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
THE BEACH HOUSE
Hauoli Street (Maalaea Beach Road)
Maalaea, Maui, Hawaii

REGISTRATION NO. 671

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: May 17, 1974
Expires: June 17, 1975

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 MARCH 21, 1974 AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED WITH THE COMMISSION AS OF MAY 6, 1974. 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 514, HAWAII REVISED STATUTES.

1. THE BEACH HOUSE is a proposed leasehold condominium project consisting of 74 apartment units contained in one four-story building with a sub-basement. There are a total of 125 assigned parking stalls (87 covered in a sub-basement area, and 38 open on the grounds of the project) of which 33 are guest parking stalls. There shall be one parking stall appurtenant to each one-bedroom and two-bedroom apartment unit, and two parking stalls appurtenant to each three-bedroom apartment unit, as Limited Common Elements.

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 the issuance of this Preliminary Public Report.

3. The Developer reports that the basic documents (Declaration of Horizontal Property Regime, with By-Laws of the Association of Apartment Owners attached, and a copy of the approved Floor Plans) have not been filed in the office of the recording officer.

4. Advertising and promotional matter has not 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 514, Hawaii Revised Statutes and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

6. This Preliminary Public Report automatically expires thirteen months from the date of issuance, May 17, 1974, unless a supplementary report is published or the Commission, upon review of the registration, issues an order extending the effective period of this report.

7. This Preliminary Public Report is made a part of the registration of THE BEACH HOUSE condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) in the hands of all purchasers or prospective purchasers. It is also the responsibility of the Developer to secure a signed copy of the receipt for the Preliminary Public Report from each purchaser or prospective purchaser, signifying that he has had an opportunity to read the report.

NAME OF PROJECT: THE BEACH HOUSE

LOCATION: The 112,876 square feet of land committed to the Regime is located on Hauoli Street (known as Maalaea Beach Road) at Maalaea, Island of Maui, State of Hawaii.

TAX KEY: SECOND DIVISION 3-8-14-4, 5 and 34.

ZONING: Apartment (A-1)

DEVELOPER: MAALAEA LAND CORPORATION, a Hawaii corporation, whose officers are:

President - Robert P. Bruce
Secretary - Sanford J. Langa
Treasurer - Kenneth H. Briten

Telephone - 244-5911; Address - 109 Wailuku Townhouse
Wailuku, Maui, Hawaii

ATTORNEYS REPRESENTING DEVELOPER: LANGA & KOHNE (Attention: Sanford J. Langa), Wailuku Townhouse Building, Wailuku, Maui, Hawaii. Telephone - 244-9168.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime states that the project is to consist of 74 apartments in one building as follows:

A. APARTMENTS: 74 apartment units are designated, comprised of the spaces within the center planes of the perimeter walls, floors and ceilings of each of 74 apartment units of the Project contained in one reinforced concrete building containing numbered units as follows:

(1) Each apartment contains the number of rooms and approximate floor area according to its respective plan as follows:

(a) 28 apartments, each consisting of two bedrooms, two baths, one kitchen, one living room, a hallway, a lanai and a utility room and each containing approximately 1,234 square feet of living area, including the lanai, and being designated as type "A".

(b) Four apartments, each consisting of two bedrooms, two baths, one kitchen, one living room, a hallway, a lanai and a utility room and each containing approximately 1,188 square feet living area, including the lanai and being designated as type "B".

(c) Six apartments, each consisting of one bedroom, one bath, one kitchen, one living room, a utility room, and a lanai, and each containing approximately 824 square feet of living area including the lanai, and being designated as type "C".

(d) Four apartments, each consisting of three bedrooms, two baths, one kitchen, one living room, a hallway, a utility room, and two lanais, and each containing approximately 1,677 square feet of floor space including the lanais and being designated as type "D".

(e) 14 apartments, each identical to the type "A" apartments except that each has, in addition, a front entry for access to the apartment through the lanai, and contains approximately 1,275 square feet of living area, including the lanai and entry, these apartments being located on the first floor of the building and designated as type "A-1".

(f) Two apartments, each identical to the type "B" apartments, except that each has, in addition, a front entry for access to the apartment through the lanai, and contains approximately 1,247 square feet of living area, including the lanai and entry, these apartments being located on the first floor of the building and designated as type "B-1".

(g) Two apartments, each identical to the type "D" apartments except that each has, in addition, a front entry for access to the apartment through the lanai, and contains approximately 1,727 square feet of living area, including the lanais and entry, these apartments being located on the first floor of the building and designated as type "D-1".

(h) Two apartments, each consisting of one bedroom, one bath, one kitchen, one living room, a utility room, and a lanai, and each containing approximately 955 square feet of living area including the lanai, and being designated as type "F".

(i) Two apartments, each consisting of three bedrooms, two baths, one kitchen, one living room, a hallway, a utility room and two lanais, each containing approximately 2,117 square feet of floor space including the lanais and being designated as type "G".

(j) Two apartments, each consisting of three bedrooms, three baths, one kitchen, one living room, one utility room, one hallway and a lanai and containing approximately 1,689 square feet of floor space including the lanai and being designated as type "H".

(k) Eight apartments, each consisting of three bedrooms, three baths, one kitchen, one living room, one utility room, one hallway and a lanai, each containing approximately 1,613 square feet of living area, including the lanai, and being designated as type "E".

(2) The type of each apartment is set forth below:

Type	Apartment Numbers
A-1	103, 105, 106, 107, 108, 109, 110, 112, 113, 114, 115, 116, 117, 119
B-1	102 and 120
D-1	101 and 121
A	203, 205, 206, 207, 208, 209, 210, 212, 213, 214, 215, 216, 217, 219, 303, 305, 306, 307, 308, 309, 310, 312, 313, 314, 315, 316, 317, 319
B	202, 220, 302, 320
C	204, 218, 304, 318, 404, 418
D	201, 221, 301, 321
E	405, 406, 409, 410, 412, 413, 416, 417
F	311 and 411
G	401 and 421
H	402 and 420

(3) Apartments numbered 101 through 121 are on the first floor of the building. Apartments numbered 201 through 221 are on the second floor of the building. Apartments numbered 301 through 321

are on the third floor of the building and apartments numbered 401 through 421 are on the fourth floor of the building.

(4) The apartments are located in the manner shown on the set of floor plans filed with the Commission.

(5) Each apartment has one entry and access by way of a common exterior walkway at each floor level, except that each apartment on the first floor has entry with access by stairways and landings both at the rear and at the front lanai thereof.

(6) The respective apartments shall not be deemed to include any pipes, wires, conduits, or other utility lines running through such apartments which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions within its perimeter, its airconditioning equipment, appliances and fixtures.

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

(1) Said land in fee simple;

(2) All foundations, basement areas, columns, girders, beams, supports, bearing walls, roofs, chases, entries, stairways, elevators and walkways of said buildings;

(3) All yards, grounds and landscaping;

(4) All parking areas and driveways;

(5) All ducts, electrical equipment, wiring and other central and appurtenant installations including power, light, water, sewage treatment system, water sprinkling system and telephone;

(6) Recreation area, swimming pool, office, mailboxes, refuse facilities and well sites;

(7) A wood frame structure containing meeting space, utility and storage facilities, designated as the "Pavilion".

LIMITED COMMON ELEMENTS: Certain parts of the common elements, called and designated "limited common elements", are set aside and reserved for the exclusive use of certain apartments, and said 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:

(1) Stairways and landings appurtenant to Apartments 101 and 102, located at the front and rear of said apartments.

(2) Stairways and landings appurtenant to Apartments 106 and 107, located at the front and rear of said apartments.

(3) Stairways and landings appurtenant to Apartments 115 and 109, located at the front and rear of said apartments.

(4) Stairways and landings appurtenant to Apartments 113 and 114, located at the front and rear of said apartments.

(5) Stairways and landings appurtenant to Apartments 115 and 116, located at the front and rear of said apartments.

(6) Stairways and landings appurtenant to Apartments 120 and 121, located at the front and rear of said apartments.

(7) 92 parking spaces, numbered to correspond with the apartment numbers and located as shown on the condominium map. Each of said parking spaces is appurtenant to the apartment having its corresponding number. One parking space is appurtenant to each one-bedroom and each two-bedroom apartment, and two parking spaces are appurtenant to each three-bedroom apartment.

INTEREST TO BE CONVEYED TO PURCHASER: There will be conveyed to the purchaser a leasehold interest in the apartment purchased. The specimen Apartment Lease specifies that the lease will be for a term 90 years. The rent payable under the apartment lease will be, net, over and above all taxes, assessments and other charges payable by lessee, as follows:

(1) During the initial 10-year period, the rent will be:
$37.88 per month for each one-bedroom apartment;
$56.29 per month for each two-bedroom apartment; and
$79.89 per month for each three-bedroom apartment.

(2) During the second 10-year period, the rent will be:
$47.25 per month for each one-bedroom apartment;
$70.22 per month for each two-bedroom apartment; and
$99.65 per month for each three-bedroom apartment.

(3) During the third 10-year period the annual rent will be:
$58.89 per month for each one-bedroom apartment;
$87.52 per month for each one-bedroom apartment; and
$124.21 per month for each three-bedroom apartment.

(4) During the remaining period of the lease, the rent will be determined by negotiation or arbitration at 10 year intervals.

The apartment lease will provide that the Lessee will be deemed to be the owner of his apartment for all purposes of the Horizontal Property Regime; provided, however, that any vote or other action of the Lessee with respect to construction plan, partition of the project, amendment of the Declaration or the By-Laws, appointment of the Managing Agent, or any other matter as to which the Lease requires the approval or consent of the Lessor, shall be effective only with the Lessor's consent.

The apartment lease will permit the Lessee to sell, sublet or mortgage his interest in the apartment without the consent of the Lessor.

The specimen Apartment Lease reflects that the leasehold interest conveyed by each apartment lease shall include an undivided interest in the common elements of the project, together with non-exclusive easements in the common elements for use according to their respective purposes, according to the following proportions:

Each one bedroom apartment will have a .8525% interest
Each two bedroom apartment will have a 1.2670% interest
Each three bedroom apartment will have a 1.7980% interest.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration specifies that the apartments shall be used and occupied only as private dwellings by the respective owners, their tenants, families, domestic servants and social guests.

OWNERSHIP OF TITLE: A Preliminary Report dated March 13, 1974 prepared by Security Title Corporation certifies that Sanford J. Langa and Franklyn E. Langa, trustees under that certain trust deed dated July 29, 1966, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 5402, Page 26, and Robert P. Bruce and Phyllis Bruce, husband and wife, have title to the land committed to the project.

ENCUMBRANCES AGAINST TITLE: Certificate of Title dated March 13, 1974 by Security Title Corporation certifies that there are no liens or encumbrances of whatever kind or nature of record against the title, save and except the following:

(1) Real Property Taxes for the second half of fiscal year July 1, 1973 to June 30, 1974. Reference is hereby made to the Tax Office on the Island of Maui (Office of the Tax Assessor of the Second Division) for subsequent taxes which may be due and owing and a lien on said land.

(2) Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent Grant No.3152.

(3) Rights of Native Tenants as contained in said Royal Patent Grant No.3152.

(4) As to that portion of the land herein described bordering on the Ocean: The effect of Sections 205-31 to 205-37, inclusive, Hawaii Revised Statutes, as now or hereafter amended.

(5) Real Estate Mortgage dated February 23, 1966 recorded on March 2, 1966 in the Bureau of Conveyances of the State of Hawaii in Book 5273, Page 528, made by SANFORD J. LANGA, unmarried, FRANKLYN E. LANGA, husband of Bernice C. Langa, and JOHN M. LANGA, husband of Sue C. Langa, as Mortgagors, to MAUI SAVINGS & LOAN ASSOCIATION, a Hawaii corporation, as Mortgagee, to secure the repayment of the sum of $19,000, any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagors, therein referred to. Waivers of Dower by Bernice C. Langa and Sue C. Langa.

By instrument dated September 29, 1973, effective as of the 30th day of September, 1973, recorded on October 4, 1973 in said Bureau of Conveyances in Book 9532, Page 1, the foregoing mortgage (besides other mortgages) was assigned to AMERICAN SAVINGS & LOAN ASSOCIATION (American), a Utah corporation.

(6) The terms and provisions of that certain unrecorded trust agreement dated July 29, 1966, made by and between Franklyn E. Langa, husband of Bernice C. Langa, and Franklyn E. Langa and Sanford J. Langa, as disclosed by that certain Trust Deed dated July 20, 1966 and recorded on August 3, 1966 in said Bureau of Conveyances in Book 5402, Page 26, to which reference is hereby made.

(7) Unrecorded grant of perpetual easement in favor of Maui Electric Company, Limited, as disclosed by the following instruments:

(a) Undated Financing Statement recorded on March 1, 1968 in said Bureau of Conveyances in Book 5980, Page 314.

(b) Affidavit dated April 27, 1972 and recorded on April 28, 1972 in said Bureau of Conveyances in Book 8271, Page 341.

(8) The terms and provisions of those certain leases herein referred to:

(a) Unrecorded Lease dated April 19, 1973, made by and between FRANKLYN E. LANGA and SANFORD J. LANGA, Trustees under that certain trust deed dated July 29, 1966, recorded in the Bureau of Conveyances of the State of Hawaii in Book 5402 Page 26, as Lessors, and MAALAEA LAND CORPORATION, a Hawaii corporation, as Lessee, a short form of which was recorded on October 9, 1973 in said Bureau of Conveyances in Book 9536, Page 419.

(b) Unrecorded Lease dated April 19, 1973, made by and between ROBERT P. BRUCE and PHYLLIS C. BRUCE, husband and wife, as Lessors, and MAALAEA LAND CORPORATION, a Hawaii corporation, as Lessee, a short form of which was recorded on October 9, 1973 in said Bureau of Conveyances in Book 9536, Page 424.

i Power of Attorney dated June 12, 1973 and recorded on July 25, 1973 in said Bureau of Conveyances in Book 9343, Page 166, made by SANFORD J. LANGA to WILLIAM L. KOHNE, CHARLES R. WETTER and GUY T. MOEN, or any of them, granting general powers.

ii Power of Attorney dated May 16, 1973 and recorded on January 14, 1974 in said Bureau of Conveyances in Book 9688, Page 509, made by FRANKLYN E. LANGA to LYNNE L. STORY, granting general powers.

iii Unrecorded Power of Attorney made by FRANKLYN E. LANGA and SANFORD J. LANGA, Trustees under that certain trust deed dated July 29, 1966 and recorded in said Bureau of Conveyances in Book 5402, Page 26, to MAALAEA LAND CORPORATION, a Hawaii corporation, granting special powers, as disclosed by that certain instrument dated July 30, 1973 and recorded on October 9, 1973 in said Bureau of Conveyances in Book 9536, Page 419.

iv Unrecorded Power of Attorney made by ROBERT P. BRUCE and PHYLLIS C. BRUCE, husband and wife, to MAALAEA LAND CORPORATION, a Hawaii corporation, granting special powers, as disclosed by that certain instrument dated July 30, 1973 and recorded on October 9, 1973 in said Bureau of Conveyances in Book 9536, Page 424.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated November 21, 1973 identifies Security Title Corporation as the escrow agent. On examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Sections 514-36 through 514-40, Hawaii Revised Statutes.

Among other provisions, the executed Escrow Agreement states that a purchaser under contract of sale, upon written request, shall be entitled to a refund of all moneys deposited with Escrow, without interest, and less Escrow's $25 cancellation fee, if any of the following events shall have occurred:

(1) Escrow receives a written request from Seller to return to Purchaser the funds of such Purchaser; or

(2) If a Purchaser's funds were obtained prior to the issuance of a final public report and if there is any change in the condominium building plans, subsequent to the execution of Purchaser's 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

(3) If a Purchaser's funds were obtained prior to the issuance of a final public report and the request is prior to the time the Final Public Report is issued; or

(4) If the Final Public Report differs in any material respect from the preliminary public report, unless the Purchaser has given written approval of acceptance of the difference; or

(5) If the Final Public Report is not issued within one year from the date of issuance of the preliminary public report.

Among other provisions the specimen Deposit Receipt and Contract provides that in the event that less than 80 per cent of the apartments are sold prior to January 1, 1975, Seller may at

its option cancel this agreement, refund to Buyer all monies paid, and be relieved and released of all further liability hereunder.

The specimen Deposit Receipt and Contract states that the terms of the Escrow Agreement are made a part of the Contract of Sale by reference. It is incumbent upon the purchaser and prospective purchaser that he reads with care the Deposit Receipt and Contract and the executed Escrow Agreement. The Escrow Agreement establishes how the proceeds from the dwelling units and all sums received from any source are placed in trust, as well as the retention and disbursement of said trust funds.

MANAGEMENT AND OPERATIONS: The By-Laws vest the Board of Directors with the authority to acquire and pay for the services of a person or firm to manage the Horizontal Property Regime. No property manager has been identified in the notice of intention to sell.

STATUS OF PROJECT: The Developer reports that the estimated start of construction will be June 1, 1974, and the estimated completion date is June 1, 1975.

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 March 21, 1974 and information subsequently filed as of May 6, 1974.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 671 filed with the Commission on March 21, 1974.

The report when reproduced shall be a true copy of the Commission's Preliminary Public Report. The paper stock used in making facsimilies must be in yellow.

(for) DOUGLAS R. SODETANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

DISTRIBUTION:

DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
PLANNING DEPARTMENT,
COUNTY OF MAUI
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

REGISTRATION NO. 671
May 17, 1974