

# 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

CROWN KINAU  
747 & 751 Kinau Street  
Honolulu, Hawaii

REGISTRATION NO. 1023

### **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: October 26, 1978  
Expires: November 26, 1979

#### SPECIAL ATTENTION

A comprehensive reading of this report 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 purchaser or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION FILED JULY 21, 1978 AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF OCTOBER 23, 1978. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514A, HAWAII REVISED STATUTES.

1. CROWN KINAU is a proposed fee simple condominium project to consist of two (2) four-story buildings, without basements, containing a total of thirty (30) residential apartment units. There will be thirty (30) parking stalls contained on the site of the project.

2. The Developer of the project has filed all documents and materials deemed necessary by the Commission for the registration of this proposed condominium project and the issuance of this Preliminary Public Report.

3. No advertising matter has been filed pursuant to the rules and regulations promulgated by the Commission.

4. The basic condominium documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners of Crown Kinau and a copy of the approved floor plans) have not been filed in the Office of the recording officer.

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

6. This Preliminary Public Report automatically expires thirty (13) months after the date of issuance, October 26, 1978, unless a Final Public Report issues or the Commission upon review of the registration, issues an order extending the period of this report.

7. This Preliminary Public Report is made a part of CROWN KINAU condominium project. The Developer has the responsibility of placing a true copy of this Preliminary 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: CROWN KINAU

LOCATION: 747 & 751 Kinau Street, Honolulu, Hawaii, with approximately 15,060 square feet committed to the Regime.

TAX MAP KEY: FIRST DIVISION: 2-1-41-22 & 29

ZONING: A-4

DEVELOPER: Devland Partners-Kinau, a Hawaii Limited Partnership, the principal place of business and post office address of which is 353 Alexander Young Building, Honolulu, Hawaii; Phone: 521-4888. The general partner is Development, Inc.

ATTORNEY REPRESENTING DEVELOPER: Erick T. S. Moon, Esq., Suite 810, 345 Queen Street, Honolulu, Hawaii 96813; Phone: 537-5316.

DESCRIPTION:

(1) Apartments. The proposed Declaration of Horizontal Property Regime and plans submitted by the Developer indicate a fee simple condominium project consisting of two (2) four-story buildings, without basements, constructed principally

of concrete and concrete block and there will be thirty (30) freehold estate designated in the spaces within the perimeter walls of each of the thirty (3) apartment units contained in the buildings, which spaces, together with appurtenant lanais, if any, are referred to herein as "apartments" and are designated on said plans and described as follows:

Ewa Building:

Apartments 1, 2, 3, 4 and 5 are located on the first floor; Apartments 6, 7, 8, 9 and 10 are located on the Second floor; Apartments 11, 12, 13, 14 and 15 are located on the third floor.

Diamond Head Building:

Apartments 16, 17, 18, 19 and 20 are located on the first floor; Apartments 21, 22, 23, 24 and 25 are located on the second floor; Apartments 26, 27, 28, 29 and 30 are located on the third floor.

The description of the floor plans of each of the apartments of the project, designating the layout, number of rooms and approximate area thereof is as follows:

Apartments 2, 3, 4, 7, 8, 9, 12, 13, 14, 17, 18, 19, 22, 23, 24, 27, 28 and 29 are built according to Floor Plan A and each contains two (2) bedrooms, a living room, a kitchen, one (1) bathroom and a lanai and each contains a total area of approximately 645.85 square feet, including the lanai. The layout of Apartments 2, 4, 7, 9, 12, 14, 17, 19, 22, 24, 27 and 29 is the reverse of that of Apartments 3, 8, 13, 18, 23 and 28.

Apartments 1, 5, 6, 10, 11, 15, 16, 20, 21, 25, 26 and 30 are built according to Floor Plan B and each contains two (2) bedrooms, a living room, a kitchen, one (1) bathroom and a lanai and each contains a total area of approximately 625.07 square feet, including the lanai. The layout of Apartments 1, 5, 6, 10, 11 and 15 is the reverse of that of Apartments 16, 20, 21, 25, 26 and 30.

(2) Each apartment has either direct access to the grounds of the project or by an exterior stairway.

(3) The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party 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 more than one apartment. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls, doors and door frames, windows and window frames, the lanai air space (if any), the inner decorated or finished surfaces of all walls,

floors and ceilings and all fixtures originally installed therein.

COMMON ELEMENTS: The proposed Declaration provides that one (1) Freehold estate is thereby designated in all of the remaining portions and appurtenances of the project, herein called "common elements", including specifically but not limited to:

- (a) Said land in fee simple;
- (b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roofs, entries, stairways, walkways, entrances and exits of said buildings;
- (c) All yards, grounds and landscaping;
- (d) All parking areas;
- (e) All pipes, cables, conduits, ducts, electrical equipment, wiring 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, gas, water, sewer, telephone and television signal distribution, if any; 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, or normally in common use.

LIMITED COMMON ELEMENTS: The proposed Declaration states that certain parts of the common elements, therein 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:

One parking stall designated on said plans by the number of the apartment shall be appurtenant to and for the exclusive use of such apartment.

INTEREST TO BE CONVEYED TO PURCHASERS: The proposed Declaration states that each apartment shall have appurtenant thereto an undivided .0333% interest except Apartment 16 which will have a common interest of .0343% in all common elements of the project (herein called the "common interest"), and the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting. Each purchaser will secure an Apartment Deed conveying an apartment, together with said undivided percentage interest in the common elements of the project.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration states that the apartments shall be occupied and

used only for purposes permitted from time to time by applicable zoning ordinances, rules and regulations, and for no other purpose.

OWNERSHIP OF TITLE: A commitment for title insurance dated May 2, 1978, issued by First American Title Insurance Company represents that the owners of the fee simple title to the property submitted to the regime are Richard S. F. Lam, husband of Lani C. Lam and Takashi Anbe, husband of Akemi Anbe, as joint tenants. Said owners entered into an Agreement of Sale with reference to said property in favor of the Developer, as Vendee, dated May 24, 1973, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 9190, Page 242.

ENCUMBRANCES AGAINST TITLE: The commitment for title insurance dated May 2, 1978, issued by First American Title Insurance Company, submitted to the Commission, provides that the following are encumbrances against title to the property:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent Grant No. 3357;
2. Mortgage in favor of Pioneer Federal Savings and Loan Association of Hawaii, a federal corporation, dated December 26, 1972, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 8880, Page 137;
3. Agreement of Sale dated May 24, 1973, between Richard S. F. Lam and Takashi Anbe, as Vendor, and Devland Partners-Kinau, as Vendee, recorded as aforesaid in Liber 9190, Page 242;
4. Security Agreement and Assignment of Proceeds Under Agreement of Sale and Financing Statement in favor of Hawaii Bancorporation, Inc., a Hawaii corporation, dated October 29, 1976, recorded as aforesaid in Liber 11889, Page 337;
5. Financing Statement in favor of Hawaii Bancorporation, Inc., filed on December 17, 1976 in Liber 11888, Page 600.
6. For any taxes that are due and owing, reference is made to the Office of the Tax Assessor, First Division.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated July 14, 1978, between First American Title Company of Hawaii, Inc. and the Developer has been filed with the Commission. On examination, the executed Escrow Agreement, as well as the specimen Condominium Reservation Agreement, Deposit Receipt and Contract, filed with the Commission is found to be in compliance with Chapter 514A, Hawaii Revised Statutes.

Among other provisions, the specimen Sales Contract provides:

1. That in the event less than twenty (20) apartment units are sold prior to December 31, 1978, Seller may at its option cancel this Agreement, in which event Seller will cause Escrow to refund to Buyer all monies paid, without interest, and less Escrow's cancellation fee, and Seller shall be relieved and released of all further liability hereunder;

2. Buyer agrees that all of the rights of Buyer are and shall be subject and subordinate to the lien of any mortgage securing the repayment of the interim loans and to any and all advances made thereon.

3. That Buyer's apartment will be conveyed to Buyer AS IS and that THERE ARE NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS OF THE APARTMENT FOR A PARTICULAR PURPOSE, involved in the sale.

4. Time is of the essence of the obligations of Buyer under the Sales Agreement and if the Buyer shall default in any payment when required, or fail to perform any other obligation required of the Buyer, and Seller shall notify the Buyer by registered mail of such default and if such default shall not be cured within ten (10) days after the date of deposit of such notice in the United States mails, the Agreement may, at Seller's option, be terminated by written notice to Buyer. In the event of such default, the parties hereto understand and agree that in view of Seller's financial commitments with respect to the condominium project; the connection between sale, cancellation or default with respect to one Apartment and sale, cancellation or default with respect to other Apartments in the condominium project; and the nature of the real estate market in Hawaii, that the injury to Seller will be uncertain as to nature and amount and difficult to ascertain. As a reasonable estimate of Seller's damages resulting from such default, the parties agree that the sums previously paid by the Buyer hereunder shall belong to Seller as liquidated damages. It is understood that the damages suffered by Seller by virtue of a default later in time will likely be greater than such a default occurring at an earlier point in time. Seller may, in addition to the aforesaid damages, pursue any other remedy, including specific performance, permitted in law or equity. All costs, including reasonable attorneys' fees, incurred by reason of default by the Buyer shall be borne by the Buyer.

5. Buyer hereby agrees that until Seller has closed out the sale of all the Apartments in the condominium project or until December 31, 1980, whichever shall first occur, Buyer will not enter into an agreement with any purchaser, lessee or owner of another Apartment in the condominium project and/or any third party under which Buyer agrees to share expenses and/or rentals of Apartments in the condominium project.

6. In addition to the other charges to be paid by the Buyer under Paragraph "F-12" of the Sales Contract, Buyer agrees to reimburse Seller a prorated amount of the interest charged Seller on the interim loan, from the date of Closing to the date that Buyer actually completes payment of the entire purchase price.

The Escrow Agreement provides in part that:

A purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said purchaser, without interest and less Escrow's Twenty-Five Dollars (\$25.00) cancellation fee, if purchaser shall in writing request refund of his funds and any one of the following shall have occurred:

1. Escrow receives a written request from the Seller to return to purchaser the funds of such purchaser then held hereunder by Escrow; or

2. If purchaser's funds were obtained prior to the issuance of a Final Public Report and if there is any change in the building plans, subsequent to the execution of purchaser's contract, requiring the approval of a county officer having jurisdiction over the issuance of permits for construction, unless the purchaser has given written approval or acceptance of the change; or

3. If the request is prior to the time the Final Public Report is issued, or if after such time, the Final Public Report differs in any material respect from the Preliminary Public Report, unless the purchaser has given written approval or acceptance of the differences; or

4. If the Final Public Report is not issued within one (1) year from the date of issuance of the Preliminary Public Report.

Upon refund of said funds to purchaser as aforesaid, Escrow shall return to Seller such purchaser's Sales Contract and any apartment deed theretofore delivered to Escrow, and thereupon purchaser shall be deemed no longer obligated thereunder.

If at any time the Seller shall certify in writing to Escrow that a purchaser, whose funds are being held hereunder by Escrow, has defaulted under the terms of his Sales Contract and that the Seller has terminated said Contract pursuant to the terms hereof, Escrow shall notify said purchaser of said default and shall thereafter treat all funds such purchaser paid under such Contract, less Escrow's Twenty-Five Dollars (\$25.00) cancellation fee, as the escrowed funds of said Seller and not of purchaser.

All funds received by Escrow shall be deposited in an interest bearing account or accounts in a federally insured

bank or savings and loan institution, to be held therein subject to all the terms and provisions hereof and to be subject to being drawn only upon written approval or signature by Escrow. All interest earned from such account or accounts shall be credited to the account of Seller pursuant to agreement between Seller and purchasers as set forth in said Contract of Sale.

It is incumbent on the purchaser and prospective purchaser to read and understand the Escrow Agreement before signing the Condominium Reservation Agreement, Deposit Receipt and Contract, since the Escrow Agreement prescribes the procedure for receiving and disbursing purchaser's funds. The specimen Sales Agreement specifically provides that the purchaser approve said Escrow Agreement and assume the benefits and obligations therein provided. Purchaser and prospective purchasers are advised to read the provisions of the Reservation Agreement with care.

MANAGEMENT AND OPERATIONS: The proposed Declaration provides that the operation of the project shall be conducted for the Association of Apartment Owners by a responsible managing agent who shall be appointed by the Association in accordance with the By-Laws. The initial managing agent has not yet been selected.

STATUS OF PROJECT: The Developer has advised the Commission that construction of the project was completed in November, 1966.

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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 July 21, 1978 and additional information subsequently filed as of October 23, 1978.

This is a PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT which is made a part of REGISTRATION NO. 1023 filed with the Commission on July 21, 1978. This report when reproduced shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be yellow.

  
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AH KAU YOUNG, CHAIRMAN  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

DEPARTMENT OF TAXATION  
BUREAU OF CONVEYANCES  
PLANNING COMMISSION, CITY  
AND COUNTY OF HONOLULU  
FEDERAL HOUSING ADMINISTRATION  
ESCROW AGENT

REGISTRATION NO. 1023

October 26, 1978