

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

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

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on

MAKAHA SURFSIDE
85-175 Farrington Highway
Waianae, Hawaii

REGISTRATION NO. 442

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: July 14, 1972

Expires: August 14, 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 APRIL 4, 1972 AND INFORMATION SUBSEQUENTLY FILED AS OF JULY 6, 1972. 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 SURFSIDE is a proposed fee simple apartment condominium and leasehold parking condominium project, which will consist of

three buildings and will have a total maximum of 454 apartments including a manager's apartment, a maximum of 588 parking stalls, both of which may be reduced either by virtue of incremental development or by virtue of the one-bedroom apartments being combined to create a two-bedroom apartment as more particularly described hereafter.

Inasmuch as the Developer has reserved the right to develop the project under a very unique incremental development program, it is incumbent that purchasers and prospective purchasers get a clear understanding as to what the project will consist of and what the purchasers are purchasing from the Developer. Purchasers should also understand the alternate parking plans proposed by the Developer under the incremental development program.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the issuance of this Preliminary Public Report.
3. The Developer has submitted to the Commission for examination a proposed Declaration of Horizontal Property Regime, proposed By-Laws of the Association of Owners and preliminary floors plans. A Final Public Report will not be issued until these items have been executed, approved and recorded where applicable.
4. In this Preliminary Public Report, the statements regarding the Declaration refer to the proposed Declaration submitted to the Commission.
5. No advertising or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
6. The Developer advises the Commission that at such time that the construction of the project is commenced it will own an unencumbered fee simple interest in the land.
7. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, Condominium Rules and Regulations which relate to the Horizontal Property Regime.
8. If the Final Public Report is not issued the purchasers are entitled to a refund of all monies paid by the purchasers hereunder without further obligation and without interest.

NAME OF PROJECT: MAKAHA SURFSIDE

LOCATION: The 242,012 square feet to be committed to the regime, as a fee simple apartment condominium and leasehold parking condominium project, is situated at 85-175 Farrington Highway, Makaha, Oahu, Hawaii, in the City and County of Honolulu, State of Hawaii.

TAX KEY: First Division 8-5-17-8 through 16 inclusive and 19.

ZONING: A-1 Apartment Zoning

DEVELOPER: Makaha Surfside Development Company, a Hawaii limited partnership, 1776 Kapiolani Boulevard, Honolulu, Hawaii. The General Partner of the limited partnership is Project Coordinator's Office, Inc. The officers of the corporation are as follows:

R. K. Ho, President, 730 Makaleka Avenue, Honolulu, Hawaii
K. Nobuta, Vice President-Secretary, 2563 Date Street,
Honolulu, Hawaii
D. A. Donegan, Vice President, 677 A'okoakoa St., Kailua, Hawaii
P. L. Florian, Treasurer, 1774 Kapiolani Boulevard,
Honolulu, Hawaii

The names of the limited partners are on file with the Real Estate Commission.

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

DESCRIPTION: The Declaration reflects that the project is to consist of the land located at 85-175 Farrington Highway, Makaha, Oahu, Hawaii, and the improvements to be constructed thereon designed by A. Daniel Klein and Associates, Inc. The project when completed in total will consist of three (3) concrete and hollow tile apartment buildings, designated Buildings "A", "B" and "C", and a concrete and hollow tile parking building, and two (2) recreational areas. Each building shall have four (4) floors. Building A may have up to a total of 166 units. Building B may have up to a total of 103 units and Building C may have up to a total of 185 units including a manager's unit. The total number of units are subject to reduction if and when a purchaser elects to combine two one-bedroom apartments into a two-bedroom apartment. The buildings are subject to incremental development as herein provided. The parking areas shall have a total of fifty-one (51) parking spaces and the parking building shall have four (4) floors with a total of 537 parking spaces subject to incremental development as herein provided.

DESCRIPTION OF GROUNDS: The grounds will have street level (on grade) parking in the mauka side of Building A and street level (on grade) parking on the mauka side of a portion of Building C. On the makai side of Building A there will be one recreation area. On the makai side between Buildings B and C there will be a recreation area. There will be one laundry building on the mauka side of Building A

adjacent to the parking building and another laundry building on the mauka side of Building C. The grounds will have walkway areas connecting the various buildings with the parking areas, recreation areas and the parking building.

DESCRIPTION OF BUILDING A: The ground floor will contain 40 apartments with two trash rooms, one electric room, walkways and two passageways, stairways leading up to the second floor. The second through fourth floors each may contain 42 apartments, two trash chute rooms, walkways and stairways connecting each floor. There will be two elevators in this building which will reach the third floor only and if the City and County of Honolulu approves a variance then to the fourth floor which the Grantor does not guarantee.

DESCRIPTION OF BUILDING B. The ground floor will contain 25 apartments, one electric room, one passageway and walkway and stairways leading up to the second floor. The second through fourth floors each will contain 26 apartments with walkways and stairways connecting each floor. There will be one elevator in this building which will reach the third floor only and if the City and County of Honolulu approves a variance then to the fourth floor which the Grantor does not guarantee.

DESCRIPTION OF BUILDING C. The ground floor will contain 44 apartments including one manager's apartment, lobby and mail area, trash and equipment room, passageway, walkways and stairways leading up to the second floor. The second through fourth floors each will contain 47 apartments, storage room, trash chute room, with walkways and stairways connecting each floor. There will be two elevators in this building which will reach the third floor only and if the City and County of Honolulu approves a variance then to the fourth floor which the Grantor does not guarantee.

DESCRIPTION OF PARKING BUILDING: The parking building for the entire project shall consist of two (2) sections. The mauka section shall consist of four levels of Parking A, C, E and G. The makai section shall consist of four levels B, D, F and H. There shall be up and down ramps interconnecting the various levels of parking. In addition, there shall be ramps or stairs to Building C to Building B and to grade.

DIVISION OF PROJECT: The project is hereby divided into the following separate freehold estates:

Apartments. The following are the types of apartments in this project:

(a) Vacation Apartment. A vacation apartment is approximately 361 square feet and contains a balcony, living-bedroom area, a bathroom, range and refrigerator space.

(b) One-Bedroom Apartment. A one-bedroom apartment is approximately 412 square feet and contains a balcony, living room, bathroom, a bedroom, range and refrigerator space.

(c) Two-Bedroom Apartment. A two bedroom apartment is approximately 886 square feet and contains a lanai, balcony, living-dining room area, two bedrooms, bathroom, and kitchen. A purchaser may select a two-bedroom apartment in place of two one-bedroom apartments. In that event the number assigned to that two-bedroom apartment will be the apartment numbers assigned to the two one-bedroom apartments, e.g. 101-102 and the assignment of two parking stalls.

Each unit has immediate access to the walkways which are part of the common elements.

NUMBER AND LOCATION OF UNITS. The apartments in Buildings A and B are all one-bedroom apartments and are numbered as such, subject to two one-bedroom apartments being combined into a two-bedroom apartment as described above. The apartments in Building C consists of vacation apartments numbered C-112 through C-127 inclusive (No Number C-113); C-130 through C-148 inclusive; for the second floor, C-211 through C-227 inclusive (No Number C-213); C-230 through C-248 inclusive and repeats itself in like manner for the third and fourth floors in the numbering. All other apartments in Building C are one-bedroom apartments subject to being combined into two-bedroom apartments as described above.

BUILDING A

| <u>NUMBERS</u> | <u>FLOOR</u> |
|--|--------------|
| A 101 through A 114 inclusive (No Number A 113) A 116 through A 129 inclusive, A 131 through A 143 inclusive | Ground |
| A 201 through A 243 inclusive (No Number A 213) | Second |
| A 301 through A 343 inclusive (No Number A 313) | Third |
| A 401 through A 443 inclusive (No Number A 413) | Fourth |

BUILDING B

| <u>NUMBERS</u> | <u>FLOOR</u> |
|--|--------------|
| B 101 through B 112 inclusive B 115 through B 127 inclusive | Ground |
| B 201 through B 227 inclusive (No Number B 213) | Second |

| | |
|---|--------|
| B 301 through B 327 inclusive (No Number B 313) | Third |
| B 401 through B 427 inclusive (No Number B 413) | Fourth |

BUILDING C

| <u>NUMBERS</u> | <u>FLOOR</u> |
|---|--------------|
| C 103 (Manager's Apartment), C 104 through C 110 inclusive, C 112 through C 148 inclusive (No Number C 113) | Ground |
| C 201 through C 248 inclusive (No Number C 213) | Second |
| C 301 through C 348 inclusive (No Number C 313) | Third |
| C 401 through C 448 inclusive (No Number C 413) | Fourth |

PARKING STALLS: There will be 588 separately designated and described parking stalls in the parking building numbered A-1 through A-69 inclusive (No Number A-13); B-1 through B-65 inclusive (No Number B-13); C-1 through C-69 inclusive (No Number C-13); D-1 through D-68 inclusive (No Number D-13); E-1 through E-69 inclusive (No Number E-13); F-1 through F-68 inclusive (No Number F-13); G-1 through G-69 inclusive (No Number G-13); H-1 through H-68 inclusive (No Number H-13) and street level (on grade) parking stalls numbered 0-1 through 0-12 inclusive and 0-14 through 0-52 inclusive. Parking stalls 0-35 through 0-48 inclusive will cover a ground space of 7½ feet by 16 feet (120 square feet) and all other parking stalls will cover a ground or floor space of 8½ feet by 19 feet (161½ square feet) with all parking stalls including the air space up to the ceiling in the case of parking stalls within the parking building and as to street level and parking ramps "G" and "H" it extends to the height limit as permitted by the building and zoning ordinances. As to parking stalls B-48 through B-65 inclusive designated as area B-R-I and parking stalls B-11, B-12, B-14 through B-32 inclusive designated as area B-R-II the owner and holders of said parking stalls are given the right to enclose said areas including the alteration of the floor areas in order that the same can be converted for use into rooms. The parking stalls may be separately sold, leased, rented, mortgaged, encumbered, used and occupied to the exclusion of any other parking stall owners under the Declaration. At least one parking stall shall be assigned to each apartment which an apartment owner shall rent for a period up to and including December 31, 2030. The parking stall lessee under the parking stall lease will have the option to purchase the parking stall described in the respective leases upon notifying the Lessor on or before 180 days before the termination of the lease by written notice given by certified mail with return receipt requested at the then fair market value of the parking stall. The details of the procedure of purchase is more specifically described in the lease. Parking Stalls 0-7 through 0-12 inclusive and 0-14 through

0-34 inclusive are part of the common elements which the Association shall utilize for guest parking under such terms and conditions as the Association shall deem appropriate.

PARKING STALLS - FIRST INCREMENT: In the event that the Grantor at its sole option develops the project on an incremental basis, for the first increment there will be street level parking stalls on a temporary basis as set forth in Alternate "A" of the Condominium Map and the 212 parking stalls shall be assigned temporarily as set forth in Exhibit "B". In the event that the project does not proceed beyond the first increment, then the permanent parking arrangement including the parking building shall be as set forth in Alternate "B" of the Condominium Map and the 217 parking stalls shall be assigned as set forth in Exhibit "B" subject to all the rights, obligations and uses as set forth in the above described paragraph PARKING STALLS.

LAUNDRY BUILDINGS: Each laundry building shall cover approximately 600 square feet of ground space. In the event of incremental development, one of the laundry buildings will be located in the first increment with such necessary adjustment of the location to accommodate the alternate parking plans. The laundry building may be separately sold, leased, rented, mortgaged, encumbered, used and occupied. The owner of the laundry building shall be responsible for installation and maintenance of any appliances placed within the same. The Association, however, shall be responsible for and pay for the maintenance of the laundry building both the interior and exterior including the clean up of the floors and the painting of the same.

COMMON ELEMENTS: The Declaration of Horizontal Property Regime reflects that the common elements include:

a. The undivided fee simple land described in Exhibit "A" subject to incremental development as provided herein.

b. The foundations, columns, girders, beams, supports, main walls, roofs and floors of the laundry buildings, Buildings A, B and C.

c. The parking building as shown on the Condominium Map dependent on the selection of partial or entire development as provided herein.

d. The lobby, manager's office number C-102, manager's apartment C-103 all located in Building C and parking stall 0-1.

e. The passageways, walkways, stairs and stairways, the easements over the parking driveways except areas B-R-I and B-R-II, and guest parking stalls 0-7 through 0-12 inclusive and 0-14 through 0-34 inclusive held by the Association for its use as is set forth in the Condominium Map except that in the event of only the first increment development there will be no guest parking stalls.

f. Trash rooms, storage rooms, trash chute, electric rooms, utility and service buildings.

g. Entrances and exits of all the buildings.

h. The central and appurtenant installations for services such as power, light, gas, hot and cold water and like utilities.

i. The yard and recreation areas.

j. All other parts of the project existing for the common use or necessary to the existence, maintenance and safety of the project.

LIMITED COMMON ELEMENTS: There shall be no limited common elements.

INCREMENTAL DEVELOPMENT: The Declaration states that the Grantor, at its sole option, may develop the project on an incremental basis by filing a Certificate prior to or at the time of the recordation of the first conveyance attached to the Declaration as Exhibit "D". In that event, the first increment would consist of Building "A" with the land described as Tax Map Key 8-5-17-8, 9, 10, 11, 12, temporary parking in the land described as Tax Map Key 8-5-17-13, 14, 15, 16, 19. The number and location of units in Building A shall be defined in above described NUMBER AND LOCATION OF UNITS. The common elements and parking stalls shall be altered to the extent that certain portions of the land, Buildings B and C, and the parking building will not be included in the first increment, which would consist of Building A and such parking as may be provided on the land described as Tax Map Key 8-5-17-8, 9, 10, 11, 12 with temporary parking in the land described as Tax Map Key 8-5-17-13, 14, 15, 16, 19. The second increment consists of the remaining buildings in the project including Buildings B and C and the parking building, as designated on the Condominium Map. The second increment should commence on or before six years from the date of the filing of notice of completion of Building A with the Clerk of the First Circuit Court, State of Hawaii and if the same is not commenced Grantor may subdivide the second increment from the first increment and the parking as indicated in Alternate B shall control. The Grantor to construct the parking building as provided in Alternate "B".

PERCENTAGE OF UNDIVIDED INTEREST IN THE COMMON ELEMENTS.

The percentage of undivided interest in the common elements appertaining to each apartment and parking stall are as follows:

a. First Increment. In the event of the incremental development and Building A is constructed and completed the common interest of each apartment, parking stall and laundry building shall be as follows:

| <u>Type of Unit</u> | <u>Percentage of Undivided Interest In the Common Elements</u> | <u>No. of Units</u> | <u>Percentage of Ownership in the Common Elements Per Type</u> |
|---------------------|--|---------------------|--|
| One-Bedroom | .5086 | 166 | 84.4276 |

| | | | |
|------------------|-------|-----|--------------|
| Parking Stall | .0683 | 217 | 14.8211 |
| Laundry Building | .7513 | 1 | <u>.7513</u> |
| Total | | | 100.0000 |

b. Entire Project. At the time of the completion of the project the common interest of each apartment, parking stall and laundry building shall be as follows:

| <u>Type of Unit</u> | <u>Percentage of Undivided Interest in the Common Elements</u> | <u>No. of Units</u> | <u>Percentage of Ownership in the Common Elements Per Type</u> |
|---------------------|--|---------------------|--|
| Vacation | .1695 | 139 | 23.5605 |
| One-Bedroom | .1947 | 314 | 61.1358 |
| Parking Stall | .0262 | 561 | 14.6982 |
| Laundry Buildings | .3027 | 2 | <u>.6054</u> |
| Total | | | 99.9999 |

c. Voting and Percentage in the Common Elements. For purposes of percentage in the common elements and voting on all matters requiring action by the owners when the first increment is completed and occupied the percentages as provided in paragraph "a" above shall govern. Upon completion of the entire project for purposes of percentage in the common elements and voting on all matters requiring action by the owners the percentages set forth in paragraph "b" above shall govern. Where two one-bedroom apartments are combined into a two-bedroom apartment the percentage will be doubled.

INTEREST TO BE CONVEYED PURCHASER: The Declaration states that the percentage of undivided interest in the common elements would be as stated above.

PURPOSES FOR WHICH THE BUILDING AND EACH OF THE APARTMENTS MAY BE USED: The apartments are intended primarily for residential purposes. However, certain commercial and business uses (such as hotel operation) subject to such limitation as may be contained herein and in the By-Laws of the Association and House Rules which may be adopted from time to time governing the use of the apartments. The parking stalls may be used for parking purposes and commercial uses as determined by the owner thereof.

OWNERSHIP TO TITLE: MANOA FINANCE COMPANY, INC. whose business and post office address is 2733 East Manoa Road, Honolulu, Hawaii, is the fee owner of the subject property and under Agreement of Sale dated

December 30, 1971 has sold the subject property to Project Coordinator's Office, Inc.

A copy of the title search as of June 20, 1972 issued by Security Title Corporation certifies that the fee simple title to the land is vested as aforesaid.

ENCUMBRANCES AGAINST TITLE: As to Lot 242-A, area 60,150 sq. ft. and Lot 243-A, area 25,261.0 sq. ft. as shown on Map 46 filed in the Office of the Assistant Registrar aforesaid with Land Court Application No. 1102 (amended) of Waianae Company they are subject to a grant in favor of Hawaiian Electric Company, Limited and Hawaiian Telephone Company, Limited granting an easement for utility purposes over and across said Lots 242-A and 243-A dated December 5, 1950 filed in the Office of the Assistant Registrar of the Land Court as Document No. 124220.

The entire property is subject to Real Property Taxes that may be due and owing.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated June 22, 1972 identifies Security Title Corporation as "Escrow Agent". On examination, the specimen Condominium Deposit, Receipt and Sales Contract and executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes.

The provisions of the executed Escrow Agreement, as filed with the Commission, provide that disbursements from the escrow fund shall be made by Escrow Agent upon the written request of the Developer for the following purposes:

(a) To pay for the construction of the buildings and other improvements, furniture, appliances, and fixtures in such amounts and at such times and in proportion to the valuation of the work completed by the Contractor as certified by a registered architect or licensed professional engineer in accordance with the construction contract or other contracts and bills and upon bills approved or certified for payment by the Developer's mortgagee; (b) to other persons as required for architectural, engineering, finance, advertising, printing, accounting, escrow fees, selling expenses, taxes, assessments, legal fees, and for other incidental expenses of the Project to the extent approved by the Developer's mortgagee; (c) for the total or partial release of any master mortgage or mortgages or other liens covering the Project or portions of the Project and for the removal of any other encumbrances required to be removed in order to place title of the Project in the required state for conveyance; (d) for such title reports and costs of recordation as may be necessary or proper in connection with recordation of deeds, mortgages, and other documents required to effect transfer of title under the Condominium Deposit, Receipt and Sales Contract; (e) to Developer or order, forty-six (46) days after the filing of the affidavit of publication of notice of completion as provided for under Chapter 507, Part II, Hawaii Revised Statutes, provided, however, if a notice of mechanics' and/or material-men's lien has been filed against any of the property included within

the Project or suit thereon is filed, Escrow Agent shall withhold one hundred fifty per cent (150%) of the amount claimed thereunder until any lien existing or possible thereunder has been removed.

The executed Escrow Agreement illustrates compliance with the requirements of Section 514-36 through 514-39, Hawaii Revised Statutes. A purchaser shall be entitled to a refund of his funds and Escrow Agent shall pay said funds to said purchaser without interest and less Escrow Agent's cancellation fee if purchaser shall in writing request refund of his funds and if any one of the following shall have occurred: (a) Escrow Agent receives a written request from Developer to return to purchaser the funds of such person then held hereunder by Escrow Agent; (b) a purchaser's funds were obtained prior to the issuance of the Final Public Report and there has been a change in the condominium building plans subsequent to the execution of the purchaser's Condominium Deposit, Receipt and Sales Contract requiring the approval of the City and 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 (c) if the purchaser's funds were obtained prior to the issuance of the Final Public Report and the request is prior to the time the Final Public Report is issued or, (d) if the Final Public Report differs in any material respect from any Preliminary Public Report that has been issued, unless the purchaser has given written approval or acceptance of the difference or (e) the Final Public Report is not issued within one (1) year from the date of the issuance of the Preliminary Public Report. Upon refund of said funds to the purchaser as aforesaid, Escrow Agent shall return to Developer such purchaser's Condominium Deposit, Receipt and Sales Contract and any apartment deed and parking stall lease heretofore delivered to Escrow Agent and thereafter purchaser shall be no longer obligated thereunder.

It is incumbent upon the purchaser and prospective purchaser that he read with care the Condominium Deposit, Receipt and 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 trust, as well as retention and disbursement of said trust funds.

MANAGEMENT AND OPERATIONS: A specimen of the proposed Property Management Agreement between the Association of Owners of Makaha Surfside and Trans Isle Realty, Inc., has been filed with the Commission.

STATUS OF PROJECT: The Developer advises the Real Estate Commission that the construction of the buildings has not yet

commenced, nor has the Contractor been selected as yet.

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 April 4, 1972 and information subsequently as of July 6, 1972.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 442 filed with the Commission on April 4, 1972.

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. SODEVANI Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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Planning Commission, City and County of Honolulu
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Escrow Agent

Registration No. 442
July 14, 1972