

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS

STATE OF HAWAII

1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
SUNSET BEACH VISTA
59-043 Huelo Street
Haleiwa, Hawaii

REGISTRATION NO. 1660

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: February 20, 1985
Expires: March 20, 1986

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 January 10, 1985 AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED WITH THE COMMISSION AS OF February 11, 1985. 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, AS AMENDED.

1. SUNSET BEACH VISTA is a proposed leasehold condominium project which, according to the Developer's plans, will contain seven (7) residential apartment units located in two apartment buildings. There will be a total of fourteen parking stalls, six of which are covered and eight which are uncovered. All are located at ground level.

2. The Developer of the Project has submitted to the Commission for examination all documents and materials deemed necessary by the Commission for the registration of this condominium project and the issuance of this Preliminary Public Report.

3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners and a copy of the approved floor plans) have not been filed in the Office of the Recording Officer.

4. Preliminary advertising or 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 514A, Hawaii Revised Statutes, as amended, and the Hawaii Real Estate Commission Rules and Regulations which relate to Horizontal Property Regimes.

6. This Preliminary Public Report is made a part of the registration of SUNSET BEACH VISTA condominium project. The Developer shall be responsible for placing a true copy of this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed receipt therefor.

7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, February 20, 1985, unless a Final or a Supplementary Public Report issues or the Commission upon review of the registration issues an order extending the effective period of this report.

NAME OF PROJECT: SUNSET BEACH VISTA

LOCATION: The land to be submitted to the regime and on which the project will be situated is located in Pupukeya-Paumalu, Koolauloa, Oahu, State of Hawaii, containing 22,549 square feet.

TAX MAP KEY: 5-9-1-80.

ZONING: R-6

DEVELOPER: ROBERT NORTON MORAN and JUDITH KLAVUHN MORAN, husband and wife, whose mailing address is 1618 Laukahi Street, Honolulu, Hawaii. Telephone No. (808) 373-9672.

ATTORNEY REPRESENTING DEVELOPER: Grad & Ching, Attorneys
At Law (Jeffrey S. Grad), Suite 2001, 841 Bishop Street,
Honolulu, Hawaii 96813. Telephone No. (808) 521-4757.

DESCRIPTION OF PROJECT: The Project consists of two buildings (collectively the "Buildings"). One of the Buildings (hereinafter the "Residential Building") is two stories in height. It consists of three connected duplex buildings, each of which has two apartments within it. Thus, the Building has a total of six (6) apartments within it, and each apartment shares at least one common wall with another apartment. Each apartment in the Residential Building is located on two floors which are joined by an interior staircase.

The other Building (hereinafter, the "Carport Building") is also two stories in height. The Building has one (1) apartment, which is located on the second floor. On the first floor are located six parking stalls, a laundry area and other common facilities.

The Project has a total of fourteen (14) parking stalls of which six are covered and are located on the first floor (ground level) of the Carport Building. The other stalls are uncovered and are on ground level. Neither Building has a basement. There is also a private park common area located between the seaward boundary of the Residential Building and the sea, as shown on the Condominium Map.

The two Buildings (the Residential Building and the Carport Building) are constructed principally of stucco/concrete block. The slab foundations of each Building are reinforced concrete. The exterior walls are constructed of plaster/hollow block and the interior partitions of gypsum board. The interior ceilings are of acoustic spray and the structural floors are constructed of wood joists. There is no elevator in either Building.

Parking is further described below and are shown on the Condominium Map. There are also additional facilities for maintenance purposes, such as a trash enclosure area, sewage disposal facilities and equipment, a private park area, a laundry area (in the Carport Building), and electrical and mechanical facilities.

DESCRIPTION OF APARTMENTS: There are two types of apartments in the Project: (a) the Six (6) Residential Apartments; and (b) the one (1) Carport Apartment. They are described as follows:

Residential Apartments: Each of the six (6) Residential Apartments in the Project consists of two levels (first and second floors). Each Apartment consists of an entry, dining area, living area, kitchen, three bedrooms, three baths and a stairway connecting the first and second floors. Each Apartment has a separate lanai on the front and second floors, which two lanais total 336 square feet. The approximate net living area of Apartments numbered 1A, 2A, 1C and 2C is 1456 square feet. The approximate net living area of Apartments numbered 1B and 2B is 1440 square feet.

Carport Apartment. The Carport Apartment covers the entire second floor of the Building. The Apartment consists of an entry, living room, two bedrooms and one bathroom (with shower). The approximate net living area of the apartment is 600 square feet. It has no lanai.

In accordance with Chapter 107 of the Rules of the Horizontal Property Regimes, the net living area of each apartment type is measured from the interior surfaces of the apartment perimeter walls.

Each apartment is furnished with a range and oven with ventless hood, refrigerator, dishwasher and double-compartment stainless steel sink. Floors are carpeted in the bedrooms, hallways and living room. Vinyl asbestos tile flooring is in the kitchens, dining area, bathrooms, and utility closets. The entryways have a tiled floor.

Parking. Six (6) stalls are covered and are located on ground floor of the Carport Building, the remaining eight (8) stalls are not covered. The stalls are located on the Land as shown on the Condominium Map. All stalls are either 9 or 10 feet wide and are of regular width. Covered stalls are each 200 square feet, and uncovered stalls are 170 square feet. Each Apartment in the Residential Building is assigned the two stalls which are designated by the same apartment number. The Carport Apartment is not assigned a stall. The remaining two stalls designated "CA" on the Condominium Map are not assigned and are available for guest parking.

Apartment Numbers and Location. There are a total of seven (7) apartments in the Project of which six (6) are located in the Residential Building and one(1) is located in the Carport Building.

All apartments in the Residential Building are identified by a single-digit and letter. The single digit indicates in which of the three connected duplex buildings the apartment is located. The buildings are numbered 1, 2 and 3, running from left to right when looking from Huelo Street. The letter designation is either an "A" or a "B", with an "A" indicating that the Apartment is located to the left when looking from Huelo Street and "B" indicates that it is located to the right. Within each of the three duplexes (which are connected), there are two apartments located on the first and second floors (and joined by an interior staircase); and each apartment in a duplex is a mirror-image of the other. As an example of the numbering system, Apartment 1A is located on the left side of the duplex building which in turn is located on the left side when viewed from Huelo Street.

The single apartment in the Carport Building is identified as the "Carport Apartment". It is located on the second floor above the Carport parking stalls.

The immediate common element to which each of the apartments have access are (a) as to the apartments in the Residential Building, the entry corridors on the ground floor, which lead to the concrete walks and driveway, and (b) as to the Carport Apartment, the stairways to first floor. Both then have direct access then through the parking area or grounds of the Project to the public street.

COMMON ELEMENTS. The common elements will include all portions of the land and improvements (other than the apartments) including the apartment building, the land on which the apartments are located, and all elements mentioned in the Horizontal Property Act which are actually constructed on the land herein described. The common elements shall include, but are not limited to:

(a) Said Land in fee simple.

(b) All foundations, floor slabs, columns, girders, beams, supports, load-bearing walls, main walls, interior walls separating adjacent apartments, halls, the roof of each of the Buildings, stairs, stairways, fire escapes and entrances and exits of each Building, and appurtenances.

(c) All yards, grounds, landscaping, refuse facilities, the laundry facility in the Carport Building, trash chutes, switchrooms, and private sewer disposal equipments.

(d) All building walkways, building sidewalks, pathways, parking areas, parking stalls, driveways and roads within the Project.

(e) All ducts, electrical equipment, sewage treatment equipment, wiring and other central and appurtenant installations, including power, light, water, sewer, garbage enclosure, gas and telephone; all pipes, plumbing, wires, conduits or other utility or service lines, which run through an apartment but which are utilized by or serve more than one apartment; and air conditioning and like utilities, if installed.

(f) All other portions of the Land and improvements not specifically heretofore designated as apartments, but which are intended for common use and all other devices and installations existing for or rationally of common use or necessary to the existence, upkeep and safety of the Horizontal Property Regime.

(g) Two guest parking stalls designated on the Condominium Map.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called and designated "limited common elements", are hereby 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 includes (a) entry corridors for the exclusive use of each of the two Residential Apartments which utilize it for direct access to and from the Apartment; (b) a mail box for each apartment; and (c) two (2) automobile parking spaces for each Residential Apartment, which spaces as shown on the Condominium Map having the same number as the apartment, shall be appurtenant to and for the exclusive use of that apartment.

Each Residential Apartment shall always have two (2) parking spaces appurtenant to it but otherwise apartment owners with the consent of their respective mortgagee, if any, shall have the right to change the designation of parking stalls

which are appurtenant to their respective apartment by amendment of this Declaration in accordance with the provisions of Section 514A-14, Hawaii Revised Statutes, as amended.

INTEREST TO BE CONVEYED TO PURCHASER: The fraction (percentage) of undivided interest in the common elements appurtenant to each apartment set forth below. Each apartment shall have said fraction in all common profits and expenses of the Project and for all other purposes, including voting on all matters requiring action by the apartment owners.

<u>Apartment No.</u>	<u>Percentage</u>
1A	15.8
1B	15.8
2A	15.8
2B	15.8
3A	15.8
3B	15.8
Carport Building Apartment	5.2

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) must fully comply with the provisions of Chapter 514E of the Hawaii Revised Statutes and any rules and regulations promulgated thereunder prior to selling any such time-share interest.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The apartments shall be occupied and used only for residential purposes by the respective owners thereof, their tenants, families and domestic servants and to the extent permissible, may be used and rented for transient vacation rental purposes and may be used for time sharing as defined in Chapter 514E, H.R.S. as amended and for no other purposes. It is also intended that to the extent permissible, the Carport Apartment may be used as a residence and office for the property and rental manager. In addition to and without limitation of the foregoing:

Spaces designated for the parking of motor vehicles shall be used solely for such purpose, in accordance with such reasonable regulations as shall be established by the Board of Directors from time to time.

No apartment owner shall do, or suffer or permit to be done, anything in any apartment or common element which would jeopardize the soundness or safety of the Project or reduce the value thereof, or impair any easement or hereditament, or which would increase the rate or result in the cancellation of insurance applicable to the Project or which would affect the exteriors of a Building, or which would be noxious or offensive or an interference with the peaceful possession and proper use of other apartments nor may any apartment owner add any material structure or excavate any additional basement or cellar, without in every such case the consent of seventy-five percent (75%) of the apartment owners, together with the consent of all apartment owners whose apartments or limited common elements appurtenant

thereto are directly affected, being first obtained; provided that non-material structural additions to the common elements, including, without limitation, the installation of solar energy devices as defined by section 468B-1, H.R.S., as amended, or additions to or alterations of an apartment made within such apartment or within a limited common element appurtenant to and for the exclusive use of the apartment shall require approval only by the Board, not by the apartment owners. "Non-material structural additions to the common elements", as used herein, shall mean a structural addition to the common elements which does not jeopardize the soundness or safety of the property, reduce the value thereof, impair any easement or hereditament, detract from the appearance of the project, interfere with or deprive any non-consenting owner of the use or enjoyment of any part of property, or directly affect any non-consenting owner. The Board shall not unreasonably withhold or delay its consent and shall have the obligation to answer any written request by an Apartment Owner for its consent, to any structural alterations of his apartment, within thirty (30) days after its receipt of such a request describing the proposed alteration in reasonable detail, and the Board's failure to do so shall constitute its consent to the proposed alteration.

Notwithstanding the foregoing, without any such consent, the owner of any two or more apartments separated by a common element which is a wall or floor (including a common element which constitutes a floor of one of the apartments and a ceiling of another) may alter or remove all or portions of the intervening wall or floor, if the structural integrity of the building is not thereby affected and if the finish of the common element then remaining is restored to a condition substantially comparable to that of the common element prior to such alteration. The owner of such adjacent apartments may install in and attach in such opening or openings in such common elements elevators, lifts, tubes and other service devices and may remove and retain ownership of the installed equipment. Upon the termination of the common ownership of such adjacent apartments, if the intervening wall or floor shall have been altered or removed pursuant to the foregoing provisions, each of the owners of such apartments shall be obligated to restore such intervening wall or floor to substantially the condition in which the same existed prior to such alteration or removal; and

An Apartment Owner will not, without the prior written consent of either the Board or the Managing Agent, display any sign or place any other thing in or upon any door, window, wall or other portion of the apartment or common elements, so as to be visible from the exterior.

Among other provisions, the House Rules provide that pets are permitted in the Project with prior written consent of the Board, and water beds are not permitted.

The common elements and limited common elements are intended for and shall be restricted to those purposes and uses in keeping with their respective functions and the foregoing intendments and restrictions regarding the apartment to which they are appurtenant.

OWNERSHIP OF TITLE: A Preliminary Title Report issued on December 18, 1984, by Hawaii Escrow & Title, Inc. indicates that Robert Norton Moran and Judith Klavuhn Moran, have title as tenants by the entirety to the land committed to the Project.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report dated December 18, 1984, reveals the following encumbrances:

1. Restrictive covenants as noted in Land Patent Grant #8179, as follows:

"The land covered by this grant is sold and may be used for residence purposes only. In the event of its being used for other than residence purposes, this patent shall be void and the land herein granted shall immediately revert to and revest in the State of Hawaii."

2. That certain Mortgage dated January 12, 1984, recorded in said Bureau in Liber 17603, Page 340, made by and between Robert Norton Moran and Judith Klavuhn Moran, husband and wife, as Mortgagor, and Aloha National Bank of Maui, as Mortgagee, in the amount of \$125,000.00.

3. Easement 1, Four (4.0) feet wide for Right of Way to Beach over and across the Property in favor of Lot A.

4. Real property taxes due and payable, reference is made to Director of Finance, City and County of Honolulu.

3. Easement 1, Four (4.0) feet wide for Right of Way to Beach over and across the Property.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated December 19, 1984, identifies Hawaii Escrow & Title, Inc., a Hawaii corporation, as Escrow Agent. On examination, the Reservation Agreement, Deposit Receipt and Sales Contract and the executed Escrow Agreement are found to be in compliance with Hawaii Revised Statutes, Chapter 514A, as amended.

Among other provisions, the executed Escrow Agreement states that a Purchaser under a Reservation Agreement, Deposit Receipt and Sales Contract (hereinafter, the "Sales Contract"), shall be entitled to certain rights of cancellation pursuant to Chapter 514A, Hawaii Revised Statutes, as amended, and/or pursuant to the provisions of the Sales Contract. The Sales Contract provides that a purchaser shall be entitled to a return of his funds, and Escrow shall pay such funds to such Purchaser without interest, if any one of the following has occurred:

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

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

obtained prior to the issuance of the Final Report, there shall have been a change in the building plans requiring approval of a county officer having jurisdiction over the issuance of building permits (except such changes as are specifically authorized in the Declaration of Horizontal Property Regime or by the terms of the Sales Contract or to which said Purchaser has otherwise consented in writing, or ninety days have elapsed since the Purchaser has accepted in writing the apartment or 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 his right to a refund.

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (a) or (b) above or upon receipt of a written request for a refund from Purchaser upon the occurrence of an event described in (c), (d) or (e) above, pay said funds to said Purchaser and thereupon said Sales Contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held hereunder; provided, however, that no refund shall be made to a Purchaser at Purchaser's request prior to receipt by Developer of written notice from escrow of its intent to make such refund.

The Sales Contract also provides for other rights of cancellation by Developer and such include, but are not limited to, the following:

1. In the event Purchaser shall have died prior to his acquisition of title to the apartment, the Developer may elect to return all sums paid hereunder to Purchaser's estate or legal representative, and thereupon all rights of Purchaser shall cease and terminate without further liability on the part of the Developer.

2. If at any time prior to the commencement of construction, any event beyond Developer's control shall have occurred affecting, in Developer's judgment, the development of the project so that the total Project Costs, as estimated by Developer, shall exceed the total Project Costs set forth in the verified statement of Project Costs filed with the Real Estate Commission of the State of Hawaii and Developer determines therefore that the financial feasibility of the project requires an increase in the apartment sales prices, then, provided that commencement of construction of the project shall not have occurred, Developer may at its option terminate the Sales Contract; provided, however, that Developer shall offer to Purchaser the first right to exercise a new sales contract at the increased apartment unit price.

3. Developer is obligated to complete construction of the apartment within two (2) years from the date of issuance of a Final Public Report and from the date the Sales Contract becomes fully enforceable and effective between Purchaser and Developer; provided, however, that such two-year period shall be extended for any period of time during which Developer is actually and necessarily delayed in beginning or completing construction if said delay is caused by fire, earthquake, acts of God, the elements, war or civil disturbances, strikes or other labor disturbances, or economic controls making it impossible to obtain the necessary labor or material, or other matters or conditions beyond the control of Developer. If, pursuant to the foregoing sentence, such two-year period is extended for more than three (3) months, then and at any time thereafter until the project is completed, Developer may, upon fifteen (15) days' written notice to the Purchaser, terminate the Sales Contract; provided that if said two-year period is extended for more than nine (9) months, either the Developer or the Purchaser may, upon fifteen (15) days' written notice to the other, terminate said Sales Contract and all sums paid by the Purchaser hereunder shall be refunded without interest.

4. If by June 30, 1985, less than 75% of the Apartments in the Project have been sold to financially qualified purchasers; then, and at any time thereafter until the Project is completed, Seller, at its option, may cancel the Sales Contract upon written notice to Purchaser.

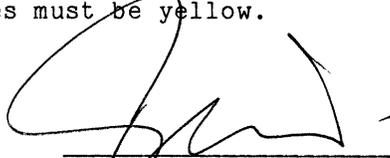
NOTE: Prospective purchasers should be aware that all security interests obtained by the construction lender in connection with such construction loans as well as any extensions, renewals or modifications thereof shall be prior to and superior to any and all liens or charges arising from the Sales Contract or any other prior reservation agreement.

MANAGEMENT AND OPERATION: The By-Laws of this project state that the management and operation of the project shall be vested in the Board of Directors, that the Board of Directors shall employ, for the Association of Apartment Owners, a Managing Agent to perform such duties as the Board shall authorize, including the collection of all assessments from the Owners. The Developer has not yet entered into a Property Management Agreement and until a corporate managing agent is appointed, Robert N. Moran, the developer, will serve as the initial Managing Agent.

STATUS OF PROJECT: A building permit has been issued and construction of the project has commenced. Permanent financing for the project has not yet been arranged. Developer advises that it has set March 15, 1985 as the estimated date for completion of construction.

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 January 10, 1985, and information subsequently filed as of February 11, 1985.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1660 filed with the Commission on January 10, 1985. The report, when reproduced, shall be a true copy of the Commission's Preliminary Public Report. The paper stock used in making facsimiles must be yellow.



J.A. "RED" MORRIS, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

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Registration No. 1660

February 20, 1985