

**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  
AIKAHI GARDENS  
Kaneohe Bay Drive  
Kaneohe, Hawaii

REGISTRATION NO. 354

**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: May 18, 1971  
Expires: June 18, 1972

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 16, 1970, AND ADDITIONAL INFORMATION SUBSEQUENTLY SUBMITTED AS LATE AS MAY 10, 1971. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514, HAWAII REVISED STATUTES.

1. Since issuance of the Commission's Preliminary Public Report of October 23, 1970, and its Supplementary Public Report of January 19, 1971, on Increment I AIKAHI GARDENS, Registration No. 354, the developer has submitted additional information to that filed with its Notice of Intention of October 16, 1970. This Final Public Report is made a part of the registration on Increment I AIKAHI GARDENS. The developer is responsible for placing a true copy of this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers receiving the Preliminary Public Report (yellow paper stock) and the Supplementary Public Report (pink paper stock), and for obtaining from such purchasers and prospective purchasers the required receipts therefor.

2. The condominium site plan filed with the Commission reveals that Increment I is situated West of proposed Road "C" which is included in Increment I, and consists of 64 townhouse apartments contained in 12 townhouse buildings (Buildings 16 to 27), a recreation center with a clubhouse, swimming pool, and shuffle-board court, and 151 parking spaces of which 23 are for guest parking.
3. All documents deemed necessary for the registration of a condominium project and issuance of this Final Public Report have been submitted by the developer to the Commission for examination.
4. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners, and a copy of the approved site and floor plans) have been filed in the office of the recording officer.

The Master Lease was executed April 20, 1971, but not recorded; and the Memorandum of Master Lease, also executed April 20, 1971, was recorded in the Bureau of Conveyances of the State of Hawaii in Liber 7511 at Page 162. The Declaration of Horizontal Property Regime executed April 20, 1971, with By-Laws attached, was filed in said Bureau of Conveyances in Liber 7511 at Page 175, with Condominium File Plan No. 187.

5. Promotional and advertising materials have been submitted pursuant to the rules and regulations promulgated by the Commission.
6. Construction in Increment I of the recreation center and Buildings 16, 21, and 22 was substantially completed in December 1970, and the apartments therein have served and will continue to serve as models. Construction of additional townhouse buildings and apartments in Increment I has commenced and will be substantially completed, according to present estimates by the developer, by October 1, 1971.
7. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, and the condominium rules and regulations promulgated thereunder which relate to horizontal property regimes.
8. This Final Public Report automatically expires thirteen (13) months after the date of issuance, May 18, 1971, unless a supplementary public report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

Only certain information under the topical headings DEVELOPER, OWNERSHIP AND ENCUMBRANCES AGAINST TITLE, MANAGEMENT AND OPERATION, and STATUS OF PROJECT has been amended and then only to the extent indicated below. Otherwise, the information recited in the Preliminary Public Report of October 23, 1970, as amended by the Supplementary Public Report of January 19, 1971, applies.

DEVELOPER: Dan Ostrow Construction Co., Inc., the developer, reports that its principal place of business and post office address is now Suite 1106, Hawaii Building, 745 Fort Street, Honolulu, Hawaii 96813.

OWNERSHIP OF AND ENCUMBRANCES AGAINST TITLE: The developer has filed with the Commission an updated Title Report dated April 28, 1971, prepared by Security Title Corporation. In addition to those encumbrances reported in the Preliminary Public Report, as amended by the Supplementary Public Report, said updated Title Report reports that title to the land is further subject to the following:

Lis Pendens dated May 2, 1969, recorded on May 2, 1969 in said Bureau of Conveyances in Book 6506, Page 315, filed in the matter entitled "State of Hawaii, by its Attorney General, Plaintiff, vs. James C. Castle, et al, Defendants", now pending in the Circuit Court of the First Judicial Circuit under Civil No. 27870; as amended in Book 7034, Page 28, re: abutter's rights of access into and from Interstate Highway.

The terms and provisions of that certain unrecorded Development Agreement dated January 2, 1957, by and between Harold K. L. Castle et al and C. W. Murchison, Jr. et al as disclosed by instrument dated January 19, 1971, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 7380 at Page 352.

The terms and provisions of that certain unrecorded Joint Venture Construction Agreement dated August 1, 1958, by and between C. W. Murchison, Jr. et al and Centex Corporation et al, as disclosed by instrument dated January 19, 1971, recorded in said Bureau of Conveyances in Liber 7380 at Page 352.

By instrument dated January 19, 1971, recorded on January 28, 1971, in said Bureau of Conveyances in Liber 7380 at Page 352, the foregoing Joint Venture Construction Agreement was assigned to Dan Ostrow Construction Co., Inc. Consent thereto recorded in said Bureau of Conveyances in Liber 7380 at Page 363. Said Joint Venture Construction Agreement is subject to that certain Mortgage and Financing Statement dated January 19, 1971, recorded on January 28, 1971, in said Bureau of Conveyances in Liber 7380 at Page 367, made by Dan Ostrow Construction Co., Inc., as mortgagor, to Bank of Hawaii, as mortgagee, to secure the repayment of the sum of \$750,000.00 and any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor therein referred to. Consents thereto recorded in said Bureau of Conveyances in Liber 7380 at Pages 378 and 386.

The terms and provisions of that certain Lease dated April 20, 1971, a short form of which was recorded on April 28, 1971, in said Bureau of Conveyances in Liber 7511 at Page 155, made by and between James C. Castle et al, as lessors, and Clinton Williams Murchison, Jr., et al, as lessees.

The terms and conditons of that certain Master Lease dated April 20, 1971, a short form of which was recorded on April 28, 1971, in said Bureau of Conveyances in Liber 7511 at Page 162, made by and between James C. Castle et al, as lessor, and Dan Ostrow Construction Co., Inc., as developer.

Reserving an easement for roadway, utility and other purposes, appurtenant to those certain lands owned by the Estate of H.K.L. Castle over and across that portion of the demised premises described on map or plan dated July 21, 1970 prepared by John K. McCandless, Jr. as "Easement 1", in said Master Lease.

Declaration of Horizontal Property Regime under the Horizontal Property Act dated April 20, 1971, by and between James C. Castle et al, as lessor, Clinton Williams Murchison, Jr. et al, as sublessor, and Dan Ostrow Construction Co., Inc., as developer, together with By-Laws of the Association of Apartment Owners of Aikahi Gardens attached thereto and incorporated therein by reference, recorded on April 28, 1971, in said Bureau of Conveyances in Liber 7511 at Page 175. Condominium Map No. 187 filed in said Bureau of Conveyances on April 28, 1971.

Taxes for the fiscal year 1970-1971 are a lien, payable as follows:

1st Installment: PAID  
2nd Installment: OPEN (Delinquent after May 20, 1971)

MANAGEMENT AND OPERATION: The developer advises that on behalf of the Association of Apartment Owners it has retained Hawaiiana Realty & Management, Inc., successor to First Management & Sales, Inc., as the initial managing agent, and has submitted to the Commission an executed copy of the Property Management Agreement dated May 10, 1971. Otherwise, the balance of the information under this heading in the Preliminary Public Report, as amended by the Supplementary Public Report, applies.

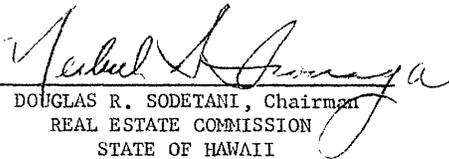
STATUS OF PROJECT: The developer advises that in December 1970, it substantially completed construction in Increment I of the recreation center and Buildings 16,

21, and 22. Performance bonds of various dates covering the recreation center, each of the townhouse buildings, and the grading work in Increment I have been submitted to the Commission. The developer further advises that it has commenced construction of additional townhouse buildings and apartments in Increment I with the assistance of interim financing provided by Bank of Hawaii and that it estimates that such construction will be substantially completed by October 1, 1971. The Preliminary Title Report dated April 28, 1971, indicates that no mechanics' liens have been filed against the project.

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The purchaser or prospective purchaser should recognize that this published report represents information disclosed by the developer in the required Notice of Intention submitted on October 16, 1970, and information subsequently filed as late as May 10, 1971. The information disclosed in the Commission's Preliminary Public Report of October 23, 1970, and its Supplementary Public Report of January 19, 1971, should be carefully reviewed by the purchaser and prospective purchaser.

This FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 354 filed with the Commission on October 16, 1970.

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

  
for DOUGLAS R. SODEVANI, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

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Distribution:

DEPARTMENT OF TAXATION  
BUREAU OF CONVEYANCES  
PLANNING DEPARTMENT, CITY & COUNTY OF HONOLULU  
FEDERAL HOUSING ADMINISTRATION  
BANK OF HAWAII, ESCROW AGENT

May 18, 1971  
Registration No. 354