

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
MAKAHA SEASIDE
84-1021 Lahilahi Street
Waianae, Oahu, Hawaii

REGISTRATION NO. 386

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 20, 1971
Expires: October 20, 1972

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 MAY 27, 1971 AND INFORMATION SUBSEQUENTLY FILED AS LATE AS SEPTEMBER 16, 1971. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, HAWAII REVISED STATUTES.

1. MAKAHA SEASIDE is a proposed leasehold condominium project consisting of a single 16-story building with a total of one hundred twenty (120) condominium apartments, one hundred twenty (120) parking stalls and one (1) service space on the first floor and a swimming pool.
2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of the condominium project and issuance of this Preliminary Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Owners and a copy of the approved Floor Plans) have been filed in the office of the recording officer.

The Declaration of Horizontal Property Regimes dated July 9, 1971 was filed September 8, 1971 by Makaha Beach Cabanas, Inc., Trustee for Makaha Beach Development Company. Condominium Map No. 122 has been designated to the project.

4. No advertising or promotional matter has yet been submitted pursuant to the rules and regulations promulgated by the Commission.
5. The Developer advises the Commission that when construction of the project is commenced it will own the leasehold interest in the land. On completion of conveyances of the units, Makaha Beach Cabanas, Inc., Trustee of Makaha Beach Development Company, a limited partnership, will retain a sublessor's position.
6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, and the Condominium Rules and Regulations which relate to Horizontal Property Regime.
7. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, September 20, 1971, unless a Supplementary Public Report issues or the Commission upon review of registration issues an order extending the effective period of this report.

NAME OF PROJECT: MAKAHA SEASIDE

LOCATION: The 78,301 square feet of property to be committed to the regime, as a leasehold condominium project, is situated at 84-1021 Lahilahi Street, Waianae, Oahu, in the City and County of Honolulu, State of Hawaii.

TAX KEY: FIRST DIVISION 8-4-04: 8, 10, 11 and 12

ZONING: Hotel-Apartment

DEVELOPER: SUMMER PLACE, a Hawaii registered limited partnership, is the developer, whose general partner is Makaha Beach Cabanas, Inc., a Hawaii corporation, 1030 South King Street, Honolulu, Hawaii 96814, Telephone 537-1146.

The officers of Makaha Beach Cabanas, Inc., are:

| | |
|----------------------------------|------------------|
| President and Director | Ruddy Tongg, Jr. |
| Vice President and Director | Thomas A. Lau |
| Secretary-Treasurer and Director | Walter G. B. Wee |

ATTORNEY REPRESENTING DEVELOPER: Hiroshi Sakai, Suite 602, 810 Richards Street, Honolulu, Hawaii, Telephone 531-4171.

DESCRIPTION: The specimen Declaration of Horizontal Property Regime reflects that the project is to consist of the 78,301 square feet of land located at 84-1021 Lahilahi Street, Waianae, Oahu, and a sixteen (16) story building, consisting of one hundred twenty (120) condominium apartments, on the second through the seventeenth floor, inclusive, one hundred twenty (120) parking stalls on the first floor, one (1) service space on the first floor and a swimming pool. There will be a parking area for one hundred twenty (120) stalls on the ground area and there will be one service area on the first floor. On the ground area there will also be a swimming pool. The second through the seventeenth floor, inclusive, each shall have two (2) two-bedroom apartments, and six (6) one-bedroom apartments, making a total of thirty two-bedroom units and ninety one-bedroom units making a total of one hundred twenty (120) units. The thirteenth floor for numbering purposes has been intentionally omitted.

The building is to be constructed of reinforced concrete and hollow tile or steel and concrete.

Electricity and water will be provided on a common meter basis, except that electricity for the service space shall be separately metered.

The project will be serviced by two (2) elevators.

The apartments, parking stalls, and service space are treated as individual condominium units in this project.

DESCRIPTION OF APARTMENTS: There are two (2) types of apartments: one-bedroom apartments and two-bedroom apartments.

One-bedroom apartments: Each of the one-bedroom apartments contains approximately 607 square feet and includes the living room, one bedroom, two baths, kitchen and a lanai.

Two-bedroom apartments: All two-bedroom apartments contain approximately 970 square feet, including the living room, two bedrooms, kitchen, bath, a bath with a dressing room and a lanai.

The apartments are numbered as follows and are of the type and on the floor designated:

The numbering of the last two digits of the two-bedroom apartments shall be 01 and 08. The numbering of the last digits of the one-bedroom apartment shall be 02, 03, 04, 05, 06 and 07.

The number of the apartments shall be as follows:

| | |
|------------|------------------------------|
| 2nd Floor | 201 through 208, inclusive |
| 3rd Floor | 301 through 308, inclusive |
| 4th Floor | 401 through 408, inclusive |
| 5th Floor | 501 through 508, inclusive |
| 6th Floor | 601 through 608, inclusive |
| 7th Floor | 701 through 708, inclusive |
| 8th Floor | 801 through 808, inclusive |
| 9th Floor | 901 through 908, inclusive |
| 10th Floor | 1001 through 1008, inclusive |
| 11th Floor | 1101 through 1108, inclusive |
| 12th Floor | 1201 through 1208, inclusive |
| 14th Floor | 1401 through 1408, inclusive |
| 15th Floor | 1501 through 1508, inclusive |
| 16th Floor | 1601 through 1608, inclusive |
| 17th Floor | 1701 through 1708, inclusive |

Each of the apartments has immediate access to the concrete walkways running across the face of the building and connected to the stairways and elevators which are part of the common elements. There is a utility room located on each floor above the first floor.

DESCRIPTION OF SERVICE SPACE: There is a service space located on the first floor designated as Apartment 1 which includes the undecorated, unfinished surface of the perimeter walls or interior load bearing walls. The service space may be further subdivided into separate service spaces including an apartment or apartments. Said subdivision shall be designated by letters A, B, C, etc., and the service space may be separately sold, leased, rented, mortgaged, encumbered, used and occupied. The Sublessor further reserves the right in its discretion to allocate the common interest and common elements appurtenant thereto by filing a revised plan for the service space. The Association shall be responsible for the maintenance of the lobby area which is a part of the common elements.

DESCRIPTION OF PARKING AREA: There is a parking area including the islands, medial strips, borders, driveways for 120 parking stalls numbered 1 through 120 as shown on the Condominium Map. Sublessor reserves the right to rearrange the parking stalls and parking areas, build additional parking stalls and/or any other improvements over and above the parking area. These

parking stalls in the parking area may be separately sold, leased, rented, mortgaged, encumbered, used and occupied including the use of parking control as deemed desirable by Sublessor, subject, however, to the rights of all apartment owners, their tenants and guests the right of ingress and egress over and across the driveway areas not utilized for parking stalls from the street to building, and the rights of any apartment owners, their tenants and guests the right to rent a parking stall for each apartment, the same to be rented by the Sublessor on a reasonable rental basis.

COMMON ELEMENTS: The Specimen Declaration reflects the common elements shall consist of: (a) The leasehold land; (b) All foundations, columns, girders, beams, supports, load bearing walls, roofs, chases, lobby, hallways, stairway, entrances and exits of said building; (c) Swimming pool and appurtenant equipment; (d) All yard, grounds, landscaping, mail boxes and refuse facilities; (e) All ducts, electrical equipment, wiring and other central and appurtenant installations including power, light, water, sewer and telephone. The two elevators with elevator housings and appurtenant equipment; (f) Utility room and all other elements and facilities rationally in common use or necessary to the existence, upkeep and safety of the building of the project.

INTEREST TO BE CONVEYED PURCHASER: The specimen declaration states that the undivided interest in the common elements appertaining to each apartment, parking stall, and service space is as follows:

| <u>Type of Unit</u> | <u>Percentage of Undivided Interest in Common Elements Appurtenant</u> |
|---------------------|--|
| One-bedroom | 0.666 |
| Two-bedroom | 0.866 |
| Service Space | 5.82 |
| Parking | 8.26 |

According to the Declaration and By-Laws the share of the common expense of each apartments and service space shall be in proportion to an undivided interest in the common elements, except with respect to the charges, costs and expenses incurred for or in connection with the interior portion of the service space on the first floor and the parking area (except any parking or building lights the same to be borne by the Association) shall be separately maintained by the owner or holder thereof; for purposes of voting on all matters requiring action by the owners, these same percentages shall govern.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Specimen Declaration states that the apartments are to be used for residential apartment-hotel uses; Apartment 1 of the first floor can be used for any commercial use including apartment use and parking stall can be used for parking and commercial uses.

FINANCING OF PROJECT: The Developer has negotiated for conventional long term for this project through the Zenith Mortgage Company. The Zenith Mortgage commitment provides for long term financing available to qualified apartment purchasers.

OWNERSHIP TO TITLE: Hawaiian Resorts, Limited, a Hawaii corporation, whose principal place of business and post office address is 3016 Alapali Place, Honolulu, Hawaii, is the owner in fee simple of the subject project.

A copy of the title search as of September 8, 1971, issued by Long & Melone Title Insurance, Ltd., certifies that the fee simple title to the land is vested as aforesaid.

ENCUMBRANCES AGAINST TITLE: The title search certifies that Hawaiian Resorts, Limited owns the subject property free and clear of all encumbrances except the following:

1. Setback line 10 feet from the roadway, as shown on Map 6, as set forth by Land Court Order No. 7577, filed July 17, 1947 and mentioned in Transfer Certificate of Title No. 56,651.

2. Lease dated November 27, 1963, filed as Land Court Document No. 325892, from Hawaiian Resorts, Ltd., to Benjamin Masao Hayashi. Term: 75 years from August 1, 1961.

Consent: American Security Bank consents to foregoing Lease by instrument dated February 19, 1964, filed as Land Court Document No. 325893.

3. Assignment of Lease from Benjamin Masao Hayashi to Makaha Beach Cabanas, Inc., Trustee of Makaha Beach Development Company, a limited partnership, dated October 19, 1964, filed as Land Court Document No. 346684. Assigns foregoing Lease.
4. Amendment of Lease made by and between Hawaiian Resorts, Ltd., and Makaha Beach Cabanas, Inc., Trustee of Makaha Beach Development Company dated February 1, 1966, filed as Land Court Document No. 385730. Amends Lease Document No. 325892.
5. Compromise and Settlement Agreement by and between Hawaiian Resorts, Ltd., Makaha Beach Cabanas, Inc. (General Partner and Trustee for Makaha Beach Development Co.), Ben Hayashi, Ltd., and Benjamin Masao Hayashi, dated March 15, 1971, filed as Land Court Document No. 536997.
6. Mortgage to Hawaiian Resorts, Ltd., dated March 15, 1971, filed as Land Court Document No. 536998.
7. Mortgage to Ben Hayashi, Ltd., dated December 24, 1969, filed as Land Court Document No. 536999.

Consent by Hawaiian Resorts, Ltd.

8. Mortgage to Zenith Mortgage Company, a California corporation, dated September 29, 1970, filed as Land Court Document No. 537001.
9. Taxes for the fiscal year July 1, 1970 to June 30, 1971 have been paid in full.
10. Declaration of Horizontal Property Regime dated July 9, 1971 and filed September 8, 1971 by Makaha Beach Cabanas, Inc., Trustee for Makaha Beach Development Company. Condominium Map No. 122.

DECLARATORY JUDGMENT ACTION: A complaint for Declaratory Judgment was filed by the Waianae Neighborhood Area Association, Inc., against the City and County of Honolulu in which the Plaintiff alleges that the City and County of Honolulu has illegally extended the building permit of the developer. A Motion for Summary Judgment was filed by the City and County of Honolulu. The Summary Judgment was granted by the First Circuit Court on March 31, 1971, in favor of the City. The Plaintiff appealed to the Supreme Court of Hawaii on April 29, 1971. The action may have the effect of affecting the building permit then the project would have to be completed on the basis of the requirements of the Comprehensive Zoning Code of the City and County of Honolulu.

PURCHASE MONEY HANDLING: A copy of the executed escrow agreement dated March 15, 1971 identifies Long & Melone Title Insurance, Ltd., as "Escrow." On examination, the executed escrow agreement is found to be in compliance with Chapter 514, Hawaii Revised Statutes.

The executed escrow agreement states that no disbursement shall be made from purchaser's funds unless and until (a) the Real Estate Commission has issued a Final Public Report on the project; (b) The Seller has notified Escrow in writing that all other requirements of Chapter 514, Hawaii Revised Statutes, have been met; and (c) Each request for disbursement is accompanied by a Certificate of Approval from a financially disinterested party.

The Commission calls the purchaser's and prospective purchaser's attention to Sections 514-37, 38 and 39, Hawaii Revised Statutes, which pertain to refund of purchaser's funds obtained prior to issuance of a Final Public Report.

It is incumbent upon the purchaser and prospective purchaser that he reads with care the Condominium Sales Contract and the Escrow Agreement. The Escrow Agreement establishes how the proceeds from the apartment units and all sums received from any source are placed in escrow, as well as the retention and disbursement of said escrow funds.

There is no provision for any payment of interest on funds placed in escrow to any purchaser or prospective purchaser.

MANAGEMENT AND OPERATIONS: The By-Laws of the Association of Owners of Makaha Seaside state that the Board of Directors may employ for the Association a management agent or manager to perform such duties and services as the Board shall authorize including the care, upkeep, and surveillance of the project and the common areas and facilities; collection of monthly assessments from the owners; and the designation and dismissal of the personnel necessary for the maintenance and operation of the project and the common elements and facilities.

The By-Laws of Makaha Seaside also state that every owner of any unit in the project shall contribute pro-rata for the expense of administration of the project save and except the parking area which shall be the responsibility of the person holding the parking area.

The Developer advises that it will enter into on behalf of the Association of Apartment owners of Makaha Seaside a three (3) years property management contract with a responsible corporate management agent.

STATUS OF PROJECT: The Developer advises the Real Estate Commission that the construction of the building has not yet commenced but the building permit has been secured. Construction contract negotiations are currently underway with Ben Hayashi, Ltd., but have not yet been finalized. The Developer estimates that the construction of the project will commence in the third quarter of calendar year 1971 and be completed in the first quarter of 1973.

The purchaser or prospective purchaser shall be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted May 27, 1971, and information subsequently filed as late as September 16, 1971.

This HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 386 filed with the Commission on May 27, 1971.

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


for DOUGLAS R. SODEHANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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ESCROW AGENT

September 20, 1971
Registration No. 386