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
"1040 KINAU"
1040 Kinau Street
Honolulu, Hawaii

REGISTRATION NO. 527

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: May 21, 1973
Expires: June 21, 1974

SPECIAL ATTENTION

A comprehensive reading by the prospective purchaser is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION FILED WITH THE REAL ESTATE COMMISSION ON FEBRUARY 9, 1973 AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF MAY 21, 1973. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514, HAWAII REVISED STATUTES.

1. 1040 KINAU is a leasehold condominium project consisting of a twelve (12) story building of seventy (70) residential apartment units, seventy (70) parking stalls, a swimming pool and other improvements.

2. The Developer has filed all documents and exhibits deemed necessary by the Commission for the registration of the condominium project and the issuance of this Final Public Report prior to the completion of construction.

3. Promotional and advertising materials have been submitted pursuant to the rules and regulations promulgated by the Commission.

4. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Horizontal Property Act, Chapter 514 of the Hawaii Revised Statutes and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

5. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners, and a copy of the approved Floor Plans hereinafter the "Plans") have been filed in the office of the Recording Officer. The Declaration of Horizontal Property Regime, together with the By-Laws of the Association of Apartment Owners attached thereto are recorded in the Bureau of Conveyances in Liber 9156, Page 369, and Condominium Map No. 279 has been assigned to the project.

6. This Final Public Report automatically expires thirteen (13) months after the date of issuance, May 21,1973, unless a Supplementary Public Report issues or the Commission, upon the review of the registration, issues an order extending an effective period of this report.

NAME OF PROJECT: 1040 KINAU

LOCATION: The project is located on land situate at 1040 Kinau Street, Honolulu, Hawaii, and containing 18,750 square feet or thereabouts.

TAX MAP KEY: First Division 2-4-13-33

ZONING: A-4 Apartment

DEVELOPER: Lalakea Corporation, a Hawaii corporation with its principal place of business at Suite 1110, 745 Fort Street, Honolulu, Hawaii 96813. Telephone: 521-6995.

The officers of the corporation are as follows:

Thomas K. Lalakea	President and Treasurer
Jerol N. Hanson	Vice President
Donald M. Avery	Vice President and Secretary
Carolyn C. Lalakea	Vice President

ATTORNEY REPRESENTING DEVELOPER: Curtis W. Carlsmith, Suite 1402, Davies Pacific Center, Honolulu, Hawaii 96813. Telephone: 521-6756.

DESCRIPTION: The Declaration of Horizontal Property Regime and Plans submitted by the Developer indicate a leasehold condominium project consisting of a twelve (12) story reinforced concrete building. There will be seventy (70) freehold estates designated in the space within the perimeter walls of each of the seventy (70) apartment units contained in the building, which spaces, referred to herein as "apartments," are designated on said Plans and described as follows:

1. There are seven (7) apartments on each of the third through the twelfth floors, located as follows:

Apartment No.	Floor
301 to 307 inclusive	Third
401 to 407 inclusive	Fourth
501 to 507 inclusive	Fifth
601 to 607 inclusive	Sixth
701 to 707 inclusive	Seventh

Apartment No.	Floor
801 to 807 inclusive	Eighth
901 to 907 inclusive	Ninth
1001 to 1007 inclusive	Tenth
1101 to 1107 inclusive	Eleventh
1201 to 1207 inclusive	Twelfth

The apartments are constructed according to two (2) different floor plans, designated Type A and Type B respectively. A description of each of the said floor plans, designating the layout and number of rooms and approximate area thereof is as follows:

a. Type A Apartments 301, 307, 401, 407, 501, 507, 601, 607, 701, 707, 801, 807, 901, 907, 1001, 1007, 1101, 1107, 1201, 1207, are each built according to Floor Plan A, consisting of two bedrooms, one bathroom, a vanity alcove or dressing area, a combined living room and dining area, a kitchen and a lanai and each contains a floor area of approximately 585 square feet, measured to the interior surface of the perimeter walls, including the lanai area of approximately 44 square feet. A common interest of 1.668% shall be appurtenant to each of said apartments.

b. Type B Apartments 302 to 306 inclusive, 402 to 406 inclusive, 502 to 506 inclusive, 602 to 606 inclusive, 702 to 706 inclusive, 802 to 806 inclusive, 902 to 906 inclusive, 1002 to 1006 inclusive, 1102 to 1106 inclusive, 1202 to 1206 inclusive, are built according to Floor Plan B, consisting of one bedroom, one bathroom, a vanity alcove or dressing area, a combined living room and dining area and a kitchen. Each contains a floor area of approximately 467 square feet, measured to the interior surface of the perimeter walls. A common interest of 1.333% shall be appurtenant to each ofsaid apartments other than apartment 302. A common interest of 1.323% shall be appurtenant to apartment 302.

c. Each apartment has access to the main corridor of the building on the floor on which it is located leading to the elevators and one stairwell at the south or makai end of the building and one stairwell near the north or mauka end of the building.

d. The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls (whether load bearing or non-load bearing) or interior load bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits, trash chutes and other utility or service lines running through such apartment which are utilized 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, and the interior decorated or finished surfaces of all walls, floors and ceilings and all fixtures originally installed therein.

COMMON ELEMENTS: One freehold estate is hereby designated in all remaining portions of the project, herein called the "Common Elements," including specifically but not limited to:

1. Said land in fee simple;

2. All foundations, columns, beams, supports, load bearing walls, roofs, chases, entry halls, lobbies, stairs, walkways, entrances and exits of said building;

3. All yards, grounds, landscaping, recreation and refuse areas;

4. All driveways and parking areas;

5. All pipes, cables, conduits, ducts, electrical equipment, trash chutes, if any, wiring and other central and pertinent transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any;

6. The swimming pool and adjacent areas;

7. 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.

8. The automatic electirc passenger elevators with elevator housings and appurtenant equipment.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called the "Limited Common Elements," are hereby designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the use of such Limited Common Elements as follows:

1. One (1) parking space as designated in the initial conveyance of each apartment by a number corresponding to the number identifying such parking stall on the plans, shall be appurtenant to and for the exclusive use of each apartment. All parking stalls are located on the first floor (ground level) or second floor.

2. One (1) storage locker situated on the first level of the building shall be appurtenant to each apartment. Storage lockers shall be of varying sizes but the minimum size shall be approximately 28 cubic feet. Developer reserves the right to designate in the initial conveyance document, the particular storage locker to be appurtenant to each apartment.

3. Each entry hallway adjoining an apartment or apartments shall be appurtenant to and for the exclusive use of such apartment or apartments which it adjoins; and

4. The corridors, elevator lobbies and trash chute room on each apartment floor above the second floor shall be appurtenant to and for the exclusive use of the apartments on such floor.

INTEREST TO BE CONVEYED TO PURCHASERS: The Declaration states that each apartment shall have appurtenant thereto an undivided percentage interest in the common elements of the project, as set forth in sub-paragraphs 1-a and 1-b, of the Description set forth above. Such interest is hereby defined and referred to herein as the "common interest". The proportionate shares of the profit and common expenses of the project and the proportionate representation for voting purposes in the Association of Apartment Owners of the project, shall be in said percentage for each apartment. The purchaser will secure an apartment lease demising an apartment, together with its aforementioned share of the common interest.

OWNERSHIP OF TITLE: The Developer in its notice of intention represents that the owner of the fee simple title to the property committed to the project is Lum Yuen Kam Yee, widow. The interest of Lum Yuen Kam Yee was acquired by Deed dated April 10, 1941, recorded in the Bureau of Conveyances, State of Hawaii, in Liber 1630, Page 405 and by Deed dated October 5, 1951, recorded in said Bureau of Conveyances in Liber 2556, Page 459.

USE: The Declaration provides that the apartments may be occupied only as private dwellings. The apartments shall not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than 30 days, or (b) any rental in which the occupants of the apartments are provided customary hotel services, such as room service for food and beverage, maid service, laundry and linen, or bellboy service.

ENCUMBRANCES AGAINST TITLE: A preliminary report dated April 19, 1973 issued by Security Title Corporation as submitted to the Commission, provides that the following are encumbrances against title for the property:

1. Taxes for the fiscal year 1972-1973.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent Grant No. 3276.

3. Abutter's right of access into and from Lunalilo Freeway, Federal Aid Interstate Project No. I-H1-1 (23), over and across BOUNDARY 12, was granted to the STATE OF HAWAII, by Quitclaim Deed dated April 24, 1968, recorded on May 24, 1968 in the Bureau of Conveyances of the State of Hawaii in Liber 6072, Page 292, (AS TO PARCEL SECOND ONLY).

4. The terms and provisions of that certain Lease dated December 29, 1972, recorded on January 18, 1973, in said Bureau of Conveyances in Liber 8879, Page 41, made by and between LUM YUEN KAM YEE, widow, as Lessor, and LALAKEA CORPORATION, a Hawaii corporation, as Lessee, for a term of 65 years, commencing on the first day of January, 1973 and ending on the 31st day of December, 2037.

5. Leasehold Mortgage and Security Agreement dated April 19, 1973, recorded in the said Bureau of Conveyances in Liber 9091, Page 313, in favor of KASSLER & CO.

6. Building Loan Agreement dated April 19, 1973, recorded in the said Bureau of Conveyances in Liber 9091, Page 279, by and between KASSLER & CO. and LALAKEA CORPORATION.

7. Declaration of Horizontal Property Regime of 1040 Kinau dated April 23, 1973, recorded in said Bureau of Conveyances in Liber 9156, Page 369, (Condominium Map No. 279).

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated February 8, 1973, between Security Title Corporation, as "Escrow" and Lalakea Corporation, as "Seller" has been filed with the Commission. On examination, the executed Escrow Agreement, as well as the specimen Sales Contract, are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly Sections 514-36 through 514-40 thereof.

The Contract of Sale provides that if less than 35 apartments are sold prior to July 31, 1973, Seller may at its option cancel this contract, in which event Seller will cause Escrow to refund to Buyer all monies paid without interest and Seller shall be relieved and released of all further liability hereunder.

Among other provisions, the Contract of Sale provides that the Buyer will be required to prepay apartment lease rent for 6 months and pay a non-refundable reserve equal to two months maintenance fees.

It is incumbent upon the purchaser and the prospective purchaser that he read with care the sales contract and the executed Escrow Agreement. The latter establishes how the proceeds from the sale of residential apartments are placed in trust, as well as the retention and disbursement of said trust funds. The specimen Sales Agreement specifically provides that the purchaser approves said Escrow Agreement and assumes the benefits and obligations therein provided.

MANAGEMENT OF THE PROJECT: The By-Laws which are incorporated in the Declaration provide that the operation of the project shall be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible managing agent. The initial managing agent for the project has been designated as Aaron M. Chaney, whose address is Suite 400, 841 Bishop Street, Honolulu, Hawaii.

STATUS OF PROJECT: The contractor was notified to proceed with construction of the project on May 21, 1973. The construction contract calls for completion of the project ten months from the date the contractor was notified to proceed with construction.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted February 9, 1973 and information subsequently filed, as of May 21, 1973.

This is a FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT WHICH IS MADE A PART OF REGISTRATION NO. 527, filed with the Commission February 9, 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 white.

(For) DOUGLAS R. SODETANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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ESCROW AGENT

May 21, 1973

Registration No. 527