

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
KINAU VILLA
Kinau Street and Ward Avenue
Honolulu, Hawaii

REGISTRATION NO. 437

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: March 30, 1972

Expires: April 30, 1973

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 MARCH 6, 1972 AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS LATE AS MARCH 30, 1972. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, HAWAII REVISED STATUTES.

1. "KINAU VILLA" is a proposed leasehold condominium project with a total of seventy-six (76) units consisting of sixty-four (64) one-bedroom, one bath units and twelve (12) two-bedroom, one bath units. There will be four (4) separate buildings; three of which, referred to as Buildings "A", "B" and "C" are existing two-story walk-up buildings, with a total of 28 units, and Building "D" being a proposed new ten (10) story building, containing 48 one-bedroom units. Building A was completed in 1956, and Buildings B and C were completed in 1954. All three buildings have been occupied as rental apartments since their completion. There will be 57 parking spaces; 38 being under cover and 19 uncovered. The parking spaces will be assigned to a unit as the units are sold.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a 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 been filed as of this date. The Declaration and By-Laws are recorded in Liber 8193 at Page 264 and the map is designated as Condominium Map No. 218.
4. No advertising or promotional matter has been 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 Chapter 514, Hawaii Revised Statutes, and the Condominium Rules and Regulations which relate to Horizontal Property Regime.
6. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, March 30, 1972, unless a Supplementary Public Report issues or the Commission upon review of registration issues an order extending the effective period of this report.

NAME OF PROJECT: "KINAU VILLA"

LOCATION: The approximate 24,742 square feet of real property to be committed to the regime, as a leasehold condominium project is located at the makai-ewa corner of Kinau Street and Ward Avenue, Honolulu, Hawaii.

TAX KEY: FIRST DIVISION 2-1-4-24

ZONING: A-3

DEVELOPER: The developer is HEADRICK DEVELOPMENT, INC., a Hawaii corporation, whose mailing address is 2678 Kili Hau Street, Honolulu, Hawaii 96819.

The officers of Headrick Development, Inc. are as follows: GEORGE HEADRICK, President; HAROLD HEADRICK, Vice President; and FLORENCE HIGA, Secretary.

ATTORNEY REPRESENTING DEVELOPER: Vernon T. Tashima, Suite 400, AMFAC Building, 700 Bishop Street, Honolulu, Hawaii 96813. Telephone: 521-2951.

DESCRIPTION: The Declaration of Horizontal Property Regime reflects that the project is to consist of the leasehold property located at the makai-ewa corner of Kinau Street and Ward Avenue, Honolulu, Hawaii, and four buildings containing a total of seventy-six (76) apartments. The three existing two-story buildings are constructed basically of hollow tile, concrete and wood, and the new ten (10) story building will be constructed basically with concrete, wood, steel, glass and allied building materials. There will be fifty-seven (57) parking spaces; thirty-two (32) covered stalls located in Building "D", three (3) covered stalls under Building "B", three (3) covered stalls under Building "C", and nineteen (19) uncovered stalls on the ground level of the premises. The stalls will be assigned to an apartment unit as the units are sold.

Access to the apartments is directly from the grounds, walkways and driveways.

There will be four separate buildings, designated as Buildings A, B, C and D. Building A, being a two-story walkup containing 12 two-bedroom, one bath units; Buildings B and C, each being a two-story walkup containing 8 one-bedroom, one bath units each, and Building D, being a ten (10) story building containing 48 one-bedroom, one bath units.

The seventy-six units are described as follows:

The two-bedroom units, 12 in all, are similar in layout and in size and are described as follows: The two-bedroom unit contains 560 square feet, more or less. The rooms are comprised of a complete bathroom; the living room and kitchen will be divided by a snack bar.

The units in Buildings B and C are similar in detail; all being one-bedroom, one bath units, living room, kitchen and dining nook with a total floor area of 416 square feet, more or less.

The one-bedroom units in Building D are similar in layout and are described as follows: Each unit contains 733 square feet, more or less, with a lanai area of 94 square feet, more or less. Each unit will have one bedroom, one bath, a living room-kitchen separated by a snack bar and open lanai.

The appliances included in each of the 76 apartments are: refrigerator, free standing range and oven and disposal.

Each apartment shall include the space and improvements within its perimeter walls, floors and ceilings, including all interior walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surface of all walls, floors and ceilings, all doors, window glass and screens, all fixtures and all appliances originally installed as fixtures therein.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits, ducts or other utility lines running through such apartment, the same being deemed common elements as hereinafter provided.

Each apartment has immediate access to the corridors on each floor leading to the stairway, or to the elevator in the new building, or directly to the grounds, if on ground level.

COMMON ELEMENTS: The specimen Declaration reflects that the common elements consist of the following: (i) Said land as a leasehold. (ii) All foundations, floor slabs, columns, girders, beams, supports, load-bearing walls, main walls, interior walls separating adjacent apartments in the same building, halls, roofs of the buildings, stairs, stairways, fire escapes and entrances and exits of the apartment building, elevator and appurtenances. (iii) All yards, grounds, landscaping, refuse facilities, recreational facilities and switch room. (iv) All building walkways, building side-walks, pathways, parking areas, driveways and roads within project. (v) All ducts, electrical equipment, wiring and other central and appurtenant installations, including power, light, water, sewer, gas and telephone; all pipes, plumbing, wires, conduits or other utility or service lines, which run through an apartment but which are utilized by or serve more than one apartment; and air conditioning and like utilities, if installed.

LIMITED COMMON ELEMENTS: The specimen Declaration reflects that the common elements consist of the following: (i) The land situated within the outer perimeter of each building shall be appurtenant to and for the exclusive use of the apartments located in said building, as shown on the Condominium Map. (ii) The parking spaces designated on the Condominium Map by the same numbers as those assigned to a particular apartment shall be appurtenant to and for the exclusive use of that apartment.

INTEREST TO BE CONVEYED PURCHASER: The specimen Declaration states that the undivided interest in the common elements appertaining to each apartment are as follows:

<u>Apartment Units</u>	<u>Percentage Interest</u>
Building "A" 2-bedroom, 1 bath units (12 units)	1.153 each unit
Building "B" 1-bedroom, 1 bath units (8 units)	.856 each unit
Building "C" 1-bedroom, 1 bath units (8 units)	.856 each unit

Apartment Units

Percentage Interest

Building "D"
1-bedroom, 1 bath units
(48 units)

1.509 each unit

According to the Declaration and By-Laws, each apartment's share of the common expense and voting rights shall be in proportion to its undivided interest in the common elements.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The specimen Declaration states that each apartment shall be used only as a single family residence dwelling by the respective owners thereof, their tenants, families and domestic servants and for no other purpose. Each owner shall comply with the terms of the Declaration, By-Laws, and House Rules of the Association of Apartment Owners.

OWNERSHIP TO TITLE: The Notice of Intention reflects that ownership to fee title is vested in Henry M. Felix.

A copy of a Preliminary Report issued by Security Title Corporation as of March 1, 1972 certifies that the fee simple title to the land is vested as aforesaid, subject to a Lease dated February 28, 1972 recorded in Liber 8152 at Page 246, in favor of Headrick Development, Inc.

ENCUMBRANCES AGAINST TITLE: The Preliminary Report as of March 1, 1972 certifies that the following encumbrances exist: (1) Reservation in favor of the State of Hawaii of all mineral and metallic mines; (2) Master Lease dated February 28, 1972, recorded on March 1, 1972, in the Bureau of Conveyances of the State of Hawaii in Book 8152, Page 246, made by Henry M. Felix, as lessor, and Headrick Development, Inc., as lessee, for a term of 70 years, commencing on March 1, 1972 and ending on February 28, 2042; (3) mortgage dated February 28, 1972 recorded in Liber 8152 at Page 262, made by Headrick Development, Inc., to Service Finance, Limited; (4) mortgage dated February 28, 1972, recorded in Liber 8152 at Page 270, made by Headrick Development, Inc. to Henry M. Felix.

CURRENT YEAR TAXES: Fiscal Year 1971 - 1972 1st installment paid
2nd installment (delinquent after
May 20, 1972)

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated February 28, 1972 identifies Security Title Corporation as "Escrow". On examination, the specimen Sales Agreement and executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes and particularly Section 514-35 and Section 514-36 through 514-40.

The specimen Sales Agreement provides that in the event that less than 50 apartments are sold by December 31, 1972, or the building cannot be completed by December 31, 1973, or Seller is prevented by law from proceeding with construction of the project, Seller at its option may cancel the agreement upon written notice to Purchaser.

Among other provisions the specimen Escrow Agreement reflects that a purchaser shall be entitled to a refund of his funds if any one of the following shall have occurred: (1) Escrow receives a written request from 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 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 Purchaser's funds were obtained prior to the issuance of a final public report and the request is prior to the time the Final Public Report is issued, or (4) if the Final Report differs in any material respect from the Preliminary Report, unless the Purchaser has given written approval or acceptance of the difference; or (5) if the Final Report is not issued within one year from the date of issuance of the Preliminary Report.

It is incumbent upon the Purchaser and prospective Purchaser that he reads with care the Contract of Sale and the Escrow Agreement. The Escrow Agreement establishes how the proceeds from the apartment units and all sums received from any source are placed in trust, as well as the retention and disbursement of said trust funds.

FINANCING OF PROJECT: The Developer has filed with the Commission a statement of financing showing the total project costs, and Developer's program of financing the total project costs. The Developer plans to finance the total project cost through an interim construction loan of \$1,200,000 and the balance through Developer's equity fund.


MANAGEMENT AND OPERATIONS: The By-Laws of this project states the Board of Directors may employ for the Association of Apartment Owners, a management agent to perform such duties as the Board shall authorize, including the collection of all assessments from the owners. The Developer has filed with the Commission a Management Agreement dated March 6, 1972, naming Melemanu Realty & Finance, Inc. as the managing agent. The Management Agreement terminates on December 31, 1974.

STATUS OF PROJECT: The Developer advises the Real Estate Commission that the construction of the building was commenced on March 1, 1972. The Construction Contract dated February 2, 1972 by and between Headrick Development, Inc. and L & H, Inc., the Contractor, states that construction will be completed within 12 months from date of notice to proceed.

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 March 6, 1972 and information subsequently filed as late as March 30, 1972.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 437 filed with the Commission on March 6, 1972.

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.


for DOUGLAS R. SODEVANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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Distribution:

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

March 30, 1972
REGISTRATION NO. 437