

REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

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

**PRELIMINARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT**

ON
MAKAKILO GARDENS, INCREMENT NO. 3
Makakilo Drive
Ewa Beach, Hawaii

REGISTRATION NO. 547

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: January 28, 1974
Expires: February 28, 1975

SPECIAL ATTENTION

A comprehensive reading of this report by prospective purchasers 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:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED APRIL 13, 1973, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF JANUARY 23, 1974. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, HAWAII REVISED STATUTES.

1. Makakilo Gardens, Increment No. 3 is a proposed leasehold condominium project consisting of eight two-story multifamily residential buildings containing fifty-three (53) residential units, of which fifty-two (52) will be condominium apartments and one (1) will be the resident manager's apartment and a part of the common elements. There will be eighty-five (85) parking stalls provided in the parking areas.

2. The documentation submitted by the Developer reflects that the purchasers will acquire from the owner of the land a leasehold interest in the apartment unit purchased for a term of fifty-five years.

The Developer is held responsible for placing this Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers.

Securing a signed copy of the receipt for the Horizontal Property Regime Public Report from each purchaser and prospective purchaser is also the responsibility of the Developer.

3. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and issuance of this Preliminary Public Report.
4. The basic documents (Declaration of Horizontal Property Regime of Makakilo Gardens, Increment No. 3, By-Laws of Association of Apartment Owners of Makakilo Gardens, Increment No. 3, and a copy of floor plans) have not been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.
5. Advertising and promotional matter have been submitted to the Commission.
6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, and the Rules and Regulations which relate to Horizontal Property Regimes.
7. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, January 28, 1974, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.
8. If the Final Public Report on Makakilo Gardens, Increment No. 3 is not issued within one year from the date of issuance of this Preliminary Public Report, purchasers are entitled to a refund of all moneys paid by them without interest at any time after the expiration of said one-year period and prior to the expiration of ten (10) days after the delivery of the Final Public Report to purchasers.

NAME OF PROJECT: MAKAKILO GARDENS, Increment No. 3

LOCATION: The land, consisting of one (1) parcel containing 4.190 acres, is situate at Makakilo Drive, Ewa Beach, Hawaii being further described as Lot 2507 as shown on Map 233 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1069, being all of the land covered by Transfer Certificate of Title No. 159,527 issued to the Trustees under the Will and of the Estate of James Campbell, deceased.

TAX KEY: 9-2-03-58

ZONING: A-1 Apartment District

DEVELOPER: Finance Realty Company, Limited, a Hawaii corporation, whose principal place of business and post office address is 195 South King Street, Honolulu, Hawaii 96813 (telephone: 548-3347), is the Developer of this project. The officers of the Developer are:

Mun On Chun	President
Journ T. Yee	Vice President
Daniel B. T. Lau	Vice President & Secretary
Clifford H. N. Yee	Vice President
Jerold Y. K. Chun	Treasurer
Wendell K. Pang	Assistant Treasurer

ATTORNEY REPRESENTING DEVELOPER: Fong, Miho & Robinson (Attention: Earl S. Robinson), 195 South King Street, Honolulu, Hawaii (telephone: 537-6977).

DESCRIPTION: The project shall consist of eight two-story multi-family buildings containing fifty-three (53) residential units of which fifty-two (52) will be condominium apartments sold on long-term leases to be issued by the Trustees under the Will and of the Estate of James Campbell, deceased, and one (1) will be the resident manager's unit. The construction will be of wood, with concrete block division walls and concrete slab for the ground floors. The apartments shall be of five types, designated as Type A, Type B, Type B-1, Type C, and Type C-1, described as follows:

- TYPE A Apartments contain an entry hall, coat closet, storage, living room-dining area and kitchen on the first floor, and two-bedrooms, a full bath and laundry area on the second floor, with an interior stairway connecting both floors for a gross floor area of approximately 873 square feet.
- TYPE B Apartment is the same as Type A except that it also has a half bath on the first floor, three bedrooms on the second floor and a gross floor area of approximately 1113 square feet.
- TYPE B-1 Apartment is the same as Type B except for the location of the kitchen on the first floor and has a gross floor area of approximately 1125 square feet.
- TYPE C Apartment is the same as Type B except that it has four bedrooms upstairs with a laundry area and a full bath on the first floor with a different layout for the interior stairway and a gross floor area of approximately 1316 square feet.
- TYPE C-1 Apartment is the same as Type C except for the location of the kitchen on the first floor and has a gross floor area of approximately 1329 square feet.

Each apartment has immediate access to front and rear entries appurtenant to such apartment and walkways connecting the buildings to the street entrances and parking areas of the project.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment, which are utilized for or serve any other apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein.

COMMON ELEMENTS: The Declaration of Horizontal Property Regime, a copy of which is filed with the Commission, states that the common elements shall include (a) the land; (b) Apartment No. 13, located in Building B for the use of the resident manager; (c) Parking Stalls Nos. 19 and 20 as shown on the Condominium Map for the use by such persons for such purposes and in such manner as determined by the Association of Apartment Owners, and Parking Stall No. 13 for the use of the resident manager; (d) The recreation center as shown on the Condominium Map; (e) All foundations, floor supports, retaining walls, fences, columns, supporters, unfinished perimeter walls and loadbearing walls, roofs of the residential buildings; (f) All yards, grounds and driveways, the swimming pool and other recreational facilities, and all refuse facilities; (g) All ducts, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, water, sewer, telephone and radio and television signal distribution; (h) Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: The Declaration provides that certain parts of the common elements, called and designated as limited common elements, shall be for the exclusive use and enjoyment of certain apartments, as follows: (a) The front entry of each such apartment; (b) The fenced area adjoining the rear of an apartment as shown on said Condominium Map shall be appurtenant to and for the exclusive use of such apartment; (c) One or more of the 82 remaining parking spaces (exclusive of the 3 parking spaces listed as common elements) shall be assigned to and be appurtenant to the respective apartments with which the same are conveyed upon the initial conveyance by lease, the assignment of the parking spaces for each apartment and for the guests of the Association of Apartment Owners being shown on said Condominium Map; (d) All other common elements of the project which are rationally related to less than all of said apartments or buildings shall be limited to use of such apartments or buildings.

INTEREST TO BE CONVEYED TO PURCHASER: The undivided interest in the common elements appertaining to each of the five types of apartments and their owners for all purposes, including voting, is as follows:

Apartment Type A	1.439 per cent
Apartment Types B, B-1	1.852 per cent
Apartment Types C, C-1	2.181 per cent

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration provides that the building shall at all times be used as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose. The apartments shall not be rented for transient or hotel purposes, which are defined as rental for any period less than 30 days, or any rental in which the occupants are provided customary hotel services such as room service for food and beverage, maid service, laundry, and linen or bellboy service. Except for such transient or hotel purposes the owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of the Declaration.

OWNERSHIP TO TITLE: The Notice of Intention and Application, together with the attached documents show that the fee simple title to the land is vested in the Trustees under the Will and of the Estate of James Campbell, deceased, whose business and post office address is 828 Fort Street Mall, Honolulu, Hawaii.

ENCUMBRANCES AGAINST TITLE: A Lien Letter Report dated December 3, 1973, prepared by Security Title Corporation, certifies that the land is subject to the following encumbrances:

1. Real Property Taxes

1st Installment	\$1,285.24	OPEN
2nd Installment	\$1,285.24	OPEN
2. The terms and provisions of that certain Developer's Agreement dated May 5, 1966, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 391241, made by and between ALAN S. DAVIS, M. L. RANDOLPH and GEO. M. COLLINS, TRUSTEES UNDER THE WILL AND OF THE ESTATE OF JAMES CAMPBELL, DECEASED, and FINANCE REALTY CO., LTD., a Hawaii corporation. (also affects other property)

Said Developer's Agreement is encumbered by the following:

Mortgage dated July 13, 1972, filed in said Office of the Assistant Registrar as Document No. 589482, made by FINANCE REALTY CO., LTD., a Hawaii corporation, as Mortgagor, to BANK OF HAWAII, a Hawaii corporation, as Mortgagee, to secure the repayment of the sum of \$4,700,000.00, any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor therein referred to.

PURCHASE MONEY HANDLING: A copy of the Escrow Agreement dated January 7, 1974, by and between Bank of Hawaii, a Hawaii corporation, as Escrow, and Finance Realty Company, Limited, as Seller, has been submitted to the Commission as part of this registration. On examination the Escrow Agreement and Sales

Contract are found to be in compliance with Chapter 514, Hawaii Revised Statutes. The provisions of the Sales Contract should be carefully read by the purchasers. The specimen document filed as a part of the registration recites the conditions under which the purchaser acknowledges receipt of the Public Report.

The specimen Sales Contract provides that if the Developer has not sold forty-three (43) apartments prior to June 30, 1974, Seller at its option may cancel the Sales Contract upon written notice to the purchaser, and upon cancellation Developer shall direct Escrow Agent to refund to the purchaser all sums paid by the purchaser, and both Developer and the purchaser shall be released from all further liability under the Sales Contract.

It is incumbent upon the purchaser that he read with care the Sales Contract and Escrow Agreement. The Escrow Agreement establishes how the proceeds from the sale of the apartments and all sums of any source are placed in trust as well as the retention, disbursement and refund of said trust fund.

MANAGEMENT AND OPERATION: The Declaration of Horizontal Property Regime provides that the operation of the project shall be conducted for the Association of Apartment Owners by a responsible corporate Managing Agent. The initial Managing Agent shall be Mahalo Nui Management, Inc., 195 South King Street, Honolulu, Hawaii.

STATUS OF THE PROJECT: The Developer reports that construction of the project has commenced and that completion is scheduled for March, 1974.

The purchaser or prospective purchaser shall be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted April 13, 1973 and information subsequently filed as of January 23, 1974.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 547 filed with the Commission on April 13, 1973.

The report, when reproduced, shall be a true copy of the Commission's public report. The paper stock must be yellow in color.


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

Distribution:
Department of Taxation
Bureau of Conveyances
Planning Department, City & County of Honolulu
Federal Housing Administration
Escrow Agent

Registration No. 547
January 28, 1974