

# REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF REGULATORY AGENCIES

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

## SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

On  
KAPIOLANI ROYALE  
2474 Kapiolani Boulevard  
Honolulu, Oahu, Hawaii

REGISTRATION NO. 836

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

It was prepared as a supplement to an earlier Report dated April 20, 1976 and 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: May 31, 1977  
EXPIRES: May 20, 1978

### 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 JANUARY 23, 1976, AND ADDITIONAL INFORMATION SUBSEQUENTLY SUBMITTED AS OF MAY 26, 1977. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME ACT SET FORTH IN CHAPTER 514, HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Final Public Report on Registration No. 836, dated April 20, 1976, and the Supplementary Public Report dated October 29, 1976, the Commission has been advised that all of the right, title and interest of DYNAMIC INDUSTRIES CORPORATION in the Kapiolani Royale condominium project has been conveyed to BEVERLY-HAWAIIAN, INC., a California corporation, ("Developer"). The Developer has forwarded additional information and documents to amend the registration on the Kapiolani

Royale condominium project in the particulars hereinbelow set forth. This Second Supplementary Public Report is made a part of the registration on the KAPIOLANI ROYALE condominium project.

2. The Developer is responsible for placing this Second Supplementary Public Report (pink paper stock) along with the Final Public Report (white paper stock) and the Supplementary Public Report dated October 29, 1976, (pink paper stock) in the hands of all purchasers and prospective purchasers. Securing a signed copy of the Receipt for said Horizontal Property Regimes Public Reports from each purchaser and prospective purchaser is also the responsibility of the Developer.
3. All documents deemed necessary for the registration of a condominium project and issuance of this Second Supplementary Public Report have been submitted to the Commission for examination.
4. No advertising and promotional matter has been submitted pursuant to the rules and regulations of this Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514 Hawaii Revised Statutes, and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.
6. The Second Supplementary Public Report automatically expires on May 20, 1978, unless a further Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

The Developer has requested and the Commission has granted an extension of the Final Public Report to May 20, 1978, through this Second Supplementary Public Report.

Only certain information previously reported under the topical headings of DEVELOPER, ATTORNEYS REPRESENTING DEVELOPER, OWNERSHIP TO TITLE, ENCUMBRANCES AGAINST TITLE, PURCHASE MONEY HANDLING and MANAGEMENT AND OPERATIONS have been amended. Otherwise, the information recited in the Final Public Report dated April 20, 1976, and in the Supplementary Public Report dated October 29, 1976, remains applicable. The purchaser or prospective purchaser is advised to read carefully the aforesaid Public Reports with respect to the information previously reported under topical headings not set forth hereinabove.

DEVELOPER: BEVERLY-HAWAIIAN, INC., a California corporation, whose mailing address and principal place of business is 9401 Wilshire Boulevard, Beverly Hills, California, 90212.

The officers of BEVERLY-HAWAIIAN, INC. are:

Preston N. Silbaugh, Chairman of the Board  
Dennis M. Fitzpatrick, President  
Michael T. Quaranta, Vice President  
Edward L. Kline, Vice President  
Robert F. Durcell, Vice President  
David I. McDougall, Secretary-Treasurer

ATTORNEYS REPRESENTING DEVELOPER: Carlsmith & Dwyer, Attorneys at Law, A Law Corporation (Attention: John R. Dwyer, Jr.), Suite 2102 Davies Pacific Center, 841 Bishop Street, Honolulu, Hawaii, 96813. Telephone No. (808) 524-7200.

OWNERSHIP TO TITLE: The Preliminary Title Report dated May 17, 1977, issued by Title Guaranty of Hawaii, Inc. reflects that ownership to fee title is now vested in BEVERLY-HAWAIIAN, INC., a California corporation.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report dated May 17, 1977, prepared by Title Guaranty of Hawaii, Inc. reflects the following encumbrances:

1. Mortgage and Security Agreement for \$3,800,000.00, dated July 31, 1975, held by Beverly Hills Federal Savings and Loan Association, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 729549.

By instrument dated October 7, 1976, and filed as Document No. 785188, also recorded in Liber 11729, Page 290, Dynamic Industries Corporation assigned to Beverly Hills Federal Savings and Loan Association, all of those certain "Deposit Receipts and Sales Contracts" now or hereafter executed, all proceeds from said sales contracts and any and all of the rents, issues, profits and avails now due and which may hereafter become due under and by virtue of any sales contracts, etc. as additional security to the above mortgage.

2. Real property taxes that may be due and owing. Reference is hereby made to the Office of the Tax Assessor, First Division, for details.
3. Covenants, conditions, restrictions, easements, reservations and all other provisions set forth in Declaration of Horizontal Property Regime dated January 22, 1976, filed as aforesaid as Document No. 759849 and the By-Laws attached thereto as the same are or may hereafter be amended in accordance with law, said Declaration or By-Laws. (Project covered by Condominium Map No. 277.)

PURCHASE MONEY HANDLING: A revised copy of the executed Escrow Agreement dated May 20, 1977, identifies Title Guaranty Escrow Services, Inc. as "Escrow Agent". This Escrow Agreement replaces that dated October 19, 1976. On examination, the specimen Sales Contract and executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly Section 514-35 and 514-36 through 514-40.

Among other provisions, the specimen Sales Contract provides that the Mortgage and Security Agreement described above in the topical heading "Encumbrances Against Title", all advances made pursuant thereto, and all sums which may become a lien pursuant thereto or the Construction Loan Agreement or any other agreement relating to said Mortgage, shall be and remain at all times a superior lien on the project, and the buyer intentionally waives or subordinates the priority of any lien under the Sales Contract in favor of all of the foregoing matters.

It is incumbent upon the buyers or prospective buyers to read with care the executed Escrow Agreement and the specimen Sales Contract. The executed Escrow Agreement establishes how the proceeds from the apartments and all sums received from any source are placed in trust, as well as the retention and disbursement of said trust funds.

MANAGEMENT AND OPERATIONS: The Developer has advised the Commission that a new management contract will be executed appointing Brian Thomas, Inc. as managing agent for the project.

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The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed in the required Notice of Intention submitted January 23, 1976, and information subsequently filed as of May 26, 1977.

This SECOND SUPPLEMENTARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 836 filed with the Commission on January 23, 1976.

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

  
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AH KAU YOUNG, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

Bureau of Conveyances  
Department of Taxation  
Planning Department, City and County of Honolulu  
Federal Housing Administration  
Escrow Agent

May 31, 1977  
Registration No. 836