

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

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

SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

ON

WAVECREST I
Kamehameha V Highway
Molokai, Hawaii

REGISTRATION NO. 531

This Report Is Not an Approval or Disapproval of This Condominium Project

It was prepared as a supplement to an earlier Report dated June 21, 1974 issued by the Real Estate Commission on the above 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: December 8, 1975
Expires: July 21, 1976

SPECIAL ATTENTION

A comprehensive reading of the 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:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED FEBRUARY 20, 1973, AND ADDITIONAL INFORMATION SUBMITTED AS OF DECEMBER 5, 1975. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL AND REPORTING CHANGES TO THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT.

1. Since the issuance of the Commission's Preliminary Public Report of June 12, 1973 and Final Public Report of June 21, 1974 on WAVECREST I, Registration No. 531, the Developer reports that changes have been made in the plan or set-up as presented in the February 20, 1973 notice of intention to sell. The subsequent changes are determined to be a material

revision to the information first disclosed. This Supplementary Public Report amends the June 21, 1974 document becoming a part of the Final Public Report on WAVECREST I. The Developer is responsible for placing a true copy of the Supplementary Public Report (pink paper stock) in the hands of all purchasers and prospective purchasers, along with a true copy of the Preliminary Public Report (yellow paper stock) and the Final Public Report (white paper stock). Securing a signed copy of the receipt for all Horizontal Property Regimes Public Reports from each purchaser and prospective purchaser is also the responsibility of the Developer.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of the project and updating the information disclosed therein.
3. Advertising and promotional materials have been submitted pursuant to the rules and regulations promulgated by the Commission.
4. The basic documents (Declaration of Horizontal Property Regime, with By-Laws of Association of Apartment Owners attached, and Condominium Map No. 214) were filed with the Land Court of the State of Hawaii on June 4, 1974, as Document No. 684024.

Said Declaration with the By-Laws, and Condominium Map No. 214 have been amended as filed in the Office of the assistant Registrar of the Land Court by Amendment No. 1 on June 13, 1975, and Amendment No. 2 on December 3, 1975 as Document Nos. 723529 and 744071, respectively.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes (as amended), and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.
6. This Supplementary Public Report automatically expires on July 21, 1976, unless the Commission upon review of the registration, issues an order extending the effective period of this report.

NOTE: The Developer has requested and the Commission has granted an extension of the date of expiration for twelve (12) months, until July 21, 1976.

The information in the topical headings of the Preliminary Public Report of June 12, 1973 and the Final Public Report of June 21, 1974, remain unchanged and has not been disturbed with the exception of the following:

LOCATION: That wherever there is a reference to the land submitted to the regime the acreage of said Lot A-1 is 5.61 acres, situated on Kamehameha V Highway, Molokai, County of Maui, Hawaii.

TAX KEY: Since the subdivision of the Project as a separate land parcel, said Lot A-1, the new tax key number thereof is, 5-6-004-055, Second Taxation Division (5.61 acres).

Each apartment unit is designated further on the tax bills in sequence Buildings A, B and C by HPR No. 001 through 0126 inclusive; that the hereinafter mentioned additional commercial condominium units "D" and "E" will be assigned an HPR No. in the following tax year.

DEVELOPER: MANAWAI CORPORATION, a Hawaii corporation whose new business and post office address is, Pier 11, Gallery Level, Honolulu, Hawaii 96813 (telephone number 533-3808). The current officers of the corporation are: Paul B. Noel, President and Treasurer, 482 E Kawaiiloa Road, Kailua, Oahu, and Paula K. Johnson, Vice President and Secretary, 1777 Ala Moana Boulevard, Honolulu, Hawaii.

DESCRIPTION: The said Declaration of Horizontal Property Regime by filed Amendment No. 2 and the amended Condominium Map No. 214 including the architect's "As Built" Certificate upon the Project now reflects that the Project consists of a total of 128 condominium units (instead of 126 units) as follows:

That (Declaration) paragraph "A. Division of Property" is amended to include two additional commercial condominium units as follows:

A. Division of Property. The project is hereby divided into the following 128 freehold estates:

Commercial Units

One freehold estate known as a Food Facility Condominium Unit D situate adjoining the pool cabana as shown upon said amended Condominium Map being an area of 1176 square feet. (28' X 42').

At all times the use of said Unit D and the single story building and improvements to be constructed thereon shall be limited to the installation and operations of a restaurant food facility to serve the Project's Apartment Owners and the invitees thereto.

One freehold estate known as a Store Facility Unit E designated in the spaces between the perimeter walls, floors and ceilings of an area of 645 square feet in the existing Reception Building and an adjoining land area of 490 square feet for a future building addition thereto being a total area of 1135 square feet as shown upon said amended Condominium Map.

At all times the use of said Unit E and the existing or future improvements thereon shall be limited to the installation and operation of a general store including beverages and liquor, and storage areas, to serve the Project's Apartment Owners and the invitees thereto.

Except for the addition of said two commercial condominium Units D and E the other freehold estates being One Hundred and Twenty Six (126) apartment units of the Project remain unchanged as designated in the Declaration and Condominium Map.

INTEREST TO BE CONVEYED TO PURCHASER: The Declaration and Condominium Map No. 214 as amended now reflects wherever in the documents on file there is a reference to the "common elements", and as the same is referred to as "common interest" then it is hereby provided that in every instance and for all purposes all Owners (commercial and apartment) shall have appurtenant to their unit an undivided 1/128 interest in all of said common elements of the Project, (instead of a 1/126 interest).

The prior option reserved to Developer to give unto itself a leasehold right for the purpose of building and operating a restaurant/grocery facility upon the Project has been deleted and in lieu thereof said Amendment No. 2 to the Declaration and amended Condominium Map No. 214 has established such uses as the said two additional commercial condominium units, restaurant/food facility unit "D" and store facility Unit "E".

That by said Amendment No. 1 to the Declaration the By-Laws of the Owners Association were amended in "Article V, Section 7. Mortgages", to set forth in more detail the procedure and rights between mortgagor and mortgagee and the Association.

That wherever in the Declaration and documents on file there is a reference to the proposed merger of the additional increment, Wavecrest II then the approximate common interest of each and all apartments and condominium units after the merger shall be a 1/314 interest upon the total of about 10.67 acres.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration as amended continues to provide that the apartments shall be used as residential apartments but such apartments may be leased or rented from time to time for transient occupancy; and in respect to the additional two commercial units, the Food Facility Unit D will be used for the installation and operations of a restaurant food facility to serve the Project's apartment Owners and invitees, and the Store Facility Unit E will be used for the installation and operation of a general store including beverages and liquor, and storage to serve the Project's Apartment Owners and invitees.

ENCUMBRANCES AGAINST TITLE: The amended Declaration reflects that upon close of escrow the Owners will receive a fee title deed from developer subject to the following items of record

as shown in the preliminary report on title by Security Title Corporation dated August 7, 1975, as follows:

(a) As to that portion of the land herein described bordering on the ocean:

The effect of Sections 205-31 to 205-37, inclusive, Hawaii Revised Statutes, as now or hereafter amended pertaining to shoreline setbacks.

(b) Any adverse claim of State of Hawaii based upon the contention that some portion of the land hereinafter described lies seaward of the line of vegetation, pursuant to the ruling in County of Hawaii v. Sotomura (1973) 55H. 176, 517P. 2d 57.

(c) Easement 1 (5 feet wide) effecting Lot A-1, as shown on Map 4, as set forth by Land Court Order No. 39529, filed on April 5, 1974.

(d) 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.

(e) Condominium Map No. 214, filed in said Office of the Assistant Registrar on June 4, 1974, and as amended.

(f) The covenants, agreements, obligations, conditions and other provisions set forth in that certain Declaration by Manawai Corporation submitting Lot A-1 to the Horizontal Property Regime pursuant to Chapter 514, Hawaii Revised Statutes, dated June 3, 1974, filed in said Office of the Assistant Registrar as Document No. 684024, and the By-Laws attached thereto, to which reference is hereby made.

By instrument dated May 21, 1975, filed in said Office of the Assistant Registrar as Document No. 723529, the foregoing Declaration and By-Laws was amended as Amendment No. 1.

Said updated preliminary report upon title further discloses the following encumbrances of record related to construction financing on the project and Developer advises that the same will be partially released upon escrow closings so that each owner will not receive title subject to the same; to wit:

1. Mortgage dated April 11, 1974, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, as Document No. 676455, made by MANAWAI CORPORATION, to THE FIRST NATIONAL BANK OF JAMESTOWN, to secure the repayment of the sum of \$4,320,000.00, any additional advances and other amounts secured thereby.

2. Undated Financing Statement recorded on July 3, 1974 in said Bureau of Conveyances in Book 9951, Page 511.

3. Second Mortgage and Security Agreement dated July 29, 1975, filed in said Office as Document No. 730136, made by MANAWAI CORPORATION, to THE FIRST NATIONAL BANK OF JAMESTOWN, to secure the repayment of the sum of \$700,000.00, any additional advances and other amounts secured thereby.

4. Undated Financing Statement recorded on August 7, 1975 in said Bureau of Conveyances in Book 10829, Page 501.

MANAGEMENT AND OPERATIONS: Developer advises that Robin Baker has been removed as the initial management agent for the Project. Colony Hotels, Inc., a California corporation authorized to do business in Hawaii has been appointed by Developer as interim managing agent until a management contract is made hereafter by the Wavecrest Owners Association to be formed and until a managing agent is designated by the Association, service of legal process may be made upon Colony Hotels, Inc., at Wavecrest, Star Route, Molokai, Hawaii

STATUS OF PROJECT: The Developer advises that construction of the Project has been completed in accordance with Condominium Map No. 214 as amended and by the architect's "As Built" Certificate of construction on file, and that the Project has been open for occupancy since the Maui County Certificate of Occupancy was issued on November 3, 1975. That the initial closing of purchase escrows for the Project's apartment owners will commence after the date of issuance of this supplementary report.

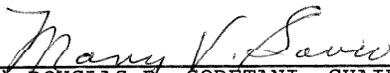
The purchaser or prospective purchaser should be cognizant of the fact that this report represents information disclosed by the Developer in the required Notice of Intention submitted February 20, 1973 and information subsequently filed as of December 5, 1975.

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

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

Distribution:

DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
PLANNING COMMISSION,
CITY AND COUNTY OF HONOLULU
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT
REGISTRATION NO. 531
DECEMBER 8, 1975


(for) DOUGLAS R. SODETANI, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII