

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS
STATE OF HAWAII

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

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on

QUEEN'S COURT AT KAPIOLANI PARK
3002 Hibiscus Drive (Corner of Hibiscus Drive & Poni Moi Rd.)
Honolulu, Hawaii

Registration No. 1538

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: April 15, 1983

Expires: May 5, 1984

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 prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED ON MARCH 21, 1983, AND INFORMATION SUBSEQUENTLY FILED AS OF APRIL 11, 1983. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT (CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED).

1. QUEEN'S COURT AT KAPIOLANI PARK is a proposed fee-simple condominium project consisting of two (2) freestanding three-story duplex structures each containing two (2) residential apartments. Each building will have covered garages for four parking stalls (two per apartment). There will be six uncovered stalls for guest parking.
2. The Developer of the Project has submitted to the Commission for examination all documents deemed necessary for the registration of this condominium project and issuance of this Preliminary Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners and a copy of the approved Floor Plans) have not yet been recorded.
4. Preliminary advertising and promotional matter will be submitted pursuant to the rules and regulations promulgated by the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Hawaii Revised Statutes, Chapter 514A, as amended, and the rules and regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report (yellow paper stock) is made a part of the registration of QUEEN'S COURT AT KAPIOLANI PARK condominium project, a copy of which the Developer is required to provide all purchasers or prospective purchasers of apartments along with the disclosure abstract. Securing a signed copy of the receipt for this report from each purchaser and prospective purchaser is also the responsibility of the Developer.
7. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, April 15, 1983, unless a Supplementary Public Report or Final Public Report is published, or the Commission, upon review of this registration, issues an order extending the effective period of this report.

NAME OF PROJECT: QUEEN'S COURT AT KAPIOLANI PARK

LOCATION: Located at the corner of 3002 Hibiscus Drive and Poni Mo'i Road at the foot of Diamond Head on approximately 16,857 square feet of land near the east end of Kapiolani Park.

TAX KEY: First Division, 3-1-34: portion 21

ZONING: R-6 Residential

DEVELOPER: 3002 CORPORATION, 2240 Kuhio Avenue, Suite 3307, Honolulu, Hawaii, 96815 (Telephone: 524-2600).

The officers of 3002 CORPORATION are:

Rex W. Sorensen	Pres/Treas.
James A. Stubenberg	Vice Pres/Secty.

ATTORNEY REPRESENTING DEVELOPER: James A. Stubenberg, Attorney-at-Law, A Law Corporation, 1188 Bishop Street, Suite 1411, Honolulu, Hawaii, 96813 (Telephone: 528-2822).

DESCRIPTION OF PROJECT: The proposed Declaration of Horizontal Property Regime reflects that the project is to consist of four residential apartments, two each to be located in two (2) separate three-story buildings, and each containing five (5) split levels. Each apartment shall consist of the space measured horizontally by the distances between the interior surfaces of the perimeter walls of each apartment, and measured vertically by the distance between the topside surface of the floor and the underside surface of the ceiling. The respective apartments shall not be deemed to include the undercoated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed as common elements. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and the fixtures originally installed therein.

The principal materials of which the apartment buildings shall be constructed are wood with a concrete slab foundations and retaining walls with flat-top roofs.

All four apartments will have nearly identical floor plans and layouts and each will contain a living room, dining room, master bedroom, master bathroom, two regular bedrooms, one and one-half baths, laundry room, groundfloor deck, upstairs balcony, and a covered two car garage.

The apartments will be numbered 1, 2, 3, and 4 and each contain the following interior space:

Living Space	: 2,010 square feet
Deck & Lanai	: 615 square feet
Balcony	: 164 square feet

COMMON ELEMENTS: The proposed Declaration reflects that each apartment owner will have an UNDIVIDED TWENTY-FIVE PERCENT (25%) interest in the common elements which shall include all of the land and improvements other than apartments, including specifically, but not limited to:

- (a) Said land in fee simple;

(b) All foundations, floor slabs, columns, beams, supports, unfinished perimeter and load-bearing walls, roofs, walkways and driveways;

(c) All grounds, landscaping, garden areas, roads, walls, fences, curbs, and like facilities serving more than one apartment;

(d) Six (6) guest parking stalls, (no. 9-14);

(e) All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities over, under and across the Project which serve more than one apartment for services such as power, light, water, air conditioning, refuse, sewer, telephone and radio and television signal distribution; 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 or safety, or normally in common use.

LIMITED COMMON ELEMENTS: The proposed Declaration reflects that the limited common elements set aside and reserved for the exclusive use of each apartment is the lot beneath and surrounding such apartment, as shown on the proposed condominium map.

INTEREST TO BE CONVEYED TO PURCHASER: The proposed Declaration reflects that the undivided interests established and to be conveyed with the respective apartments shall have a permanent character and shall not be altered without the consent of all of the apartment owners affected, expressed in an amendment to the Declaration which shall be duly recorded, or as otherwise set forth in the Declaration. The undivided interests in the common areas and facilities and the fee titles to the respective apartments to be conveyed shall not be separated or separately conveyed. Each said undivided interest shall be deemed to encumber and be conveyed with its respective apartment even though the description in the instrument of conveyance or encumbrance may refer only to the title to the apartment. The proportionate shares of the separate owners of the respective apartments in the profits and common expenses in the common areas and facilities as well as their proportionate representation for voting purposes in the Association of Apartment Owners shall be the undivided 25% interest shown above under the topical heading of COMMON ELEMENTS.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration reflects that the apartments are intended to be used only as single family residences. Hotel or transient uses, defined in the proposed Declaration as occupancy of less than 30 consecutive days, are forbidden. The By-laws accompanying the Declaration reflect certain restrictions regarding pets, noise, and maintenance, among other things.

OWNERSHIP OF TITLE: A preliminary title report issued on February 8, 1983 by Hawaii Escrow and Title, Inc. certifies that fee-simple title to the land to be committed to the project is currently vested in David M. Gray and Diana P. Gray, husband and wife. The Grays have agreed to sell the land to Winther Securities, Ltd., which is the sole shareholder of 3002 Corporation, the Developer, pursuant to a Deposit, Receipt, Offer and Acceptance dated February 11, 1983. The Developer, by letter of April 11, 1983, has indicated that 1) the contingency on financing satisfactory to buyer has been dropped, 2) the purchase is to be consummated no later than May 30, 1983, and that Winther Securities, Ltd. has agreed to convey or contribute all ownership rights in the property to 3002 Corporation so that all deeds issued to purchasers of apartments will emanate from 3002 Corporation.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Report of February 8, 1983 identifies the following encumbrances on the land:

(1) Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent 4475.

(2) Mortgage dated July 23, 1982 made by and between David Maxwell Gray and Diana Price Gray, husband and wife, as Mortgagors, and First Hawaiian Bank, a Hawaii corporation, as Mortgage, recorded in the Bureau of Conveyances in Liber 16486, Page 130 on July 28, 1982.

(3) Financing Statement covering certain personal property therein described in favor of First Hawaiian Bank, a Hawaii corporation, as the secured party, against David Maxwell Gray and Diana Price Gray as the debtors, and recorded in the Bureau of Conveyances in Liber 16486, Page 149 on July 28, 1982.

(4) The condition contained in that certain Deed dated December 1, 1922, recorded December 11, 1922, in Liber 659, Page 447, to wit:

"(E) that no malt, vinous, spirituous or intoxicating liquors of any kind shall ever be sold or exposed for sale or manufactured for sale on the granted premises, or any part thereof."

(5) Real property taxes as may be due and owing. For details check with the Tax Assessor, First Division.

(6) Any assessments or change levied by Municipal or Governmental authority.

The Developer has advised the Commission that at the time the first apartment deed is entered into between said Developer, as grantor, and Buyer, any and all mortgages affecting such apartment shall be satisfied of record.

PURCHASE MONEY HANDLING: Purchasers' funds will be used to finance construction of all the apartments. Pursuant to Sections 514A-40(6) and 514A-67 of the Hawaii Revised Statutes, all monies received by Developer will be placed into escrow for disbursement by the escrow agent for certified construction costs according to the terms of the Escrow Agreement. A copy of the executed Escrow Agreement dated March 14, 1983 identifies Title Guaranty Escrow Services, Inc., a Hawaii corporation, as Escrow Agent. On examination, the specimen Receipt and Sales Contract and the executed Escrow Agreement are found to be in compliance with Hawaii Revised Statutes, Chapter 514A, and particularly Sections 514A-37, 514A-39, 514A-40 and 514A-63 through 514A-67.

Among other provisions, the executed Escrow Agreement states that a purchaser under a Receipt and Sales Contract shall have the right to cancel his agreement to purchase and to obtain a refund of all moneys held by Escrow which were paid by such purchaser under such sales agreement if

(i) there is any change in the condominium building plans subsequent to the execution of the Receipt and Sales Contract and prior to the issuance of a Final Public Report, which change requires the approval of a county officer having jurisdiction over issuance of permits for construction of buildings, and Seller fails to obtain the purchaser's written approval or acceptance of the specific change, but not if ninety (90) days have elapsed since the purchaser has accepted in writing the apartment or he first occupied the apartment, or

(ii) the Final Public Report differs in any material respect from the Preliminary Public Report, and

(iii) 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 or has not been deemed to have waived right to a refund, and

(iv) the Developer and purchaser delivers notice in writing to Escrow requesting refund prior to the expiration of thirty (30) days after the occurrence of any of the foregoing conditions.

It is incumbent upon purchasers and prospective purchasers that they read with care the specimen Reservation Agreement/Sales Contract and the executed Escrow Agreement. The Escrow Agreement establishes how the proceeds from the sale of the condominium apartments are placed in trust, as well as the retention and disbursement of funds. The Sales Contract provides, among other things, for purchaser's assumption of Seller's obligations under certain architectural and construction contracts to be entered into by the Seller.

MANAGEMENT AND OPERATIONS: The Developer has advised that it is negotiating a Management Contract with CERTIFIED MANAGEMENT, a division of A R Corporation, a Hawaii

corporation, whose principal place of business and post office address is 98-1238 Kaahumanu Street, Suite 404, P. O. Box 547, Pearl City, Hawaii 96782. A copy of the proposed Contract has been furnished to the Commission.

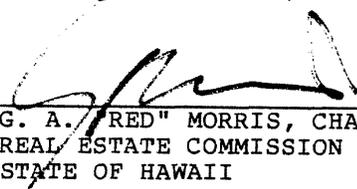
The Developer and its agents are not offering to provide services relating to the sale or rental of apartments purchased in the Project, and no representation or reference to that effect has been or will be made by or on behalf of the Developer.

STATUS OF PROJECT: The Developer has advised the Commission that it will enter into a contract for the construction of each apartment which will be assumed by each apartment Buyer. The Sales Contract states that Buyer agrees that it will substantially complete construction of the building containing said apartment within one (1) year from the date of closing as defined in the Sales Contract; otherwise, Buyer shall be liable to the Developer for additional payments. The Developer anticipates completion of the project by March, 1984. In addition, each purchaser will be assigned a management contract which authorizes the Developer to coordinate and monitor construction of the project on behalf of the purchaser.

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 on March 21, 1983 and information subsequently filed as of April 11, 1983.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1538 filed with the Commission on March 21, 1983.

The report, when reproduced, shall be a true copy of the Commission's Public Report. In making facsimiles, the paper stock shall be yellow in color.


G. A. "RED" MORRIS, CHARIMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

DEPARTMENT OF FINANCE
DEPARTMENT OF LAND UTILIZATION,
CITY AND COUNTY OF HONOLULU
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT
BUREAU OF CONVEYANCES

REGISTRATION NO. 1538

April 15, 1983

QUEEN'S COURT AT KAPIOLANI PARK

DISCLOSURE ABSTRACT

According to Hawaii Revised Statutes, Chapter 514A

1. Name and temporary address of the project.

Queen's Court at Kapiolani Park
3002 Hibiscus Drive,
Honolulu, Hawaii 96815
2. Name, address and telephone number of the Developer or his agent.

3002 CORPORATION
2240 Kuhio Ave., #3307
Honolulu, Hawaii 96815 Phone: 524-2600
3. Name, address and telephone number of the Project Manager or his agent.

Certified Management
98-1238 Kaahumanu St., Ste. 404
Pearl City, Hawaii 96782 Phone: 487-7941
4. Breakdown of annual maintenance fees, monthly estimated costs for each apartment, as stated on Exhibit "A-1" and one-time "start-up" fee as stated on Exhibit "A-2" (revised and updated every twelve (12) months and certified to have been based on generally accepted accounting principles).
5. Description of all warranties for the apartments and the common elements:

THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENTS, COMMON ELEMENTS OF THE PROJECT, CONSUMER PRODUCTS OR OTHER THINGS INSTALLED OR CONTAINED IN THE APARTMENT OR THE PROJECT, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR PARTICULAR USE.
6. All 4 units in Queen's Court at Kapiolani Park are to be used for residential purposes. There will be no commercial or non-residential use within the project.

ASSOCIATION OF APARTMENT OWNERS OF
QUEENS COURT AT KAPIOLANI PARK

PRELIMINARY MONTHLY CASH OPERATING BUDGET (Effective March 1, 1983)

<u>RECEIPTS</u>	<u>MONTHLY</u>	<u>ANNUAL TOTAL</u>
4010 Maintenance Fees	\$ 800	\$ 9,600
TOTAL CASH RECEIPTS	<u>\$ 800</u>	<u>\$ 9,600</u>
 <u>DISBURSEMENTS</u>		
6020 Office & Admin Expenses	\$ 10	\$ 120
6030 Management Fee (est)	100	1,200
6050 Audit and Tax Preparation	75	900
6180 Grounds Maintenance	300	3,600
6200 General Maintenance	50	600
6281 Fire Insurance	150	1,800
6283 Liability Insurance	17	204
6300 Transfer to Reserves	98	1,176
	<u>\$ 800</u>	<u>\$ 9,600</u>

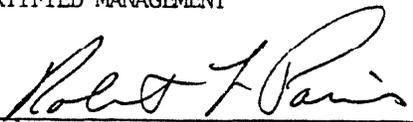
PRELIMINARY MONTHLY MAINTENANCE FEE

Four apartments at \$200.00 per month per apartment presuming equal ownership interest.

The enclosed breakdown of the annual maintenance fees (pro-rated on a monthly basis) and the estimated costs for each apartment is for twelve (12) months commencing March 1, 1983. While not guaranteed, the information contained herein is based on current data available to us which we believe to be authoritative.

We certify that the maintenance fees and operating costs have been based on generally accepted accounting principals and converted to cash basis for this presentation.

CERTIFIED MANAGEMENT

By 
Robert L. Paris, CPM

ASSOCIATION OF APARTMENT OWNERS OF
QUEENS COURT AT KAPIOLANI PARK

START-UP FEE

The \$600 "Start-Up Fee" provides funds for certain prepaid capital and other expenses that must be disbursed at the inception of the condominium operation.

The estimated start-up expenses are expected to be as follows:

1. Prepaid fire, liability, property damage insurance.	\$ 2,000.00
2. Initial operating expenses	<u>400.00</u>
TOTAL START-UP FEES	<u>\$ 2,400.00</u>
"Start-up Fee" for each apartment purchaser	<u>\$ 600.00</u>