

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

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

FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
HALEIWA SURF
Haleiwa Road
Haleiwa, Hawaii

REGISTRATION NO. 490

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 until

- (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 6, 1973
Expires: March 6, 1974

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 OCTOBER 27, 1972, AND ADDITIONAL INFORMATION FILED AS OF FEBRUARY 5, 1973. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514, HAWAII REVISED STATUTES.

1. The HALEIWA SURF is a proposed leasehold condominium consisting of two separate apartment buildings, each with three stories, and containing 51 apartments (each containing a separate "hotel room") all in accordance with the plans recorded in the State of Hawaii Bureau of Conveyances.

2. The developer of the project has submitted to the Commission for examination all documents deemed necessary for the issuance of this Final Public Report.
3. Advertising or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
4. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners, and a copy of the approved Floor Plans) have been recorded in the office of the recording officer.

The Declaration of Horizontal Property Regime, together with the By-Laws of Association of Apartment Owners attached thereto, was recorded in the Hawaii Bureau of Conveyances in Book 8688 at Page 92, and condominium map No. 248 has been assigned to the project by said office. The Declaration of Horizontal Property Regime was amended by Amendment dated December 22, 1972, recorded in the Hawaii Bureau of Conveyances in Book 8865 at Page 404.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514 of the Hawaii Revised Statutes and the condominium rules and regulations which relate to horizontal property regimes.
6. This Final Public Report automatically expires thirteen (13) months after the date of issuance, February 6, 1973, unless 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: HALEIWA SURF

LOCATION: The land submitted to the Regime, approximately 98,094 square feet, is located at Haleiwa, Oahu, fronting on the beach at Waialua Bay on one side and Haleiwa Road on the other.

TAX MAP KEY: FIRST DIVISION 6-6-06:5, 6, 7 and 8.

ZONING: H-1 Resort Hotel

DEVELOPER: AIRPORT PROPERTIES, INC., a Hawaii corporation, general partner of "Haleiwa Surf Associates", a registered Hawaii limited partnership, the principal place of business of which is c/o Sheridan C. F. Ing, Suite 1908, 130 Merchant Street, Honolulu, Hawaii 96813.

ATTORNEY REPRESENTING DEVELOPER: Carlsmith, Carlsmith, Wichman and Case, 810 Richards Street, Honolulu, Hawaii 96813 (Attention: Thomas D. Welch, Jr.), Telephone 531-2071.

DESCRIPTION: The land will be improved, according to the developer's plans and intention to sell, by constructing thereon two apartment buildings with a total of 51 apartment units, each one containing a separate hotel room. In addition, the project will contain a driveway

and parking area with stalls for 102 automobiles (15 compact car stalls and 87 regular car stalls), walkways, and grounds fronting on the beach. Each unit includes all built-in fixtures including range, oven, refrigerator, garbage disposal, range hood, water heater, sinks, bathroom fixtures, carpets and drapes. Each unit includes all walls and partitions within its perimeter walls, all glass windows or panels along the perimeter, the interior half of all perimeter walls, the inner decorated or finished surfaces of the floors and ceilings, the adjacent lanai or lanais shown on the condominium map and the hallway shown on said map. Each apartment has immediate access to the adjacent balcony through a hall which is within each apartment but opens, without a door, upon said balcony.

1. Building Description. The project will consist of two separate buildings ("Building A" and "Building B"), each with three stories, including the ground level. Building A, to be situated mauka and approximately to the south of Building B, shall contain 33 apartments (each containing a dwelling unit and a separate hotel room), a laundry room, storage room, lobby, office and two electrical meter closets. Building B, to be situated makai and approximately to the north of Building A shall contain 18 apartments (each containing a dwelling unit and a separate hotel room), and one electrical meter closet.
2. Materials. Each building is constructed principally of re-inforced concrete floor slabs, concrete block bearing walls, and wood roof and trim.
3. Description, Area, Numbering and Percentage Interest of Apartments. There are three types of apartments. Type A includes a living/dining/sleeping room, bath, kitchen, lanai, hallway, and one hotel room with adjoining bath. Type B includes a living/dining room, kitchen, lanai, one bedroom, bath, hallway, and one hotel room with adjoining bath and lanai. Type C includes a living/dining room, kitchen, lanai, one bedroom, bath, dressing room, hallway and one hotel room with adjoining bath and lanai. Each apartment within each of the foregoing types is the same as all others within its type, except that the floor plans of some are the mirror image of that of others. The gross floor area (including lanai and hallway), net floor area (excluding lanai but including hallway), location, apartment type and percentage of common interest of each apartment is listed below.

The term "lanai" or "adjacent lanai" as used above, shall not include (a) the lanai adjacent to Apartment 101 which is situated along the external northwest running wall of the apartment, or (b) the lanai adjacent to Apartment 406 which is situated along the external northwest running wall of that apartment.

<u>Apt. No.</u>	<u>Gross Floor Area (Sq. Ft.)</u>	<u>Net Floor Area (Sq. Ft.)</u>	<u>Location</u>	<u>Apt. Type</u>	<u>Common Interest</u>
101	940	837	Southwest end	B	2.42%
201	"	"	Building A	B	2.42%
301	"	"		B	2.42%
406	"	"	Northeast end	B	2.42%
506	"	"	Building B	D	2.42%
606	"	"		B	2.42%
111	1072	917	Northeast end	C	2.40%
211	"	"	Building A	C	2.42%
311	"	"		C	2.42%
401	"	"	Southwest end	C	2.42%
501	"	"	Building B	C	2.42%
601	"	"		C	2.42%
102	744	660	In numerical	A	1.82%
103	"	"	order from	A	1.82%
104	"	"	southwest to	A	1.82%
105	"	"	northeast,	A	1.82%
106	"	"	ground floor,	A	1.82%
107	"	"	Building A	A	1.82%
108	"	"		A	1.82%
109	"	"		A	1.82%
110	"	"		A	1.82%
202	"	"	In numerical	A	1.82%
203	"	"	order from	A	1.82%
204	"	"	southwest	A	1.82%
205	"	"	to northeast	A	1.82%
206	"	"	second floor,	A	1.82%
207	"	"	Building A	A	1.82%
208	"	"		A	1.82%
209	"	"		A	1.82%
210	"	"		A	1.82%
302	"	"	In numerical	A	1.82%
303	"	"	order from	A	1.82%
304	"	"	southwest to	A	1.82%
305	"	"	northeast,	A	1.82%
306	"	"	third floor,	A	1.82%
307	"	"	Building A	A	1.82%
308	"	"		A	1.82%
309	"	"		A	1.82%
310	"	"		A	1.82%
402	"	"	In numerical	A	1.82%
403	"	"	order from	A	1.82%
404	"	"	northwest to	A	1.82%
405	"	"	northeast,	A	1.82%
			ground floor,		
			Building B		

<u>Apt. No.</u>	<u>Gross Floor Area (Sq. Ft.)</u>	<u>Net Floor Area (Sq. Ft.)</u>	<u>Location</u>	<u>Apt. Type</u>	<u>Common Interest</u>
502	744	660	In numerical	A	1.82%
503	"	"	order from	A	1.82%
504	"	"	northwest to	A	1.82%
505	"	"	northeast, second floor, Building B	A	1.82%
602	"	"	In numerical	A	1.82%
603	"	"	order from	A	1.82%
604	"	"	northwest	A	1.82%
605	"	"	northeast, third floor, Building B	A	1.82%

USE: The Declaration provides that the apartments shall be occupied and used as permanent or temporary residences or hotel lodgings, and for no other purposes. The owners of apartments have the right to lease or rent their apartments to third parties. The Apartment Lease prohibits the creation of any additions to the buildings as described in the Declaration and the condominium map or any additional buildings which are over three stories.

PARKING: Each Type A apartment will have one parking space permanently assigned to it, and each Type B and Type C apartment shall have two spaces permanently assigned to it. The parking spaces are numbered on the condominium map and the specific designation of each parking space to the individual apartments will be made by the Developer as the sales contract for each apartment is executed, and the designation will be reflected on an amendment to the Declaration by the developer.

Further, the developer has reserved the exclusive right to use or dispose of a total of 35 parking spaces, as described more particularly in the Declaration.

COMMON ELEMENTS: The common elements will include the limited common elements described in the next topical heading, LIMITED COMMON ELEMENTS, and all other portions of the project other than the apartments, including specifically but not limited to (a) said land in fee simple; (b) all foundations, floor slabs, beams, supports, bearing walls (except the inner decorated surface within each unit), roofs, stairways, walkways, and balconies; (c) all parking areas, all planted areas and grounds, and the beach area; (d) the lobby, office, laundry, storage room, all electrical meter closets, and all ducts and central appurtenant installations for common services, including power, light, water, sewer, telephone and refuse disposal; and (e) all other parts of the project necessary or convenient to its existence, maintenance, and safety, or normally in common use.

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

1. Each Type A apartment shall have appurtenant to it one parking space, and each Type B and Type C apartment shall have appurtenant to it two parking spaces. Spaces shall be allocated to the respective apartment as designated on Exhibit "C" to be attached to the Declaration of Horizontal Property Regime by amendment.
2. The balcony along the mauka side of each building on each floor providing access to the apartments on said floor and to the stairways shall be appurtenant to and for the exclusive use of the apartments in said building.
3. The stairways in each building providing access to the apartments on the second and third floors of said building shall be appurtenant to and for the exclusive use of the apartments in said building.
4. Any portion of the lanai railing or railing support structure outside of the perimeter line of each apartment shall be appurtenant to and for the exclusive use of said apartment and maintenance cost of said railing and structure shall be borne solely by the owner of said apartment.
5. The lanai situated along the external northwest running wall of Apartment 101 shall be appurtenant to and for the exclusive use of said apartment and the maintenance cost of said lanai shall be borne solely by the owner of said apartment. The lanai situated along the external northwest running wall of Apartment 406 shall be appurtenant to and for the exclusive use of said apartment and the maintenance cost of said lanai shall be borne solely by the owner of said apartment.

INTEREST TO BE CONVEYED TO PURCHASER: Each unit has an undivided interest set forth above under subparagraph 3 of the topic heading "DESCRIPTION". Said common interests shall be the common interest of each apartment in the common elements for all purposes, including voting.

LICENSE: The Declaration of Horizontal Property Regime states that an exclusive and irrevocable license (hereinafter called the "License") in and to all of the following parking spaces (hereinafter called the "licensed area") as shown on the condominium map: 1, 2, 3, 4, 5, 6, 15, 16, 17, 18, 19, 20, 27, 28, 37, 38, 41, 42, 43, 44, 51, 52, 53, 55, 56, 60, 71, 72, 91, 92, 93, 94, 95, 99 and 101, is granted to, and reserved by the Developer, and its heirs, successors and assigns (hereinafter called the "Licensee"). The License includes the exclusive use, control over the use, and occupation of the licensed area, together with all rights of access, ingress and egress (vehicular and otherwise) for the full use and occupation of the licensed area by Licensee or Licensee's permittees (which may include members of the public). Licensee may not use the licensed area for any unlawful purpose or in any way which would unreasonably impair the use of other parking areas not included in the License. No owner of any apartment nor the Association of Apartment Owners shall have any right to, or any interest in any income or profits which arise in connection with Licensee's operation or use of the licensed area, and no part of said income or said profits shall be deemed to be common profits of the common elements of the project.

However, nothing herein shall be construed to change the status of the licensed area as common elements of the project. The Licensee may at any time and from time to time assign, lease or sublicense all or any part of the licensed area. Neither the Association of Apartment Owners nor the fee owners shall have any right or power to cancel or in any way modify the terms of the License, without the written consent of Licensee or the fee owner.

Note: No common interest has been allocated to the licensed area, therefore, Licensee will not share in the common expenses.

OWNERSHIP TO TITLE: The notice of intention reflects that title to the land is vested in Walter P. Naquin, Jr. and Frederick C. Gross, Trustee under Declaration of Trust dated December 24, 1960 and recorded in the Bureau of Conveyances of the State of Hawaii in Book 4003 at Page 202. The property is leased to Kenneth F. C. Char (as nominee for developer), by lease dated September, 1968 recorded in the State of Hawaii Bureau of Conveyances in Book 6368, Page 317, which lease was formally assigned to developer, by Assignment of Lease dated October 6, 1972, recorded in said Bureau in Book 8680, Page 75.

ENCUMBRANCES AGAINST TITLE: The Developer has filed with the Commission a title search report prepared by Security Title Corporation, dated January 30, 1973. That report reflects the following encumbrances: (a) Taxes for the second half of the Fiscal Year 1972-1973 are now a lien; (b) Any shoreline setback requirements under the law; (c) Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent Numbered 4475, 1491 and 888; (d) The terms and provisions of that certain Trust Agreement dated December 24, 1960, recorded on February 13, 1961 in the Bureau of Conveyances of the State of Hawaii in Book 4003, Page 202; (e) The terms and provisions of that certain undated Indenture of Lease recorded on January 8, 1969, in said Bureau of Conveyances in Book 6368, Page 317, made by and between Walter P. Naquin, Jr., and Frederick C. Gross, Trustee under that certain Declaration of Trust dated December 24, 1960 and recorded in Book 4003, Page 202, as Lessor, and Kenneth F. C. Char, as Lessee, for a term of 62-1/2 years commencing on the 1st day of October, 1968, and terminating on the 31st day of March, 2030. Said Lease is now held by Airport Properties, Inc., as General Partner of "Haleiwa Surf Associates", as Lessee by Assignment of Lease dated October 6, 1972, recorded on October 20, 1972, in said Bureau of Conveyances in Book 8680, Page 75. Said Lease is encumbered by Real Property Mortgage and Security Agreement dated December 6, 1972, recorded on December 14, 1972, in said Bureau of Conveyances in Book 8803, Page 160, made by Airport Properties, Inc. on behalf of "Haleiwa Surf Associates", as Mortgagor, to First Hawaiian Bank, as Mortgagee; (f) The interest of the State of Hawaii, if any, in Parcel 2nd which was formed by accretion; (g) Declaration of Restrictive Covenants dated September 9, 1972, recorded on September 13, 1972, in said Bureau of Conveyances in Book 8581, Page 375; (h) Condominium Map No. 248, filed in said Bureau of Conveyances on October 26, 1972; (i) The covenants, agreements, obligations, conditions and other provisions set forth in the Declaration of Horizontal Property Regime dated October 11, 1972, recorded on October 26, 1972, in said Bureau of Conveyances in Book 8688, Page 92, and the By-Laws attached thereto. By instrument dated December 22,

1972, recorded on January 11, 1973, in said Bureau of Conveyances in Book 8865, Page 404, the foregoing Declaration was amended.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated October 24, 1972, between First Hawaiian Bank as Escrow Agent and Developer, has been filed with the Commission. On examination the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly Section 514-15(6).

It is incumbent upon the purchaser and the prospective purchaser that he reads with care the Sales Contract and the executed Escrow Agreement. The latter establishes how the proceeds from the sale of apartments are placed in trust, as well as the retention and disbursement of said trust fund.

MANAGEMENT OF THE PROJECT: The By-Laws of the Association of Apartment Owners vest in the Board of Directors the power and duties necessary for the administration of the overall affairs of the project. The By-Laws of the Association of Apartment Owners specify that the presence at any meeting in person or by proxy of fifty percent (50%) of all apartment owners shall constitute a quorum; and at any meeting in which a quorum is present, action by a majority of the voting power represented at such meeting shall be valid and binding on the Association except as otherwise provided in the By-Laws. Voting shall be on a percentage basis, the percentage of the total vote to which each apartment is entitled shall be the same as the percentage of the common interests assigned to such apartment in the Declaration; and any percentage of apartment owners specified in the By-Laws means the owners of apartments to which are appurtenant such percentage of the common interest. The Board of Directors of the Association of Apartment Owners may employ necessary personnel to carry out management and operation functions of the project. The By-Laws submitted to the Commission named Hawaiiana Management Company as initial managing agent for a minimum of two years.

STATUS OF PROJECT: On October 16, 1972, developer entered into a Construction Contract with Pacific Construction Company, a division of The Hawaii Corporation, to construct the project. The developer advises that construction commenced on October 24, 1972, and estimates that construction will be completed about August 9, 1973. The specimen Sales Contract states if less than 45 apartments are sold prior to April 1, 1973, the developer may at its option cancel all sales contracts, return all amounts paid by buyers, and terminate the project.

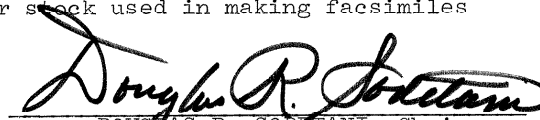
PROGRAM OF FINANCING: The statement of the Program of Financing submitted by the developer reflects that the developer intends to pay the cost of the project from funds available through a construction loan commitment of \$1,300,000, purchasers' funds deposited with Escrow, and Developer's equity.

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

October 27, 1972, and additional information filed as of February 5, 1973.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 490 filed with the Commission October 27, 1972.

This report, when reproduced, shall be a true copy of the Commission's public report. The paper stock used in making facsimiles must be white.


DOUGLAS R. SODEANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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Registration No. 490
February 6, 1973.