

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

WAVECREST I
Kamehameha V Highway
Molokai, Hawaii

REGISTRATION NO. 531

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: June 21, 1974
Expires: July 21, 1975

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 and prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED FEBRUARY 20, 1973 AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF JUNE 5, 1974. THE DEVELOPER IN NOTIFYING THE THE COMMISSION OF HIS INTENTION TO SELL AND SUBMITTING ADDITIONAL INFORMATION, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, CHAPTER 514, HAWAII REVISED STATUTES.

1. The Developer has complied with Chapter 514, Hawaii Revised Statutes and has fulfilled the requirements for the issuance of a Final Public Report.

2. Since the issuance of the Commission's Preliminary Report on Registration No. 531 dated June 12, 1973 the Developer has prepared, assembled and forwarded additional information reflecting material changes which have been made in the documents and plans for the project. This Final Public Report is made a part of the registration on Wavecrest I project. The Developer is responsible for placing this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers receiving the Preliminary Public Report. (Yellow paper stock.) Securing a signed copy of the Receipt for Horizontal Property Regime Public Report from each purchaser and prospective purchaser is also the responsibility of the Developer.
3. WAVECREST I is a fee simple condominium project on the ocean consisting of one hundred and twenty-six (126) apartments arranged throughout three buildings of three stories each. The project will occupy 5.613 acres as lot A-1, shown upon Map 4 of the Land Court Application 1262 filed in the Office of the Assistant Registrar of the State of Hawaii. The 126 apartments are under construction and its common elements include, walkway corridors, laundry and maid storage rooms on each floor of each building, trash receptacles, a swimming pool and cabana, driveways, one parking stall appurtenant to each unit, outdoor lighting, a one story reception/manager's building (containing a resident manager's one bedroom unit, an office, rest rooms and reception room), two tennis courts, six guest parking stalls and one stall for the resident manager, the project's sanitation plant and six public parking stalls to serve a six foot wide public pedestrian way to the ocean, all utility systems, and open area for landscaping, maintenance and recreational purposes.
4. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of the condominium project and the issuance of this Final Public Report. The Developer reports that the basic documents (the Declaration of Horizontal Property Regime, with By-Laws of the Association of Apartment Owners attached, and a copy of the approved Floor Plans) have been filed with the Land Court of the State of Hawaii on June 5, 1974, as Document No. 684024 and as Condominium Map No. 214.
5. Advertising and promotional matter has been submitted pursuant to the Rules and Regulations promulgated by the Commission.
6. 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 which relate to Horizontal Property Regimes.

7. This Final Public Report automatically expires thirteen (13) months after date of issuance, June 21, 1974, unless a Supplementary Public Report issues or the Commission, upon review of registration, issues an order extending the effective period of this report.

The information in the Preliminary Public Report of June 12, 1973, with the exception of the following has not been disturbed.

NAME OF PROJECT: WAVECREST I

LOCATION: The approximate 5.613 acres of land committed to the regime is situated on Kamehameha V Highway, Manawai, Molokai, County of Maui, Hawaii.

TAX KEY: 5-6-04-21, Second Taxation Division (a 5.613 acre portion thereof known as Lot A-1 shown on said Map 4 of Land Court Application 1262 and noted on Transfer Certificate of Title 149,819.

DEVELOPER: MANAWAI CORPORATION, a Hawaii corporation, whose business and post office address is Pier 11, Gallery Level, Honolulu, Hawaii 96813 (Telephone number 533-3808). The officers of the corporation are: Paul B. Noel, President and Treasurer, 482 E. Kawailoa Road, Kailua, Oahu and L. J. Edmeston, Vice President and Secretary, Pier 11, Gallery Level, Honolulu, Hawaii.

ATTORNEY REPRESENTING DEVELOPER: Paul B. Noel, Pier 11, Gallery Level, Honolulu, Hawaii 96813, Telephone 533-3808.

DESCRIPTION: The Declaration of Horizontal Regime and floor plans as filed show that the project is to consist of one hundred and twenty-six (126) residential apartments arranged throughout three buildings of three stories each situated on Lot A-1 being 5.613 acres of the land hereinbefore described.

The principal materials of which the apartment building shall be constructed are as follows: Wood, masonite panel, gypsum board and metal.

The floor area of each apartment in each of the three buildings, together with the area of its appurtenant lanai or lanais and the number of its appurtenant parking stall, and also its appurtenant individual percentage interest in the common elements, are the same as stated on the Preliminary Public Report Registration No. 531, dated June 12, 1973; except, as to each of the nine (9) two bedroom one and a half bath apartments containing a total of 999 square feet the allocation thereof is changed because of a smaller Lanai #2, as follows:

<u>Living Area</u>	<u>Lanai</u>	<u>Lanai #2</u>	<u>Total</u>
835	116	48	999

Each residential apartment has immediate access to the hallway and walkway corridor on its level and to the stairways between the floors of the building.

An electric refrigerator, disposal, dishwasher, and vented hood, gas oven and range, and carpeting and drapes are included within each residential apartment. A common area central gas water heater system will be installed for each building.

Except to the extent specifically modified above, the balance of the information under the heading DESCRIPTION in the Preliminary Public Report dated June 12, 1973 remains applicable.

COMMON ELEMENTS: The Declaration reflects that the common elements shall include all of the land and improvements other than apartments specifically including:

- (a) Said land in fee simple:
- (b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter and load-bearing walls, roofs, and walkways around and between said buildings:
- (c) All yards, grounds, landscaping, garden areas, mail boxes, refuse facilities, restrooms for common use, if any, gazebo and pool, pool equipment, recreational equipment, if any, and like facilities or equipment;
- (d) All driveways and parking areas;
- (e) All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities, installations for services including power, light, water, gas air conditioning, refuse, telephone and radio and television signal distribution;
- (f) One resident manager's parking space number 1, and 6 project guest parking spaces numbered 2 through 7 inclusive and 6 public parking spaces numbered 1 through 6 inclusive for use with the 6 foot wide public pedestrian easement area, all as shown on said Condominium File Plan;
- (g) A non-exclusive easement for locating a private entry road and for all utility purposes from Kamehameha V State of Hawaii Highway to, upon and across Lot A-1, as Developer deems necessary to provide access and utility right of way for the second phase Wavecrest II of 180 apartments to be built upon a portion of Lot A-2.
- (h) All apartment owners will have a 1/126th ownership interest in Lot A-1 improved with a one story building, (containing the manager's one bedroom apartment, rest-room and office facilities), one manager's parking stall and six guest parking stalls, two tennis courts, the project's sanitation plant and six public parking spaces to serve a six foot wide public pedestrian way to the ocean, and open area for landscaping, maintenance and recreation; and if and when Wavecrest II of 180 units is built and merged with this project then the ownership interest of said common elements will change to 1/306th.

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

INTEREST TO BE CONVEYED TO PURCHASERS

NOTE: The said Declaration provides that the undivided interests, referred to above, established and to be conveyed with the respective apartments cannot be changed separated or separately conveyed except, if and when the Developer builds Wavecrest II of 180 apartments upon an adjoining 5.063 acres, the owners thereof will be tenants in common with the owners of Wavecrest I as to all common elements, for the entire Wavecrest Project on about 10.649 acres.

Further, the Declaration provides that Developer shall have the right at its sole discretion to amend the Project, by way of merger, at any time up to, but not later than November 1, 1975 by the construction and addition to the Project of up to one hundred and eighty (180) additional apartments, called Wavecrest II, together with such supporting and servicing common elements which the Developer determines in its sole discretion are beneficial to the Project, including without limiting the generality of the foregoing, another swimming pool and cabana.

There is expressly reserved to Developer, and its assigns, the option, until November 1, 1975 to give unto itself a sixty-five year leasehold as Lessee, upon a lease rental of one dollar per year plus payment of real property taxes pro rated against the premises occupied by Lessee, for the purpose of building and operating a restaurant/grocery facility with parking upon the premises located near the reception/manager building shown upon the "Site Plan" sheet A-1 as "Future Building" and to build and maintain a residential structure upon an irregular shaped portion of Lot A-1 lying westerly of the westerly drainage channel of the Project.

Merger shall take effect with respect to the additional increment, Wavecrest II upon the happening of all of the following conditions with respect thereto:

1. Recordation in the appropriate agencies of the State of Hawaii by the Developer of a Declaration of Horizontal Property Regime and By-Laws covering the additional increment, Wavecrest II;

2. Recordation in the appropriate agencies of the State of Hawaii by the Developer of a "Certificate of Merger", which certificate shall contain:

(i) A certification by a Hawaii registered architect or professional engineer that all of the apartments of the additional increment are substantially completed;

(ii) the common interest of each apartment of the project after completion of the subject merger; and

(iii) a revised plot plan showing the location of the buildings of the project after completion of the subject merger.

The approximate common interest of each apartment after the proposed merger of the additional increment shall be as follows:

ALL APARTMENTS: 1/306th interest

The merged increments shall be treated as part of a single project developed as a whole from the beginning, and there shall be only one Association of Apartment Owners and one Board, and the Declarations of Horizontal Property Regime and By-Laws applicable to the merged increments shall be construed as one document applicable to the entire project constituting the merged increments except to the extent expressly otherwise provided for therein. The Developer shall for all purposes be deemed the "apartment owner" as to such additional apartments. In connection with, and only to the extent necessary for the creation of such additional apartments and common elements, as aforesaid, the Developer shall have the right to remove, amend or add common elements; to remove, amend or add parking spaces; to enter upon the project premises with employees, agents and contractors for completing said additional apartments and common elements; to connect the said additional apartments and common elements to utilities of the project and to sell or designate grantees of the said additional apartments.

ENCUMBRANCES AGAINST TITLE: A Certificate of Title prepared as of April 17, 1974 by Security Title Corporation, certified that there are no liens or encumbrances of whatever kind or nature of record against the title to the Project Land Lot A-1, except the following:

1. Real property taxes, that may be due and owing.
2. Mortgage and Security Agreement dated April 11, 1974 between Manawai Corporation as Mortgagor and the First National Bank of Jamestown, New York as Mortgagee recorded in the Office of the Assistant Registrar of the Land Court of Hawaii as Document No. 676455, to secure the repayment all according to the terms of that certain promissory note of said mortgage therein referred.

NOTE: The Developer advises that said Mortgage and Financing Statement will be released prior to the issuance of a deed for any of the apartments, or that the individual apartment and its appurtenant common interest being conveyed by an individual apartment deed will be released therefrom by a partial release duly recorded.

3. Designation of Easement 5, (6 feet wide) for footpath purposes as shown on Map 4, as set forth by Land Court Order No. 39529, filed April 5, 1974. (also effects other land for access to the sea).
4. As to that portion of Lot A-1 bordering the ocean:

The effect of Sections 205-31 to 205-37, inclusive, Hawaii Revised Statutes, as now or hereafter amended, pertaining to shoreline setbacks, and the land lying seaward of the line of vegetation related to high water mark.

NOTE: The description in said Declaration provides that the Developer shall have the right to grant for, roadway and all utility purposes, easements over and across any and all roadways and open area shown on the said Condominium File Plan to any purchaser, purchasers, lessee, lessees, owner and owners of the additional apartments, Wavecrest II, hereafter created pursuant to the aforementioned provisions of the said Declaration. The said Declaration also provides that the Developer shall have the right to grant easements over, across and through the lands of the project, to and from any beach area located on or adjacent to the said lands, such easements to run in favor of the same entities, provided, however, such easements upon an area shall not be located through or within any existing structures of the project and shall not disturb unnecessarily the normal enjoyment and use of the land and improvements of the project.

MANAGEMENT AND OPERATIONS: The Sales Contract authorizes the Developer from time to time prior to closing, for and on behalf of purchaser at his proportionate common expense, to enter into contracts, licenses and concessions as are generally necessary or desirable for the management, operation or maintenance of the Project. The Developer has advised that as of this time no contract has been made for that management of the property.

NOTE: Developer advises that no representations or references will be made to either purchasers or prospective purchasers concerning either rental services or management for profit to be provided directly or indirectly by the Developer or the Managing Agent of the project. Rental of the apartments and the provision of management services in connection therewith is and shall be the sole responsibility of the purchaser, and the association.

STATUS OF PROJECT: Wavecrest I, 126 apartments is now under construction by the General Building Contractor, F & M Contractors, Inc., Maui and the development is expected to be completed for Owner occupancy beginning about December, 1974. The Developer hereby obligates itself to complete the buildings and other improvements for occupancy of Wavecrest I, on or before two years of purchaser's execution of his sales contract, subject to extension for force majeure, and failure to so complete, the purchaser shall have an option to terminate the Sales Contract and all payments made by purchaser shall be refunded without deduction or interest less purchaser's share of the escrow cancellation fee.

FINANCING OF PROJECT: Developer has filed an estimated total Project Cost of \$5,227,490. Developer has advised the Commission that it intends to finance part of the total project cost through an existing building construction loan of \$4,320,000 from the First National Bank of Jamestown, New York. The balance of the total project cost will be financed through Developer's equity funds and purchaser's down payments on 126 apartments to be held in escrow and disbursed pursuant to the Escrow Agreement.

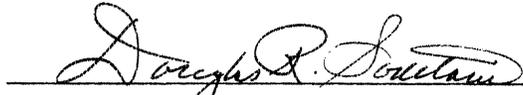
A copy of the 100% payment performance bond for the building

construction by F & M Contractors, Inc. has been filed with the commission.

The purchaser or prospective purchaser should be cognizant of the fact that this report represents information disclosed by the Developer in the required Notice of Intention submitted February 20, 1973 and information subsequently filed as of June 5, 1974.

This FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 531, filed with the Commission on February 20, 1973.

The 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. SODEVANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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Federal Housing Administration
Escrow Agent

Date: June 21, 1974
Registration No. 531