

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
MAKANI KAI MARINA
Waialele Road
Kaneohe, Oahu, Hawaii

REGISTRATION NO. 646

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: March 15, 1974
Expires: April 15, 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 or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED DECEMBER 28, 1973, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED WITH THE COMMISSION AS OF MARCH 13, 1974. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT SET FORTH IN CHAPTER 514, HAWAII REVISED STATUTES.

1. MAKANI KAI MARINA is a proposed leasehold condominium project consisting of eighty (80) apartments plus a manager's unit located in twenty-three buildings including sixteen (16) single level apartments and sixty-four (64) townhouses. There will be a total of 184 parking stalls and a marina with 80 boat docks.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and the issuance of this Preliminary Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime, the Bylaws of the Association of Apartment Owners and the Condominium Map will be filed in the Bureau of Conveyances of the State of Hawaii and the Office of the Assistant Registrar of the Land Court of the State of Hawaii immediately prior to the application for a Final Public Report.
4. As of this date, no advertising and promotional matters have been submitted to the Commission pursuant to its rules and regulations.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Hawaii Revised Statutes, Chapter 514, and the Condominium Rules and Regulations of the Hawaii Real Estate Commission, which relate to Horizontal Property Regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, March 15, 1974, unless a Supplementary Public Report issues, or the Commission, upon review of registration, issues an order extending the effective date of this report.
7. This Preliminary Public Report is made a part of the registration of MAKANI KAI MARINA Condominium Project. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers, and securing a signed copy of the receipt for the Preliminary Public Report from each purchaser.

NAME OF PROJECT: MAKANI KAI MARINA.

LOCATION: The project is located on Waialeale Road at Waikele, Lilipuna, and Waikapoki, Kaneohe, Oahu, Hawaii, and consists of approximately 13.9 acres including land area of 10.2 acres and water area of 3.7 acres.

TAX KEY: 4-5-02-01,07,11,19,47; 4-5-03-09; 4-5-57-02

ZONING: Planned Development Housing District No. R-39

DEVELOPER: Makani Kai Marina Development Co., a Hawaii general partnership, is the developer of the project and has its principal place of business and post office address at 1136 Union Mall, Honolulu, Hawaii, 96813. Telephone: 533-3834. The Partners are Island Financial Service Corp., a Hawaii corporation, P. O. Box 2521, Honolulu, Hawaii 96804, President: David A. Dawes, Vice President: William Lewis; and Pacific Research Corporation, a Hawaii corporation, 1136 Union Mall, Honolulu, Hawaii 96813, President: Stanley H. Froid, Vice President: Jorgen Skov.

ATTORNEY REPRESENTING DEVELOPER: Cades Schutte Fleming & Wright
(Attention: Bernice Littman) 16th Floor, First Hawaiian Bank Building,
P. O. Box 939, Honolulu, Hawaii, 96808; telephone: 531-7232.

DESCRIPTION OF PROJECT: The project contains eighty apartments located in twenty-two apartment buildings including sixteen single level apartments and sixty-four townhouses. The buildings are primarily wooden structures with exterior walls of wood panel siding and cedar shake roofs; parking complexes are concrete with paving for the pedestrian malls above; carports are wooden structures with pitch and gravel roofs.

There are the following apartment floor plans: The designation "r" after an apartment type indicates a floor plan which is the mirror image of the basic apartment type; decks and courtyards vary in size and shape and will be shown on the building plans to be filed with the Real Estate Commission prior to application for Final Public Report.

Type A apartments which are on each of the first and second levels are single level apartments with an interior floor area of approximately 1,153 square feet including a living room, dining room, kitchen, two bathrooms and two bedrooms with decks off the living room and second bedroom and at the entrance.

Type B apartments, which are on the first level, are single level apartments with an interior floor area of approximately 1,158 square feet including a living room, dining room, kitchen, two bathrooms and two bedrooms with a deck off the bedrooms and a deck and courtyard off the living and dining rooms.

Type C apartments, which are on the upper level, are single level apartments with a floor area of approximately 1,074 square feet including a living room, dining room, kitchen, two bathrooms and two bedrooms, with a deck off the living room and a second deck off the dining room and second bedroom.

Type D apartments are two-bedroom single story apartments on the first level with an interior floor area of approximately 1,024 square feet including a living room, dining room, two bathrooms and two bedrooms with a deck off the living and dining rooms and a second deck off the two bedrooms.

Type D apartments on the second level are similar to Type D apartments on the lower level except for higher ceilings and smaller decks off the bedrooms.

Type E apartments are three-bedroom two-level townhouses with an interior floor area of approximately 1,226 square feet. The second level which is the main entrance level contains the kitchen, dining room, living room, two bedrooms, one bathroom, with a deck off the living room and one bedroom. The first level contains the master bedroom and bathroom with a deck off the master bedroom.

Type E₁ apartments are similar to Type E apartments except that the main entry is located at the landing between the first and second levels.

Type F apartments are three bedroom two-level townhouses with an interior floor area of approximately 1,226 square feet. The first level contains a kitchen, dining room, living room, den/bedroom,

bathroom and one bedroom with a deck at the entrance and a second deck off the living room and den/bedroom. The second level contains the master bedroom and bathroom with a third deck. Each Type F apartment has two parking stalls in a carport below it.

Type G apartments are two bedroom two-level townhouses with an interior floor area of approximately 1,078 square feet. The first level contains a kitchen, dining room, living room, den/bedroom, and bathroom with a deck at the entrance and a second deck off the living room and den/bedroom. The second level contains the master bedroom and bathroom with a third deck.

Type H apartments are three bedroom two-level townhouses with an interior floor area of approximately 1,234 square feet. The first level contains three bedrooms and two bathrooms with a deck and courtyard off the master bedroom and entrance. The second level contains the kitchen, living room and dining room with decks off the living room and dining room.

Type J apartments are four-level, three bedroom townhouses with an interior floor area of approximately 1,249 square feet. The first level contains the master bedroom and bathroom with a deck off the master bedroom. The second level, which is the main entrance level, contains the kitchen and dining room with a deck and courtyard at the entrance and a second deck off the dining room. The third level contains the living room and storage area with a deck off the living room. The fourth level contains two bedrooms and a bathroom with a deck off one bedroom.

The location of the apartments and apartment types within each building and the level on which single level apartments are located are as follows:

<u>Building No.</u>	<u>Apartment No.</u>	<u>Type</u>
1	1	J
1	2	Jr
1	3	J
2	4	J
2	5	Jr
2	6	J
3	7	Gr
3	8	G
3	9	G
4	10	Fr
4	11	F
4	12	Fr

<u>Building No.</u>	<u>Apartment No.</u>	<u>Type</u>
4	13	F
5	14	Fr
5	15	F
5	16	Fr
5	17	F
6	18	Fr
6	19	F
7	20	J
7	21	Jr
7	22	J
8	23	J
8	24	Jr
8	25	J
8	26	Jr
9	27	H
9	28	Hr
9	29	H
9	30	Hr
9	31	Hr
10	32	H
10	33	Hr
10	34	H
10	35	Hr
11	36	E1r
11	37	E1
12	38	E1r
12	39	E1
13	40	J
	5.	

<u>Building No.</u>		<u>Apartment No.</u>	<u>Type</u>
13		41	Jr
13		42	Jr
14		43	J
14		44	Jr
15		45	J
15		46	Jr
15		47	J
16		48	E
16		49	Er
17		50	J
17		51	Jr
17		52	J
18		53	H
18		54	Hr
18		55	H
18		56	Hr
19		57	H
19		58	Hr
19		59	H
19		60	Hr
19		61	H
19		62	Hr
20		63	E
20		64	Er
	<u>Level</u>		
21	1	65	D
21	1	66	Dr
21	1	67	D
21	1	68	Dr
21	2	69	D

<u>Building No.</u>	<u>Level</u>	<u>Apartment No.</u>	<u>Type</u>
21	2	70	Dr
21	2	71	D
21	2	72	Dr
22	1	73	B
22	1	74	B
22	1	75	B
22	1	76	A
22	2	77	C
22	2	78	C
22	2	79	C
22	2	80	A

Building Nos. 9 and 10 form a group linked by a pedestrian mall; Buildings 18 and 19 also form a group linked by a pedestrian mall; in each group the apartments front on the mall, all as shown on the site plan which is part of the Condominium Map. All apartments have access directly or via staircases to footpaths which are part of the common elements.

Each apartment will be provided with a range with double oven, refrigerator with ice-maker, garbage compactor, dishwasher and disposal.

The recreation center is a single story building of approximately 1,448 square feet of floor area including a kitchen, men's and women's saunas, showers and bathrooms, and recreation room with a covered deck off the recreation room. There is a pool adjacent to the recreation center. The manager's unit is a two story building of approximately 1,290 square feet with a kitchen, living room, and storage and store rooms on the first level and a bedroom and bathroom on the second level. The project contains a total of 184 parking stalls, 160 covered stalls assigned to apartments and 24 open stalls for guest parking and the manager's unit. The covered stalls include parking complexes beneath buildings 9 and 10 and their linking mall, beneath buildings 18 and 19 and their linking mall and beneath building 21, two stalls beneath each apartment in buildings 4, 5 and 6, and the remainder under carports.

The project also contains a marina with 80 boat docks separated by boat piers linked by floating headers. Driveways, footpaths, landscaped and recreation areas are also included in the project.

COMMON ELEMENTS: The common elements will include all of the project except the apartments, specifically, but not limited to, the following:

- (a) The land;
- (b) All foundations, bearing walls, walkways and landscaped areas;
- (c) The roofs;
- (d) All driveway areas and parking stalls;
- (e) All ducts, electrical equipment, wiring and other central and appurtenant installations for services, including power, light, cold and hot water, refuse and telephone.
- (f) The recreation building, swimming pool, manager's apartment, recreation areas, and marina.

LIMITED COMMON ELEMENTS: Each apartment will have two parking stalls, bearing the same number as the apartment, reserved as limited common elements for the exclusive use of the apartment. Each apartment will have reserved for its exclusive use as a limited common element one boat dock in the marina. The Declaration will list which boat dock is assigned to each apartment and Developer reserves the right to amend the Declaration one or more times without the joinder of any other party having an interest in the project to designate which boat dock is assigned to which apartment, provided, however, that Developer shall not change any such designation with respect to an apartment of which Developer is no longer the fee owner without the consent of the grantee. Each floating header in the marina shall be a limited common element for the exclusive use of the apartments to which the boat docks on the header are appurtenant. Any enclosed courtyard adjacent to an apartment shall be a limited common element reserved for the use of that apartment and any staircase serving an apartment shall be a limited common element reserved for the exclusive use of that apartment and any other apartment served by the staircase.

PERCENTAGE OF UNDIVIDED OWNERSHIP TO BE CONVEYED: The percentage of undivided interest in the common elements appurtenant to each apartment shall be 1.25 percent. The voting rights of the apartment owners as well as their share of the common expenses shall be in proportion to their common interest.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The apartments shall at all times be used as permanent or temporary residences and for no other purpose. Boats docked in the marina may not be used as living quarters.

OWNERSHIP OF TITLE: The Preliminary Report prepared by Title Guaranty of Hawaii, Incorporated states that as of the date thereof (March 6, 1974) title to the land is as follows. The property consists of a number of lots. Title to the following lots is in Developer: Lot B-1-A-1 shown on Map 38 of Land Court Application No. 1196 described in Transfer Certificate of Title No. 154,047 and Lots B and C described in deed dated August 7, 1972, recorded in Book 8753, Page 23: Lot B-1-A-2-A shown on Map 48 of Land Court Application No. 1196 described in Transfer Certificate of Title No. 152,030. Title to the following lots is in Guy Kearney Harrison: Lot B-2-B shown on Map 1 filed with Land Court Application No. 1196 described in Transfer Certificate of Title No. 116,313 and Lot 1 and Lot 2 described in Agreement of Sale from Harrison dated November 1, 1971, filed in the Office of the

Assistant Registrar of the Land Court of the State of Hawaii as Document No. 558,822 noted on Transfer Certificate of Title No. 116,313 and recorded in the Bureau of Conveyances of the State of Hawaii at Honolulu in Book 7949, Page 455; buyer's interest in the Agreement of Sale from Harrison is held by developer by Assignment of Agreement of Sale dated September 8, 1972, filed as Document No. 607,818 and recorded in Book 8753, Page 34. The following Lots are owned by Richard Shoichi Ikei et ux: Lot B-2-A shown on Map 1 of Land Court Application No. 1196, Lot 38-B-1 shown on Map 13 of Land Court Application No. 1002 described in Transfer Certificate of Title No. 63,355 and one-half interest in Lot 38-A-1-C (Roadway) shown on Map 27 of Land Court Application No. 1002 described in Transfer Certificate of Title No. 55,384; subject to Agreement of Sale dated October 16, 1971, noted as Document No. 556,435; buyer's interest in the Agreement of Sale from Ikei was assigned to Developer by Assignment dated August 22, 1972, filed as Document No. 607,820. The following Lots are owned by Windward Marine Service and Sales Limited, a Hawaii corporation, subject to a Master Lease to Island Marine Enterprises, Inc., a Hawaii corporation, dated July 1, 1972, noted on Transfer Certificate of Title No. 71,822 as Document No. 590,434 and recorded in the Bureau of Conveyances in Book 8453, Page 1, and further subject to an unrecorded development rights agreement from Island Marine Enterprises, Inc. to Developer dated March 8, 1974: Lot 81 shown on Map 6 filed with Land Court Consolidation 46 described in Transfer Certificate of Title No. 71,822 and other land described in said Master Lease.

ENCUMBRANCES: Said Preliminary Report shows that the property is presently subject to (1) a reservation in favor of the State of Hawaii of all mineral and metallic mines; (2) real property taxes for the current fiscal year; (3) utility sewer and flowage easements, and four feet easement over Lot B-1-A-1 shown on Map 1 of Land Court Application No. 1196; (4) a mortgage from Developer to Bank of Hawaii dated October 16, 1972, filed as Land Court Document No. 607,822 and recorded in Book 8753, Page 40, in the face amount of \$300,000 covering Lots B-1-A-1, Lot B, Lot C, and Developer's interest in Lot B-2A, Lot 38-B-1, Lot 38-A-1-A-2 besides other property; (5) the Agreements of Sale from Ikei and Harrison referred to above; (6) the Lease from Windward Marine Service and Sales Limited to Island Marine Enterprises referred to above; (7) the unrecorded Development Rights Agreement from Island Marine Enterprises referred to above.

The Developer advises the Commission that prior to the issuance of a Final Public Report on the project the Agreements of Sale referred to above will be satisfied; Developer will enter into a Three Party Agreement with Windward Marine Service and Sales, Ltd. and Island Marine Enterprises, Inc., substantially in the form filed with the Commission; the Master Lease will be terminated; the property will be submitted to a Horizontal Property Regime in which Developer will be the owner of Apartments 21 through 63 and 67 through 80; Island Marine Enterprises, Inc. will be the owner of Apartments 1 through 20 and 64 through 66 and lessee under Ground Leases of the land interest appurtenant to its apartments; Windward Marine Service and Sales, Limited will be the owner of the land interest appurtenant to the apartments owned by I.M.E. subject to the Ground Leases to I.M.E.;

Makani Kai will issue Apartment Deeds and Ground Leases to purchasers and will cause Island Marine Enterprises, Inc. to issue Apartment Deeds and assignments of Ground Leases to purchasers all as provided in said Three Party Agreement.

The Developer advises the Commission that prior to the conveyance of any apartment in the project the mortgages listed above will be fully released or partially released as to such apartment.

PURCHASE MONEY HANDLING: A copy of the specimen Sales Contract and the Escrow Agreement has been submitted as part of the registration. The Escrow Agreement dated December 28, 1973, identifies Title Guaranty Escrow Services, Inc., as the "Escrowee", and discloses that under the terms of the agreement, purchase price funds including the proceeds of purchaser's mortgage may be released by Escrowee for payment of certain development costs of the project. Upon examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly with Section 514-14, and Section 514-36 through 514-40, Hawaii Revised Statutes.

The specimen Sales Contract provides that Sales of the apartments will be closed prior to the completion of construction of the buildings for the purpose of financing the construction; however, lease rents, maintenance fees, and interest on first mortgage will be paid by Developer until the apartment is ready for occupancy. The specimen Sales Contract provides that if by August 1, 1974, Developer has not entered into Sales Contracts for sixty of the apartments with qualified purchasers, Developer may cancel all outstanding sales contracts and the purchasers' deposits will be refunded. The specimen Sales Contract also advises purchasers that the project lies within a Flood Insurance Administration flood hazard area.

A prospective purchaser should carefully examine the form of the Sales Contract, Apartment Deed, Ground Lease, Assignment of Ground Lease and Escrow Agreement, to determine the time for and the amount of installment payments of the purchase price and the sharing of the closing costs. The Ground Leases to be assigned to purchasers of Apartments 1 through 20 and 64 through 66 provide that Lessor's consent is required for further assignments, which consent will not be unreasonably withheld or delayed.


MANAGEMENT AND OPERATION: The Declaration states the Board of Directors shall, in accordance with the Bylaws of the Association of Apartment Owners, appoint a managing agent.

STATUS OF PROJECT: Developer will shortly apply for a building permit for the project. Developer estimates June 1, 1974, as the date of commencement for construction and June 1, 1975, as the date of completion. However, construction will not be commenced until sales of 60 apartments have been closed.

The purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted December 28, 1973.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 646, filed with the Commission on December 28, 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 yellow.



(for) DOUGLAS R. SODEHANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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March 15, 1974
REGISTRATION NO. 646