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 HAWAIIAN PRINCESS AT MAKAHA BEACH
84-1021 Lahilahi Street
Waianae, Oahu, Hawaii

REGISTRATION NO. 1072

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: January 30, 1979
Expires: March 1, 1980

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 DECEMBER 28, 1978 AND INFORMATION SUBSEQUENTLY FILED AS OF JANUARY 24, 1979. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES.

1. THE HAWAIIAN PRINCESS AT MAKAHA BEACH is a proposed leasehold condominium project consisting of a single 16-story building with a total of one hundred twenty-seven (127) condominium apartments, three commercial units, one hundred thirty (130) parking stalls, a swimming pool and two tennis courts.

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 not been filed in the office of the recording officer. NOTE: The Declaration of Horizontal Property Regimes dated July 9, 1971 MAKAHA SEASIDE, the By-Laws therefor and Condominium Map No. 122 will be amended in its entirety.

4. No advertising or promotional matter has 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, and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

6. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, January 30, 1979, unless a Final or Supplementary Public Report issues or the Commission upon review of registration issues an order extending the effective period of this report.

7. This Preliminary Report is part of the registration of THE HAWAIIAN PRINCESS AT MAKAHA BEACH. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers and obtaining a signed receipt for the report from each such individual.

NAME OF PROJECT: THE HAWAIIAN PRINCESS AT MAKAHA BEACH

LOCATION: The 100,399 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 8-4-04:6, 7, 8, 10, 11 and 12

ZONING: Hotel-Apartment

DEVELOPER: ARENA CONSTRUCTION CORPORATION, a Washington corporation, is the developer. Its principal address is 1125 Denny Building, Seattle, Washington (Telephone 206-6822141) and its address in Hawaii is Suite 2121 Hawaii Building, 745 Fort Street, Honolulu, Hawaii, (Telephone 808-5314141).

The officers of Arena Construction Corporation are:

President	Richard H. Hadley 2200 Sixth Avenue Seattle, Washington
Vice President	Harold R. Syverson 2200 Sixth Avenue Seattle, Washington
Vice President	Eric L. Hutchinson 2200 Sixth Avenue Seattle, Washington
Secretary	Louise M. Malmo 2200 Sixth Avenue Seattle, Washington
Treasurer	Thomas C. Stenzel 2200 Sixth Avenue Seattle, Washington
Ass't Secretary	Evelyn Funasaki 2121 Hawaii Building Honolulu, Hawaii

ATTORNEY REPRESENTING DEVELOPER: Hiroshi Sakai, Attorney at Law
A Law Corporation
602 City Bank Building
810 Richards Street
Honolulu, Hawaii 96813
Telephone No.: 5314171

DESCRIPTION OF PROJECT: The proposed Declaration of Horizontal Property Regime reflects that the Project consists of a 16-story, 130 unit building with a semi-basement of hollow tile reinforced concrete, a flat roof, and two elevators. There are parking spaces for 130 cars in a parking area, a swimming pool and two tennis courts.

1. Description of Units, Location & Numbering: Of the 130 units, 127 are residential apartments and three are commercial units. The ground floor has seven apartments and three commercial units numbered from left to right 102 through 111. The second through the sixteenth floors each have 8 apartments numbered left to right with the first digit denoting the floor and the last two digits "01" through "08" denoting the units. The num bering of the units are as follows:

   Ground Floor - 102 through 111 inclusive
   Second Floor - 201 through 208 inclusive
   Third Floor - 301 through 308 inclusive
   Fourth Floor - 401 through 408 inclusive
   Fifth Floor - 501 through 508 inclusive
   Sixth Floor - 601 through 608 inclusive
   Seventh Floor - 701 through 708 inclusive

Eighth Floor - 801 through 808 inclusive
Ninth Floor - 901 through 908 inclusive
Tenth Floor - 1001 through 1008 inclusive
Eleventh Floor - 1101 through 1108 inclusive
Twelfth Floor - 1201 through 1208 inclusive
Thirteenth Floor - 1301 through 1308 inclusive
Fourteenth Floor - 1401 through 1408 inclusive
Fifteenth Floor - 1501 through 1508 inclusive
Sixteenth Floor - 1601 through 1608 inclusive

2. Layout and Area of Units:

(a) There are 95 one bedroom apartments numbered 103 to 107 inclusive on the ground floor and 202 through 207 inclusive on the second floor. This numbering repeats itself on each floor up through the sixteenth floor. Each apartment consists of the following: Living room, one bedroom, kitchen and storage totalling 535 square feet and a lanai of 100 square feet.

(b) There are 14 one bedroom apartments numbered 301, one on each floor up through the sixteenth floor. Each consists of the following: living room, one bedroom, kitchen, one and one half bathrooms, walk-in closet and storage totalling 850 square feet and a lanai of 370 square feet.

(c) There are 14 one bedroom apartments numbered 308, one on each floor up through the sixteenth floor. Each consists of the following: Living room, one bedroom, kitchen, one and one-half bathrooms, walk-in closet and storage totalling 850 square feet and a lanai of 400 square feet.

(d) There is a one bedroom Apartment, number 201, on the second floor. The unit has a living room, one bedroom, kitchen, one and one-half bathroom, walk-in closet and storage of 850 square feet, lanai of 370 square feet and a roof deck lanai of 730 square feet.

(e) There is a one bedroom Apartment, number 208, on the second floor. The unit has a living room, one bedroom, kitchen, one and one-half bathroom, walk-in closet and storage totalling 850 square feet, a lanai of 400 square feet and a roof deck lanai of 1000 square feet.

(f) There is a one bedroom apartment, number 108, on the ground floor. It has a living room, one bedroom, one bathroom, and kitchen totalling 880 square feet and a lanai of 330 square feet.

(g) There is a three bedroom Apartment, number 102, on the ground floor. The unit has a living room, three bedrooms, kitchen, two bathrooms, and closets totalling 1,245 square feet and a lanai of 245 square feet.

(h) There is a commercial unit, number 109, consisting of two rooms totalling 455 square feet.

(i) There is a commercial unit, number 110, consisting of a ground floor utility room of 460 square feet, a semi-basement storage room of 1,270 square feet and 15 laundry chute areas from the third through the sixteenth floors of 85 square feet each.

(j) There is a commercial unit, number 111, consisting of a lobby area of 585 square feet and a vending machine area of 120 square feet.

(k) There is an alternative plan in which two of the one bedroom apartments described in (a) above can be combined into one two bedroom apartment consisting of a living room, two bedrooms, two bathrooms, kitchen and closets totalling 1070 square feet and a lanai of 200 square feet. In that event the number assigned to the two bedroom apartment will be the numbers assigned to the two one bedroom apartments, e.g. 106-107, with the percentage interest doubled and the use of two parking stalls.

3. Access to Common Elements: Each apartment or unit has immediate access to the concrete walkways running across the face of the building and connected to the lobbies and stairway on each floor and the elevators. The building is serviced by two elevators and two stairways and a utility room on each floor. The apartment owners and commercial unit owners shall have a permanent easement for passage through the lobby unit number 111 for ingress and egress to the apartments and commercial units.

4. Limits of Units: The respective apartments or commercial units shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls, the floor and ceilings surrounding each apartment or commercial unit or any pipes, wires, conduits, or other utility or service lines running through such apartment or commercial unit which are utilized or serve more than one apartment or commercial unit, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include the adjacent lanai, all the walls and partitions which are not load bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings and all fixtures originally installed therein.

5. Parking: There is a parking area of some 130 parking stalls which includes traffic islands, borders and driveways. The owner or owners of apartments on the fourteenth and fifteenth floors shall have assigned to them collectively 16 parking stalls (Numbers 115-130 as set forth in the proposed Condominium Map) for the exclusive use of said apartments. These stalls may be utilized by the owners thereof to operate a car pool, rental car services or other services that may be useful for transporting occupants of apartments. As to all

other units, each owner shall have the right to use one parking stall on an unassigned basis in the parking area.

COMMON ELEMENTS: The common elements of the project are all other portions of the land and improvements in the project other than the units and shall include but not limited to:

(a) The land in leasehold.

(b) All foundations, columns, girders, beams, supports, load-bearing walls, roof, chases, lobby, hallways, stairways, entrances and exits of the building.

(c) Tennis courts, swimming pool, recreation room, and toilets on the ground floor.

(d) All yard, grounds, landscaping, mail boxes, electrical room and trash room.

(e) All parking areas, not including those that are assigned as limited common elements to certain units.

(f) All ducts, electrical equipment, wiring and other central and appurtenant installations including power, light, water, sewer and telephone The two elevators with elevator housing and appurtenant equipment.

(g) All other elements and facilities rationally in common use or necessary to the existence, upkeep and safety of the building or the project.

LIMITED COMMON ELEMENTS: The parking stalls which are assigned on an exclusive basis to the owners of apartments on the fourteenth and fifteenth floors (Numbers 115-130) will be limited common elements to said apartments on a one parking stall to one apartment basis. The storage room of 95 square feet located at the end of each floor will be a limited common element for the exclusive use of the apartments that are located on that particular floor.

INTEREST TO BE LEASED TO PURCHASER: The common interest, the proportionate share in the profit and common expenses, common elements and for all other purposes including voting for each of the units in the Project are as follows:

(a) The 95 one bedroom apartments numbered 103 through 107 inclusive, 202 through 207 inclusive, and repeated for each floor up through the

sixteenth floor shall each have a .673 percentage interest.

(b) The 31 one bedroom apartments on each end of the building ending in "01" and "08" starting from the second through the sixteenth floors shall each have a 1.069 percentage interest, except Apartment 108 on the ground floor, which shall have a 1.107 percentage interest.

(c) The three bedroom apartment numbered 102 on the ground floor shall have a 1.55 percentage interest.

(d) Commercial unit number 109 on the ground floor shall have a .286 percentage interest.

(e) Commercial unit number 110 on the ground floor, in the basements and laundry chute shall have a .609 percentage interest.

(f) Commercial unit number 111 on the ground floor shall have a .443 percentage interest.

EASEMENTS: The units and common elements shall also have and be subject to the following easements:

(a) non-exclusive easements in the common elements and parking area designed for such purposes as ingress to and egress from, utility services for, and support, maintenance and repair of such unit and parking area; and in the other common elements for use according to their respective purposes. Each unit shall have an easement for the term of any lease to a unit owner for access to Lahilahi Street from the elevators over and across the lobby and parking area.

(b) If any part of the common elements encroaches upon any unit, a valid easement for such encroachment and maintenance thereof so long as it continues shall and does exist. In the event any portion of the building shall partially or totally be destroyed or rebuilt, minor encroachments of any parts of the common elements due to construction shall be permitted and valid easements for such encroachments and the maintenance thereof shall exist.

(c) The Association shall have the right to be exercised by its Board of Directors or the Managing Agent, to enter each unit from time to time during reasonable hours as may be necessary for the operation of the project or for making emergency repairs therein necessary to prevent damage to any unit or common elements.

(d) Each unit owner shall have an easement in common with the owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other units and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units for its access to any common elements located in such unit.

(e) The Sublessor, its successors and assigns have the right to use and relocate in its sole discretion from time to time any apartments and units that it owns as models, management and/or sales office and conduct sales and rental operations within the project and to maintain such advertising signs which it deems necessary to conduct its business so long as the signs comply with governmental ordinance which may be placed in any location of the Project. Any unit owner or owners shall have a reasonable right to access and use of the lobby and front desk area at a reasonable compensation to the owner thereof.

USE: The uses for which the project may be used are as identified hereafter or such other uses as may be permitted under the zoning ordinances (subject to such limitations as may be contained herein, the By-Laws and House Rules which may be adopted from time to time governing the use of the project):

(a) All apartments can be used for residential-apartment hotel use and can be sold, leased, rented or used for any time period or periods including any annually recurring period on a fixed or floating basis.

(b) Apartments numbered 201 and 208 can in addition be used for the conducting of any commercial use that is permitted under the zoning laws.

(c) Commercial units numbers 109, 110 and 111 can be used for any commercial uses that are permitted under the zoning laws.

(d) Parking stalls numbered 115-130, which are set aside for car pool, rental car services and other services for transportation of occupants of apartments, can be used for said purposes.

OWNERSHIP OF TITLE:

First: As to 78,301 square feet of said property (Lots 209-212) a preliminary report dated January 5, 1979, issued by Title Guaranty of Hawaii, Inc. certifies that the fee simple title to the land to be submitted to the horizontal property regime by Hawaiian Resorts, Limited, the fee

owner (as described in Exhibit B of said Report), is subject to a Master Lease dated November 27, 1963 and filed as Land Court Document No. 325892. Said lease, as amended, was assigned by Assignment of Lease dated December 14, 1978 to Arena Construction Corporation.

Second: As to the remaining 22,098 of said property (Lots 213 & 214), a preliminary report dated December 6, 1978, from Long & Melone, Ltd., certifies that Ezekiel and Ida Carvalho are the fee owners. Developer by contract with the fee owner dated December 11, 1978, has an option to acquire Carvalho's property by April 30, 1979.

ENCUMBRANCES:

Said preliminary reports reflect the following encumbrances against said property:

First: Lots 209-12:

1) For any and all real property taxes that may be due and owing, reference is made to the Tax Assessor, First Division.

2) As to Lots 208, 209, 210, 211 and 234: location of the seaward boundary in accordance with the law of the State of Hawaii.

3) A building setback line 10 feet from the roadway over and across the Easterly portion of Lots 209 and 210 and over and across the Northeasterly portion of Lots 211 and 212, as shown on Map 6, as set forth by Land Court Order No. 7577, filed July 17, 1947.

4) Terms, agreements, reservations, covenants, conditions and provisions contained in Lease Document No. 325892, recorded in Liber 4695, Page 557, as amended by instrument dated February 1, 1966, recorded in Liber 5283 Page 309. Said lease, as amended, by mesne assignments assigned to Arene Construction Corporation, a Washington corporation, recorded in Liber 13387 Page 674 dated December 14, 1978.

5) Terms, conditions and provisions contained in that certain Declaration of Trust dated October 19, 1964 and filed as Land Court Document No. 346683 and also recorded in Liber 4885, Page 241, by and between Makaha Beach Cabanas, Inc., a Hawaii Corporation, Trustee, and Makaha Beach Development Company, a Limited Partnership.

6) Mortgage from Arena Construction Corporation to Imperial Finance Corporation dated December 14, 1978 for $300,000.00. Land Court Document No. 916540.

7) The Restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements, and other provisions set forth in Declaration of Horizontal Property Regime dated July 9, 1971 and filed as Land Court Document no. 551230, and the By-Laws attached thereto, as the same are or may hereafter be amended in accordance with laws, said Declaration of said By-Laws. (Project covered by Condominium Map No. 122). Said Declaration amended by instrument dated September 20, 1971 and filed as Document No. 553335.

8) That certain Compromise and Settlement Agreement dated March 15, 1971, filed as Document No. 536997, by and among Hawaiian Resorts, Limited, a Hawaii corporation, "HAWAIIAN RESORTS"; Makaha Beach Cabanas, Inc., a Hawaii corporation, who is the General Partner and Trustee for Makaha Beach Development Company, a registered Hawaii Limited Partnership, "MAKAHA BEACH"; Ben Hayashi, Ltd., a Hawaii corporation, "HAYASHI, LTD."; and Benjamin Masao Hayashi, husband of Florence Saeko Hayashi, "HAYASHI"; Re: Construction of Makaha Seaside Condominium.

9) By instrument dated March 6, 1973, filed as Document No. 621418 and also recorded in Liber 8985 at Page 398, Hawaiian Resorts, Limited, a Hawaii corporation, assigns to First Hawaiian Bank, a Hawaii corporation, all right, title and interest in and to lease referred to in Schedule C and/or subleases now or hereafter in effect, as security for the repayment of that certain promissory note dated March 6, 1973 in the principal amount of $77,000.00.

10) By instrument dated October 9, 1973, filed as Document No. 653648 and also recorded in Liber 9542 at Page 126, Hawaiian Resorts, Limited, assigns to First Hawaiian Bank, all right, title and interest in and to lease referred to in Schedule C and/or subleases now or hereafter in effect, as security for the repayment of that certain promissory note dated October 9, 1973 in the principal amount of $160,000.00.

11) By instrument dated April 22, 1974, filed as Document No. 677243 and also recorded in Liber 9857 at Page 247, Hawaiian Resorts, Limited, assigns to First Hawaiian Bank, all right, title and interest in and to lease referred to in Schedule C, besides another lease, as security for the repayment of that certain promissory note dated April 22, 1974 in the principal amount of $206,023.29.

Note: LOTS 209, 208, 210, 211, 212 and 234 have access out to the Railroad Right of Way owned

by the Oahu Railway and Land Company's right of way over Lots 219, 242 and 244 and the easements shown on Map 6 which are a part of the subdivision. Permission has been secured for crossings over said Railroad Right of Way at the places where the private road abut the Railroad Right of Way, as set forth in Land Court Order No. 7576, filed July 17, 1947.

Second: Lots 213, 214:

1) For taxes that may be due and owing, check with the Tax Assessor, First Division.

2) 10' Building setback line as shown on Map 6, Land Court Application No. 1052.

3) Covenants as set forth in that deed from Capitol Investment Company to Ezekiel and Ida Carvalho dated September 13, 1956, Land Court Document No. 193648.

Note: LOTS 208, 213, 214 and 234 have access out of the Railroad Right of Way owned by the Oahu Railway and Land Company's right of way over lots 219, 242 and 244 and the easements shown on said Map 6 which are a part of the subdivision. Permission has been secured by the Petitioner for crossings over said Railroad Right of Way at the places where the private road abut the Railroad Right of Way, as set forth in Land Court Order No. 7576, filed July 17, 1947.

PURCHASE MONEY HANDLING: A copy of the Escrow Agreement dated December 21, 1978, by and between Hawaii Escrow & Title, Inc., Escrow, and Arena Construction Corporation, Seller, has been submitted to the Commission as part of this registration. On examination, the Escrow Agreement and Sales Contract are found to be in compliance with Chapter 514A, Hawaii Revised Statutes. The provisions of the Sales Contract should be carefully read by the purchasers. The specimen document filed as a part of the registration recites the conditions under which the purchaser acknowledges receipt, among other things, that purchaser's interest shall be subordinate to the lien of a construction loan that Developer plans to place against the property.

Among other provisions the Escrow Agreement provides that a purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said purchaser, without interest and less Escrow's cancellation fee, in the following instances:

1) Seller has requested Escrow in writing to return to purchaser the funds of such purchaser then held by Escrow; or

2) Prior to the time the Final Report is issued, the purchaser shall request in writing the return of his funds so deposited; or

3) 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 contract, 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

4) If the Final Public Report differs in any material respect from the Preliminary Public Report, unless the purchaser has given written approval or acceptance of the difference; or

5) If the Final Public Report is not issued within one (1) year from the date of issuance of the Preliminary Public Report.

The Escrow Agreement also provides that the Escrow shall deposit all funds received in a bank or savings and loan institution selected by the Developer and that any interest earned thereon shall be the sole asset of the Developer. The Developer has advised the Commission that pursuant to the terms of the Escrow Agreement, purchasers' escrowed down payments may, under certain circumstances, be used to defray construction and other costs of the project after the issuance of a Final Report.

It is incumbent upon the purchaser that he reads with care the Sales Contract and Escrow Agreement. The Escrow Agreement established how the proceeds and the sale of the apartments and all sums of any source are placed in trust as well as the retention, disbursement and refund of said trust fund.

MANAGEMENT AND OPERATION: The proposed Declaration of Horizontal Property Regime provides that the operation of the project shall be conducted for the Association of Apartment Owners by a Managing Agent. The initial Managing Agent selected by the Developer is Alliance Realty & Management, Inc. a proposed form of contract to be signed by Agent has been submitted. The Developer has also submitted to the Commission a breakdown of the annual maintenance fees and the monthly estimated cost for each apartment.

STATUS OF PROJECT: The Developer reports that the construction of the building recently commenced and that the projected completion date is December 4, 1979. Construction plans and contract are being prepared and will be submitted prior to issuance of a Final Public Report.

The purchaser or prospective purchaser should be cognizant of the fact that this pubished report represents information disclosed by the Developer in the required Notice of Intention submitted December 28, 1978 and information subsequently filed as of January 24, 1979.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1072 filed with the Commission on December 28, 1978.

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

Ah Kau Young

AH KAU YOUNG, Chairman
Real Estate Commission
State of Hawaii

Distribution:

DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
PLANNING DEPARTMENT, CITY AND COUNTY OF HONOLULU
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

REGISTRATION NO. 1072

January 30, 1979.