) or (b) above or upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in (c), (d) or (e) above, unless the purchaser has waived or has deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee of Escrow of not less than \$25.00 per unit or a cancellation fee commensurate with the work done by Escrow prior to such cancellation, whichever fee is greater) and thereupon said sales contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held hereunder; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.

The specimen Sales Contract contains, among others, the following provisions:

1. No Interest On Deposits. Any and all interest received by Seller and/or Escrow on Buyer's deposits shall become the sole property of the Seller, and Buyer and Seller hereby jointly so instruct Escrow pursuant to the provisions of Sections 4028 and 44916.5 of the Hawaii Revised Statutes, as amended.

2. Except for the contractors one (1) year warranty of fitness of construction given from the date of substantial completion, the apartments will be conveyed without any express or implied warranty of merchantability or fitness of the apartment for any purpose.

3. Buyer agrees that all of the rights of Buyer under this agreement are and shall be subject and subordinate to the lien of any mortgage securing the repayment of the interim loans made to finance the cost of construction and other costs during construction and to any and advances made thereon, and to any and all sums which may become a lien pursuant to the terms of such interim loans or any other agreement relating thereto.

RESERVATION: The developer reserves unto apartment K the right to build an additional apartment on Lot G as outlined in red on the Condominium Map and to divorce said new apartment and Lot G from Lot K creating a new apartment to be designated apartment G. Said new apartment G shall have Lot G appurtenant to it as a limited common element. The reservation herein created shall have a term of ten (10) years within which, if not exercised, shall terminate and become of no force or effect. The right to build shall be exercisable by notifying the Board of Directors of the Owners Association in writing of the intent to build a new apartment on Lot G prior to the expiration of the ten (10) years. The new apartment to be built shall be of the same or similar architecture and the same or better quality as apartments A through D and its construction shall be completed within a reasonable time after the notification of the exercise of the right to build. Upon substantial completion of apartment G the then owner of apartment K shall cause the Declaration to be amended by having the proper officers of the Association execute the Amendment to Declaration and recording the same with the proper authorities. Upon amendment the common interest appurtenant to each apartment, including the common interest appurtenant to the new apartment, shall automatically change to and be 1/10 or .10 per cent. The cost of the amendment shall be the sole responsibility of apartment K and its then owner. No charge other than a reasonable processing fee shall be charged by the Association to obtain the necessary signatures for the amendment.

NOTE: The Developer advises that the ten-year period within which the owner of Apartment K reserves the right to build Apartment G shall commence when the project is substantially completed.

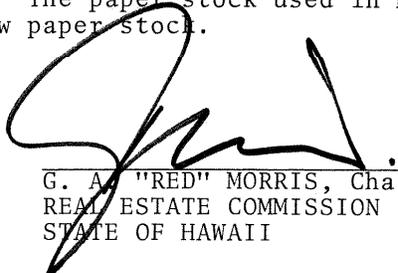
MANAGEMENT AND OPERATIONS: The ByLaws of the Association of Owners vest the Board of Directors with the powers and duties necessary for the administration of the affairs of the project.

An executed Management Agreement indicates JACQUELINE MANSARD REALTY, 66-200 B Kamehameha Highway, Haleiwa, Hawaii 96713, as the initial management agency.

STATUS OF PROJECT: The Project is presently under construction and all of the concrete slabs have been poured. Construction on all units is scheduled to be completed and the apartments ready for turnover by September 20, 1981, or earlier.

The purchase or prospective purchaser should be cognizant of the fact that this Preliminary Public Report represents information disclosed by the Developer in the required Notice of Intention submitted June 29, 1981 and information subsequently filed as of September 1, 1981.

THIS PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1442 filed with the Commission on June 29, 1981. This report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be of yellow paper stock.



G. A. "RED" MORRIS, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

DISTRIBUTION:

DEPARTMENT OF FINANCE
BUREAU OF CONVEYANCES
DEPARTMENT OF LAND UTILIZATION,
CITY AND COUNTY OF HONOLULU
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

Registration No. 1442

DATED: September 4, 1981

EXHIBIT "A"

<u>TYPE AND NUMBER OF APARTMENTS</u>	<u>PERCENTAGE COMMON INTEREST PER APARTMENT</u>	<u>TOTAL PERCENTAGE COMMON INTEREST</u>
Design Type "A" & "AR" - apts.	1/9	1/9
Design Type "B" & "BR" - apts.	1/9	1/9
Design Type "C" 1 apt.	1/9	1/9
Design Type "D" 1 apt.	1/9	1/9
Design Type "E" 1 apt.	1/9	1/9
Design Type "F" 1 apt.	1/9	1/9
Design Type "K" 1 apt.	1/9	1/9

NOTE: Reservation unto Apartment K to build an additional apartment on Lot G and to have the new apartment and lot appurtenant exist as though initially created except as to any maintenance payments, which payments shall not be due except after said apartments creation. Upon the creation the percentage interest per apartment, including the new apartment shall automatically change to and be 1/10.