

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

BEACHSIDE, MAUI
1390 S. Kihei Road
Kihei, Maui, Hawaii

REGISTRATION NO. 1418

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 3, 1981
Expires: August 3, 1982

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED APRIL 24, 1981, AND INFORMATION SUBSEQUENTLY FILED AS JUNE 30, 1981. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. BEACHSIDE, MAUI is a proposed fee simple condominium project consisting of one (1) two-story building containing fourteen (14) residential apartments. There shall be 18 unassigned parking stalls.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and the issuance of this Preliminary Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime and the Bylaws of Association of Apartment Owners have not been executed or filed in the Bureau of Conveyances of the State of Hawaii.
4. As of this date no advertising and promotional matters have been submitted to the Commission pursuant to its rules and regulations.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, July 3, 1981, unless a Supplementary or Final Public Report issues, or the Commission, upon review of registration, issues an order extending the effective date of this report.
7. This Preliminary Public Report is made a part of the registration of the BEACHSIDE, MAUI condominium project. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) and a copy of the Disclosure Abstract in the hands of all purchasers and prospective purchasers and for securing a signed copy of the receipt for Horizontal Property Regime Public Report from each purchaser or prospective purchaser.

NAME OF PROJECT: BEACHSIDE, MAUI

LOCATION: The project is located at 1390 South Kihei Road, Kihei, Kula, Island and County of Maui, State of Hawaii, and consists of approximately 27,622 square feet.

TAX KEY: Second Division: 3-9-09:8 (Portion)

ZONING: Residential A-1

DEVELOPER: CENTRAL KEOKEA ASSOCIATES, a registered Hawaii limited partnership, whose business and post office address is 841 Bishop Street, Suite 1808, Honolulu, Hawaii 96813 Telephone: (808) 536-6451, is the developer of the Project. The general partner is Keokea Beach, Inc., whose business and post office address is 841 Bishop Street, Suite 1808, Honolulu, Hawaii 96813 Telephone: (808) 536-6451, and the limited partner is George F. Hutton, whose address is 123 Kailuana Loop, Kailua, Hawaii 96734. The officers of Keokea Beach, Inc. are: Ralph D. Cornuelle, President/Treasurer; Carole L. Cornuelle, Secretary.

ATTORNEY REPRESENTING DEVELOPER: Chun, Kerr & Dodd (Attention: Jennifer L. Ching), 14th Floor, Amfac Building, 700 Bishop Street, Honolulu, Hawaii 96813; Telephone: (808) 531-6575.

DESCRIPTION: The project shall consist of one (1) two-story building, without a basement, containing fourteen (14) residential apartments. There are seven (7) residential apartments on each floor, with connecting stairways to the ground (first) floor. The building will be constructed principally of wood, glass and appropriate trim.

The types of apartments and their location, number of rooms, and other data are more particularly described in Exhibit A attached hereto. The approximate area of each apartment is shown in Exhibit B.

There will be a paved parking lot with eighteen (18) parking stalls (sixteen (16) conventional stalls, two (2) compact stalls).

The square foot floor area of each apartment shown on the attached Exhibit B includes a portion of the common elements and is measured as follows: Each apartment floor area includes all the walls and partitions within its perimeter walls, any glass windows or panels along the perimeter; the entirety of perimeter non-party walls and the interior half of the perimeter party walls, whether load-bearing or non-load-bearing; the inner decorated or finished surfaces of the floors and ceilings; and any adjacent lanai and loft space shown on the Condominium Map. Each apartment is designated as a separate freehold estate.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls, the floors and ceiling surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment 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 which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, any doors, windows or panels along the perimeters and all fixtures originally installed therein. Each apartment shall also include any lanai, garden area, roofdeck, entry area and/or entry deck to which such apartment has direct, exclusive access.

COMMON ELEMENTS: The common elements will include the land and all improvements on the land (except for all portions thereof which are apartments) as well as all common elements mentioned in Chapter 514A, Hawaii Revised Statutes, as amended, which are actually included in the project, including specifically but not limited to:

(a) The land in fee simple;

(b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter and load-bearing walls, chases, roofs (excluding roofdecks) and walls and walkways around said building.

(c) All yards, grounds, landscaping, retaining walls, planters, recreational facilities, if any, and all refuse facilities.

(d) All parking areas and spaces, driveways, loading areas and walkways.

(e) All ducts, sewer lines, electrical equipment, central water heating systems, wiring, pipes and other central and appurtenant transmission facilities and installations on, over, under and across the project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution.

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

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

(a) Exterior staircases, corridors and shared landings shall be limited common elements for the exclusive use of the apartments they serve.

(b) All other common elements of the project which are rationally related to less than all of said apartments shall be limited to the use of such apartments.

Note: One or two parking spaces shall be appurtenant to and for the exclusive use of such apartment. Upon compliance with the provisions of Section 514A of the Hawaii Revised Statutes, as amended, any parking space may be transferred from apartment to apartment in the Project.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment shall have appurtenant thereto an undivided percentage interest in the common elements of the project as shown opposite the number of each apartment in Exhibit B, attached hereto and the same percentage share in all common profits and expenses of the common elements of the project, and, except as herein expressly provided for, all other purposes, including voting.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: A residential apartment shall at all times be occupied and used only for residential purposes, including hotel purposes if so approved by the Association, by the respective owners thereof, their tenants, licensees, families, domestic servants and social guests, and for no other purpose. The respective apartment owners shall have the absolute right to rent or lease such apartments subject to all provisions of the Declaration. Furthermore, time share units and time share plans as defined in Chapter 514E, Hawaii Revised Statutes, as amended, are hereby expressly authorized and permitted if allowed by law.

The House Rules submitted to the Commission indicate (1) that pets must be registered, the Board of Directors may limit the number of pets allowed, and may also require the immediate removal of pets that are a nuisance; (2) occupancy is limited to not more than two persons per bedroom in each apartment, except that this occupancy may be exceeded by members of the immediate family of the owner, renter or lessee.

Note: In the event any person, including the Developer desires to sell any time share interest in any apartment in the Project, such person(s) will have to fully comply with the provisions of Chapter 514E of the Hawaii Revised Statutes, as amended, and any rules and regulations promulgated thereunder prior to selling any such time share interest.

OWNERSHIP OF TITLE: The Developer has filed with the Commission a Preliminary Report, dated June 26, 1981, prepared by Title Guaranty of Hawaii, Incorporated, which certifies that title to the land committed to this regime is vested in Central Keokea Associates.

The Developer filed with the Real Estate Commission a Warranty Deed from Charles J. Pankow, Jr., Trustee for Stephen H. Pankow, Betsy Rue Pankow, Charles J. Pankow III, and Richard J. Pankow, as Grantor, and Central Keokea Associates, as Grantee, dated May 28, 1980, and recorded in the Bureau of Conveyances of the State of Hawaii on June 25, 1981, in Liber 15637 at Page 116.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Report prepared by Title Guaranty of Hawaii, Incorporated, states that as of the date of the search, title to the land is subject to:

1. That certain agreement dated May 18, 1979 and recorded in Liber 13745 at page 629, entered into by and between the County of Maui, Department of Water Supply, as "County", and Keokea Beach, Inc., as "Applicant".

2. Shoreline setback line in accordance with County regulation and/or ordinance.

3. Such real property taxes as may be due and owing. For further information relative to this, check with the Tax Assessor, Second Division.

PURCHASE MONEY HANDLING: A copy of the specimen sales contract and an executed escrow agreement has been submitted as part of the registration. The escrow agreement dated May 4, 1981 identifies TITLE GUARANTY ESCROW SERVICES, INC., as the escrow agent. Upon examination, the specimen sales contract and the executed escrow agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly with Sections 514A-37, 514A-39, and 514A-63 through 514A-66, Hawaii Revised Statutes.

Among other provisions the executed escrow agreement provides:

1. That a purchaser under contract of sale, upon written request, shall be entitled to a refund of all monies deposited with escrow, less a cancellation fee of \$25.00 imposed by the escrow agent, if Developer has requested escrow in writing to return to purchaser the funds of such purchase then held by escrow; and

2. Escrow shall make no disbursements of Purchaser's funds unless and until all of the following have occurred:

(a) Seller has certified in writing to Escrow that Purchaser's sales agreement "has become effective" and that "the requirements of Sections 514A-39, 514A-63, 514A-64 and 514A-66 Hawaii Revised Statutes, as amended, have been met", as said phrases are used in §514A-65, H.R.S.; and

(b) A Final Public Report on the Project has been issued by the Real Estate Commission, Escrow has received a copy of Purchaser's receipt for such Final Public Report, and forty-eight (48) hours have elapsed since Purchaser receipted for such Final Public Report; and

(c) Either (i) Seller's attorney has delivered to Escrow a written opinion which states that the provisions of the Federal Truth in Lending Act are not applicable to the Purchaser's contracts or funds held under this Escrow Agreement and acknowledges that Escrow will or may rely upon such opinion or (ii) Seller has delivered to Escrow a written statement that Seller has provided to the Purchaser all material disclosures required under Truth in Lending, including Notice of Opportunity to Rescind, and an executed copy of the Purchaser's statement acknowledging the receipt of the required disclosures at least ten (10) business days previously and stating that Seller has not received any rescission notice from any such Purchaser.

3. A Purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said Purchaser, without interest, less a cancellation fee imposed by Escrow if Purchaser shall have requested in writing refund of his funds and any one of the following shall have occurred:

(a) Seller and Purchaser have requested Escrow in writing to return to Purchaser the funds of such Purchaser then held hereunder by Escrow; or

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

(c) With respect to a Purchaser whose funds were obtained prior to the issuance of the Final Report, there shall have been a change in the building plans, subse-

quent to the execution of Purchaser's sales agreement, requiring approval of a county officer having jurisdiction over the issuance of building permits, unless such change is specifically authorized in the Declaration of Horizontal Property Regime or by the terms of the sales agreement or unless a Purchaser's written approval or acceptance of the specific change is obtained or ninety days have elapsed since the Purchaser has accepted in writing the apartment or the Purchaser has first occupied the apartment; or

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

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

(f) Notwithstanding any other provision in this Agreement to the contrary, Escrow further agrees to make refunds to Purchasers, in accordance with Part VI, Chapter 514A, Hawaii Revised Statutes, as amended, out of the funds then on deposit with Escrow, if the Seller and Purchaser shall so request in writing and any one of the following events has occurred:

(i) no sales contract has been offered to the Purchaser who has been placed on the Seller's reservation list of owner-occupant applicants; or

(ii) Purchaser has been unable to obtain adequate financing, or a commitment for adequate financing, for his apartment within thirty (30) calendar days following the end of the ten (10) calendar day period during which the Seller is limited to selling to owner-occupants; or

(iii) during the ten (10) calendar day period following the issuance of the first Public Report for the Project, (a) the Purchaser desires to cancel the contract on account of hardship circumstances such as those set forth in Section 514A-104(1), Hawaii Revised Statutes, as amended, or (b) the Purchaser indicates an intent not to become an owner-occupant of such apartment.

The specimen sales contract provides in part: (1) that if the purchasers who have agreed to obtain mortgage loans have

not secured commitments therefor within sixty (60) days after application for the same, Developer may cancel the sales contract and all monies paid by the purchaser shall be refunded without interest, less the cost of any credit report, escrow cancellation fees, if any, and other costs actually incurred by developer or lending institution in processing such loan application; (2) that if the purchaser who shall not require financing has not submitted an acceptable financial statement, developer shall have thirty (30) days to terminate the sales contract and cause to be refunded to purchaser the amounts already paid, without interest, less the cost of any credit report, escrow cancellation fees, if any, and other costs actually incurred in reviewing such financial statement; and (3) prospective purchasers should be aware that the developer's mortgage loans (interim, renewals and extensions) used for the construction of the project shall be and remain at all times a superior lien on the project, and purchasers intentionally waive and subordinate the priority of lien under the sales contract or reservation agreement in favor of such mortgage loans.

Note: The prospective purchaser is advised that if the development and construction of the Project is delayed due to matters or conditions beyond control of the developer, the specimen Sales Contract reserves the right in the developer to increase the total purchase price for the property after notice to the purchaser by an amount not in excess of the property's proportionate share (approximately based on the property's percentage common interest as specified in the Sales Contract) of the total amount of such increases in development and construction costs.

PROGRAM OF FINANCING: The developer has not yet obtained an interim construction loan or entered into a construction contract for Beachside, Maui.

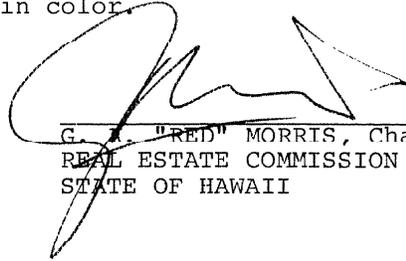
MANAGEMENT AND OPERATION: Article IV Section 2 of the proposed Bylaws states that the Board of Directors shall employ a responsible corporate managing agent to manage and control the property subject at all times to direction by the Board of Directors. The identity of the initial managing agent has not yet been determined.

STATUS OF PROJECT: The developer advises that construction of Beachside, Maui is presently intended to commence on August 15, 1981, and is presently estimated to be completed about August 15, 1982.

The purchaser or prospective purchaser should be cognizant of the fact that this Preliminary Public Report represents information disclosed by the developer in the required Notice of Intention submitted April 24, 1981, and information subsequently filed as June 30, 1981.

THIS PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1418 filed with the Commission on April 24, 1981.

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



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

DISTRIBUTION:

DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
PLANNING DEPARTMENT
COUNTY OF MAUI
FEDERAL HOUSING ADMINISTRATION
TITLE GUARANTY ESCROW SERVICES, INC.

REGISTRATION NO. 1418

JULY 3, 1981

EXHIBIT "A"

The Project shall consist of one two-story building containing fourteen (14) residential apartments.

There are eight (8) apartment types designated as Types A, B, C, D, A-1, B-1, C-1 and D-1. There is one Type A apartment which is located on the first floor and which contains one bedroom, two bathrooms, a combination living and dining room, a kitchen area, a lanai, two garden areas and an entry area. There are four Type B apartments all of which are located on the first floor and each of which contains one bedroom, two bathrooms, a combination living and dining room, a kitchen area, a lanai, a garden area and an entry area. There is one Type C apartment which is located on the first floor and which contains one bedroom, two bathrooms, a combination living and dining room, a kitchen area, a lanai, a garden area and an entry area. There is one Type D apartment which is located on the first floor and which contains one bedroom, two bathrooms, a combination living and dining room, a kitchen area, a lanai, a garden area and an entry area. There is one Type A-1 apartment which is located on the second floor and which contains one bedroom, two bathrooms, a combination living and dining room, a kitchen area, an entry deck, a roof deck and a spiral staircase leading to the roof deck. There are four B-1 apartments all of which are located on the second floor and each of which contains one bedroom, two bathrooms, a combination living and dining room, a kitchen area, an entry deck (except for apartment 8 which has no entry deck), a roof deck and a spiral staircase leading to the roof deck. There is one Type C-1 apartment which is located on the second floor and which contains one bedroom, two bathrooms, a combination living and dining room, a kitchen area, an entry deck, a roof deck and a spiral staircase leading to the roof deck. There is one Type D-1 apartment which is located on the second floor and which contains one bedroom, two bathrooms, a combination living and dining room, a kitchen area, a roof deck and a spiral staircase leading to the roof deck.

Each apartment has immediate access to its entries and to the corridors, walkways and stairways appurtenant to such apartment and connecting it to the common elements and parking areas of the Project. Each apartment is identified by a one or two digit number. Odd numbered apartments are located on the first floor and even numbered apartments are located on the second floor, as shown on the Condominium Map.

First Floor:

<u>Apt. No.</u>	<u>Type</u>	<u>Number of Bedrooms</u>	<u>Interior Livable Area (sq. ft.)</u>	<u>Lanai (sq. ft.)</u>	<u>Garden Area (sq. ft.)</u>	<u>Entry Area (sq. ft.)</u>	<u>Total Area (sq. ft.)</u>	<u>Percentage Interest in Common Elements</u>
1	B	1	968	232	131	19	1,350	7.6936
3	D	1	952	212	50	42	1,256	7.1579
5	C	1	1,000	241	44	37	1,322	7.5341
7	B	1	968	247	121	22	1,358	7.7392
9	B	1	968	247	108	29	1,352	7.7050
11	B	1	968	247	121	29	1,365	7.7791
13	A	1	964	286	229	29	1,508	8.5941

Second Floor:

<u>Apt. No.</u>	<u>Type</u>	<u>Number of Bedrooms</u>	<u>Interior Livable Area (sq. ft.)</u>	<u>Roof Deck (sq. ft.)</u>	<u>Entry Deck (sq. ft.)</u>	<u>Total Area (sq. ft.)</u>	<u>Percentage Interest in Common Elements</u>
2	B-1	1	985	130	28	1,143	6.5139
4	D-1	1	976	130	--	1,106	6.3031
6	C-1	1	1,029	130	35	1,194	6.8046
8	B-1	1	985	130	--	1,115	6.3544
10	B-1	1	985	130	49	1,164	6.6336
12	B-1	1	985	130	49	1,164	6.6336
14	A-1	1	981	130	39	1,150	6.5538