

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

MAKANUI
Poipu, Kauai, Hawaii

REGISTRATION NO. 1205

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: December 7, 1979
Expires: January 7, 1981

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that the 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 NOVEMBER 23, 1979. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION ON THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. MAKANUI is a proposed fee simple condominium project consisting of 22 residential apartments in seven (7) one- and two-story buildings. There will be a total of 36 parking stalls plus two two-car garages. There will be one (1) assigned parking stall for each residential apartment except for Units 111 and 311 which shall each have a two-car garage.

2. The Developer of the Project has submitted to the Commission for its examination all documents deemed necessary for the registration of the 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 recorded in the Bureau of Conveyances of the State of Hawaii immediately prior to the application for a Final Public Report.
4. No advertising or promotional materials have been submitted to the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report is made a part of the registration of MAKANUI Condominium Project. The Developer is responsible for placing a true copy of this Preliminary Public Report (yellow paper stock) together with the Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed copy of the receipt for both.
7. This Preliminary Public Report expires thirteen (13) months after issuance, December 7, 1979, unless a Final or Supplementary Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective date of this report.

NAME OF PROJECT: MAKANUI

LOCATION: The Project is located in Poipu, Kauai, Hawaii and has a land area of approximately 130,637 square feet.

TAX KEY: Fourth Division, portion of 2-8-22-8 and 2-8-22-13 being Lots D-2A and D-10A.

ZONING: R-10 and R-4.

DEVELOPER: MAKANUI, a registered Hawaii limited partnership, R. R. 1, Box 256, Kapaa, Kauai, Hawaii, 96746. Telephone No. (808) 822-4981. The General Partners are: Ventura Development Corp., R. R. 1, Box 256, Kapaa Kauai, Hawaii, 96746, Telephone No. (808) 822-4981; and SBS Building Corporation, 120 Exchange Place, Lafayette, Louisiana, 70503. Telephone No. (318) 233-2670. The Managing Partner is Ventura Development Corp.

ATTORNEY REPRESENTING DEVELOPER: Libkuman, Ventura, Moon & Ayabe (Attention: Sidney K. Ayabe), Suite 1800 Grosvenor Center, 733 Bishop Street, Honolulu, Hawaii 96813, Telephone No.: (808) 537-6119.

DESCRIPTION OF PROJECT: The proposed Declaration of Horizontal Property Regime reflects that the project is to consist of twenty-two (22) residential apartments arranged throughout seven (7) one- and two-story buildings numbered 1 through 7 on two sites, five (5) of which are one-bedroom units, fifteen (15) two-bedroom units and two (2) three-bedroom detached units. There are a total of thirty-six (36) parking stalls plus two (2) two-car garages. There will be one (1) assigned stall for each unit except for Units 111 and 311 which shall each have a two-car garage. Recreational facilities include a swimming pool on one of the sites and a non-exclusive membership right to use the recreational facilities at Poipu Kai Tennis Club.

The apartments shall be constructed principally of wood, gypsum board, glass and related building materials on a concrete slab and wood foundation.

The building number of each apartment, the number of each apartment, its type, its floor level within its building, the number of rooms, the approximate size of each apartment's living area and of its lanai area, the gross area, and the percent of common interest is set forth in Exhibit "A" attached hereto.

The layout, location and number of each apartment is shown on the Condominium Map.

The description of the type of apartments are set forth in Exhibit "B" attached hereto.

Each apartment shall be deemed to include: (i) any adjacent lanai, deck or entry court area to which such apartment has direct, exclusive access, (ii) all the walls and partitions which are not load-bearing within its perimeter walls, (iii) the inner decorated or finished surfaces of all walls, floors and ceilings, (iv) any doors, windows or panels along the perimeters, and (v) all fixtures originally installed therein. The respective apartments shall not be deemed to include: (a) The undecorated or unfinished surfaces of the perimeter walls, the interior load-bearing walls, or the party walls, (b) the undecorated or unfinished floors and ceilings surrounding each apartment, or (c) any pipes, shafts, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided.

COMMON ELEMENTS: The common elements will include all portions of the Project, other than the apartments, including, specifically, but not limited to, all of the land submitted to this Horizontal Property Regime, in fee simple, the common

elements mentioned in the Horizontal Property Act which are actually constructed on the land, and all other portions of the Project necessary or convenient to its existence, maintenance and safety, or normal in common use, and which are not included as part of an apartment, including, but not limited to:

(a) All foundations, columns, girders, beams, supports, perimeter walls, load-bearing walls, roofs, walkways, boardwalk, ducts, pumps, pipes, wires, conduits, and generally all equipment, apparatus, installations and personal property existing for common use in the building or located on the Project lands;

(b) All driveways, roads and other common ways, landscaping, yards, fences, refuse collection areas, accessory equipment and guest parking areas situate on the Project lands;

(c) Said land is fee simple;

(d) The swimming pool;

(e) All central and appurtenant installations for services such as power, lights, telephone, gas, hot and cold water lines, television lines, sewage disposal and other utilities (including pipes, ducts, wires, cables and conduits used in connection therewith, whether located in common areas or in apartments), and all tanks, pumps, motors, fans, ducts and other apparatus and installations existing for, or in the buildings for common use; and

(f) 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, and normally in common use and which are not part of any apartment.

LIMITED COMMON ELEMENTS: Each apartment shall have appurtenant thereto exclusive easements for the use of the parking space(s) designated in Exhibit "C" attached hereto and as shown on the Condominium Map.

INTEREST TO BE CONVEYED TO PURCHASER: The apartments have the percentage common interests in the common elements of the Project as set forth in Exhibit "A" attached hereto. Interests in each apartment will be transferred by the Developer to each buyer under an Apartment Deed, consisting of a deed of the improvements comprising the particular apartment, and an undivided percentage interest in the common elements, inclusive of the land.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: Each apartment shall at all times be used solely for permanent or temporary residential purposes.

The proposed House Rules provide, in part: (1) A dog or cat may be kept and maintained within the apartment unit

and/or enclosed area related to that specific unit. Each owner of a dog or cat must deposit \$100.00 with the Board of Directors to defray the cost of repairing any damage to or maintaining the sanitation or cleanliness of the common elements caused by or attributable to such pet. Should the owner cease to occupy his apartment or keep a dog or cat, the \$100.00 deposit or any unexpended portion thereof will be refunded.

NOTE: Purchasers and prospective purchasers of apartments should be specifically informed that all apartment owners, their tenants, families, servants and guests, and any other persons who may in any manner use the project, shall be bound by and strictly comply with not only the provisions of the Declaration of Horizontal Property Regime, the By-Laws of the Association, and all agreements, decisions and determinations of the Association (including the House Rules for the Project), but also the provisions of the Declaration of Covenants and restrictions for the Poipu Kai Subdivision (of which the Project is a part) dated January 8, 1979 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 13428 at Page 440. Purchasers and prospective purchasers are therefore advised to read and fully understand the Declaration of Covenants and Restrictions as well as the Declaration of Horizontal Property Regime, the By-Laws of the Association of Apartment Owners, and the House Rules prior to executing any Sales Contract for the Project. Among other provisions contained in the Declaration of Covenants and Restrictions, purchasers and prospective purchasers should take note of the following:

(1) No more than one family shall occupy any Condominium Unit. A "family" is defined as an individual or two or more persons related by blood or marriage and their legal issue or a group of not more than five (5) unrelated individuals.

(2) Each lot and all improvements located thereon shall be maintained by the owner thereof in good condition and repair, and in such manner as not to create a fire hazard or visual or other nuisance, all at the owner's expense. A "lot" is defined to include a condominium unit unless the context clearly indicates a contrary intent.

(3) No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done or placed thereon which may be or become a nuisance, or cause unreasonable embarrassment, disturbance, or annoyance to other Owners of all lots in the enjoyment of their lots. Without limiting any of the foregoing, no exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively to protect the security of the lot and improvements located thereon, shall be placed or used upon any lot without prior written approval of the Design Committee.

(4) The parking of vehicles on the roads shall at all times be subject to and in accordance with applicable

laws and further restrictions established by supplemental declarations of the Poipu Kai Associations Rules.

(5) Except in the case of commercial lots, no gainful occupation, profession or trade shall be maintained on any lot or in any structure on any lot without the prior approval of the Design Committee, except that the provision shall in no way limit nor prevent Owners from renting their houses, apartment units or Condominium Units.

(6) No exterior antenna of any sort shall be installed or maintained on any lot except of a height, size and type approved by the Design Committee, provided, however, that this restriction shall not apply to any cable facility installed by The Housing Group. No activity shall be conducted within Poipu Kai which interferes with the television or radio reception in Poipu Kai.

(7) No reflective finishes (other than paint and glass) shall be used on the exterior surfaces of any improvements constructed or placed on any lot.

OWNERSHIP OF TITLE: A Preliminary Title Report dated October 23, 1979, issued by Title Guaranty of Hawaii, Incorporated states that fee simple title to the land is in the name of The Housing Group, a California corporation. There is an unrecorded Agreement of Purchase and Sale dated October 2, 1979 executed by and between The Housing Group, a California corporation, and the Developer Makaanui, a Hawaii limited partnership, with transfer of title to occur on or before December 31, 1979.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report states that title to the property is subject to the following encumbrances:

1. For any taxes that may be due and owing, reference is made to the Office of the Tax Assessor, Fourth Division.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. Mortgage made by Leadership Homes of Hawaii, Inc., a Delaware corporation, in favor of First Hawaiian Bank, a Hawaii corporation, dated June 7, 1974 recorded in the Bureau of Conveyances of the State of Hawaii in Liber 9953, Page 333. Said mortgage was assigned to Crocker National Bank, a national banking association, on February 10, 1977 and recorded in Liber 12037, Page 332.

4. Those certain instruments executed by and between Leadership Homes of Hawaii, Inc., Leadership Housing, Inc., a Delaware corporation, and Crocker National Bank, dated February 9, 1977, recorded in said Bureau in Liber 12037, Page 334 and Liber 12996, Page 433.

5. Declaration of covenants and restrictions dated January 8, 1979, recorded in said Bureau in Liber 13428, Page 444, and First Supplemental Declaration of Covenants and Restrictions dated April 17, 1979, recorded in said Bureau in Liber 13622, Page 445 and Second Supplemental Declaration of Covenants and Restrictions dated May 22, 1979, recorded in said Bureau in Liber 13709, Page 20.

PURCHASE MONEY HANDLING: A copy of a specimen Deposit Receipt and Sales Contract and an executed Escrow Agreement have been submitted as part of the registration. The Escrow Agreement, dated October 30, 1979, identifies Title Guaranty Escrow Services, Inc. as the "Escrow". Upon examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, and particularly with Section 514A-37, 39, 40, 63 through 66. A prospective purchaser should carefully examine the form of Sales Contract and the Escrow Agreement to determine the time for and the amount of the installment payments on the purchase price and his obligations to pay the closing costs. It is incumbent upon the purchaser to read and understand the Escrow Agreement before signing the Sales Contract since the Escrow Agreement prescribes the procedure for receiving and disbursing the purchaser's down payments and the Sales Contract provides that the purchaser approves the Escrow Agreement.

The Deposit Receipt and Sales Contract, among other things, contains acknowledgments by each purchaser: (i) that the Developer will not sponsor, arrange or promote any program for the rental or temporary use and occupancy of apartments in the Project other than apartments owned by the Developer upon completion of the Project, if any, and the purchaser must make any such arrangements for his apartment, if desired, without the involvement or participation of the Developer; (ii) that the Developer has authorized no agents, salesmen or brokers to make any representations as to rental or other income from any apartment or any other economic benefit, including possible advantages from the ownership of an apartment under federal or state tax laws, to be derived from the purchase of an apartment in the Project; that the purchaser acknowledges that no such representations or warranties have been made and that the Developer expressly disclaims and repudiates any representation from any source as to any possible economic benefit arising from ownership of an apartment in the Project; (iii) that the Project is adjacent to certain lands presently being used for agricultural purposes and activities, including, but not limited to, the growing and harvesting of sugar cane, and such use may at times create dust, smoke, noise and other nuisances and that the Developer shall under no circumstances be liable to any apartment owner in the Project for such use of the adjacent lands or for any nuisance or nuisances resulting from such use; and (iv) that the purchaser's right, title and interest under the Sales Contract shall be subject and subordinate to the liens and security interests of any mortgages or other security instruments made by the Deve-

loper in favor of any lending institutions to secure one or more loans for the purpose of constructing the Project.

The Escrow Agreement provides that a purchaser shall be entitled to a return of his funds (less a cancellation fee to Escrow), and Escrow shall pay such funds to such purchaser, without interest, if any one of the following has occurred:

(a) The Developer and the purchaser shall have requested Escrow to return to purchaser the funds of purchaser held hereunder by Escrow; or

(b) The Developer shall have notified Escrow of the Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to the Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, there shall have been a change in the building plans requiring approval of a county officer having jurisdiction over the issuance of building permits (except such changes as are specifically authorized in the Declaration of Horizontal Property Regime or by the terms of the sales contract or to which said purchaser has otherwise consented in writing); or

(d) The Final Report differs in a material respect from the Preliminary Report, and the purchaser's written approval of such change shall not have been obtained; or

(e) The Final Report shall not have been issued within one (1) year from the date of issuance of the Preliminary Report and the purchaser has not waived his right to a refund.

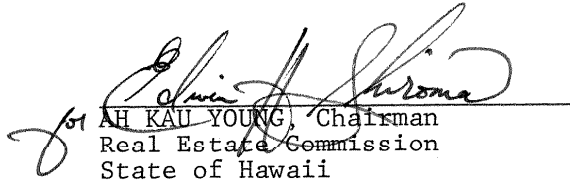
MANAGEMENT AND OPERATION: Article III, Section 3, of the Bylaws states that the Board of Directors shall at all times employ a responsible managing agent to manage and control the Project, subject at all times to direction by the Board of Directors.

STATUS OF PROJECT: The Developer currently estimates that construction of the Project will commence in March, 1980, and will be completed within one (1) year from the date thereof.

The purchaser and prospective purchasers should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted November 23, 1979 .

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM)
PUBLIC REPORT is made a part of REGISTRATION NO. 1205
filed with the Commission on November 23, 1979.

The report, when reproduced, shall be a true copy of the
Commission's Public Report. Paper stock used in making
facsimiles must be yellow.


for AH KAU YOUNG, Chairman
Real Estate Commission
State of Hawaii

Distribution:

Department of Taxation
Bureau of Conveyances
Planning Department
County of Kauai
Escrow Agent
Federal Housing Administration

Registration No. 1205

December 7, 1979

EXHIBIT "A"

<u>Building No.</u>	<u>Apt. No.</u>	<u>Type</u>	<u>Floor</u>	<u>Number of Rooms</u>	<u>Approximate Square Feet of Living Area</u>	<u>Approximate Square Feet of Land Area</u>	<u>Gross Area</u>	<u>Percentage of Undivided Interest</u>
1	111	3	1	7	1,518	259	1,777	5.6081
	211	2	1	6	1,253	278	1,531	4.6291
2	212	2	1	6	1,253	278	1,531	4.6291
	221	2L	1 & 2	6	1,251	147	1,398	4.6217
3	222	2L	1 & 2	6	1,251	147	1,398	4.6217
	311	3	1	7	1,518	259	1,777	5.6081
4	411	1	1	5	917	147	1,064	3.3877
	412	2	1	6	1,253	278	1,531	4.6291
5	421	2L	1 & 2	6	1,251	147	1,398	4.6217
	422	2L	1 & 2	6	1,251	147	1,398	4.6217
6	511	1	1	5	917	147	1,064	3.3877
	512	2	1	6	1,253	278	1,531	4.6291
7	521	2L	1 & 2	6	1,251	147	1,398	4.6217
	522	2L	1 & 2	6	1,251	147	1,398	4.6217
7	611	2	1	6	1,253	278	1,531	4.6291
	612	2	1	6	1,253	278	1,531	4.6291
7	621	2L	1 & 2	6	1,251	147	1,398	4.6217
	622	2L	1 & 2	6	1,251	147	1,398	4.6217
7	711	1	1	5	917	147	1,064	3.3877
	712	2	1	6	1,253	278	1,531	4.6291
7	721	2L	1 & 2	6	1,251	147	1,398	4.6217
	722	2L	1 & 2	6	1,251	147	1,398	4.6217

EXHIBIT "B"

DESCRIPTION OF APARTMENTS

(a) One Bedroom Apartments. Type 1 is a one bedroom apartment which includes a living room, dining room, kitchen, entry, utility closet, linen closet, powder room (1/2 bath), bedroom, a full bath with tub with an approximate living area of 917 square feet, plus a lanai of approximately 147 square feet with a storage area.

(b) Two Bedroom Apartments. There are two different types of two bedroom units. Type 2 includes a living room, dining room, kitchen, entry, utility closet, two bedrooms, two bathrooms with an approximate living area of 1253 square feet, plus a lanai area of approximately 278 square feet with a storage area. Type 2L is a townhouse apartment which includes a living room, dining room, kitchen, entry, utility closet, two bedrooms, two bathrooms with an approximate living area 1251 square feet, plus a lanai area of approximately 147 square feet with a storage area. One bedroom and bath is located in the loft area of the building.

(c) Three Bedroom Apartments. Type 3 is a three bedroom apartment similar to Type 2, of the two bedroom apartments as described above with an additional bedroom. There is a living area of approximately 1518 square feet, plus lanai area of approximately a total of 259 square feet with a storage area.

EXHIBIT "C"

MAKANUI ASSIGNED PARKING

<u>Unit #</u>	<u>Parking Stall No.</u>
211	4
212	5
221	6
222	7
411	8
412	9
421	10
422	11
511	12
512	13
521	14
522	15
611	16
612	17
621	18
622	19
711	20
712	21
721	22
722	23

Apartments No. 111 and 311 each have an assigned two-car garage adjacent to its respective apartment. The two-car garages are deemed limited common elements as to apartments 111 and 311.