

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
CRYSTAL PARK
855 Makahiki Way
Honolulu, Hawaii

REGISTRATION NO. 1440

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: August 3, 1982
Expired: September 3, 1983

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 JUNE 29, 1981, AND INFORMATION SUBSEQUENTLY SUBMITTED AS OF JULY 26, 1982. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT SET FORTH IN CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Preliminary Public Report dated September 9, 1981 on CRYSTAL PARK Registration No. 1440, the Developer has forwarded additional information deemed material to the project.

2. This Final Public Report amends the Commission's Preliminary Public Report dated September 9, 1981, and is made a part of the registration of CRYSTAL PARK condominium project. The Developer is responsible for placing this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers, together with the Preliminary Public Report (yellow paper stock) and Disclosure Statement and for securing a signed copy of the Receipt therefor.
3. The Developer of the project has filed all documents and materials deemed necessary by the Commission for the registration of this condominium project and the issuance of this Final Public Report.
4. The Developer advises that the Declaration of Horizontal Property Regime and attached By-Laws dated May 21, 1982 have been filed in the Bureau of Conveyances of the State of Hawaii in Liber 16431 at Page 279. Condominium Map No. 849 has been designated to the project.
5. Advertising or promotional matter has been submitted pursuant to the Rules and Regulations promulgated by the Commission.
6. 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, as amended, and the Condominium Rules and Regulations which relate to the Horizontal Property Regime.
7. This Final Public Report automatically expires thirteen (13) months after date of issuance, August 3, 1982 unless a Supplementary Report issues or the Commission upon review of the registration, issues an order extending the effective period of this report.

The information under the topical headings in the Preliminary Public Report dated September 9, 1981 has not been modified except for LOCATION, DESCRIPTION, COMMON ELEMENTS, PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE, OWNERSHIP, ENCUMBRANCES AGAINST TITLE, EASEMENTS, CONSOLIDATION OF APARTMENTS, MANAGEMENT AND OPERATIONS, FINANCING CONSTRUCTION and STATUS OF PROJECT. A new heading, SUBORDINATION TO INTERIM CONSTRUCTION LOAN has been added.

LOCATION: The correct address of the project is 855 Makahiki Way, Honolulu, Hawaii.

DESCRIPTION: The Developer has changed the "limits of apartment" by excluding from the "limits of apartments" the interior half of party walls (except for the interior decorated surface thereof), perimeter nonparty walls (except for the interior decorated surface thereof) and the entire wall abutting, the elevator shaft (except for the interior decorated surface thereof), the said walls now being common elements. The "limits of apartment" therefore is as follows:

Each apartment shall be deemed to include all the walls and partitions which are not load-bearing walls within its perimeter walls; all louver windows, doors and sliding glass panels, if any, along the perimeters; the inner decorated or finished surfaces of the floors and ceilings within the apartment; the inner decorated or finished surfaces of perimeter walls; all fixtures installed therein; and all air space encompassed within the apartment; provided, however, the respective apartments shall not be deemed to include all load-bearing walls, the undecorated or unfinished floors and ceilings surrounding each apartment, the entire glass wall except the inner decorated or finished surfaces thereof, all utility chase, ventilation duct shaft, including any roof drains, located within an apartment, the same being a common element as defined herein.

Accordingly, the terms "Gross Living Area" and "Net Living Area" as used in the Preliminary Public Report are clarified as follows:

The "net living area" of an apartment is determined from the "Limits of Apartment." Solely for the purpose of determining the "Gross Living Area," each apartment shall include the "Net Living Area", together with the interior half of the party walls; the entire wall (except glass wall) of a perimeter nonparty wall, the entire wall abutting the elevator shaft, if any; and all of the walls and partitions, vents, shafts, ducts and the like within the apartment perimeter walls, whether load bearing or nonload bearing. Certain areas included in the "Gross Living Area" square footages are common elements.

In addition, the Developer has informed the Commission that the "living-dining" room referred to in the Preliminary Public Report in the description of "C" type apartments has been renamed a "living-dining-study" room. Also, the designation of Apartment No. 101 as type "CLH" in the Preliminary Public Report is a typographical error and is corrected by designating Apartment No. 101 as type "CHL."

COMMON ELEMENTS: The definition of common elements has not changed. However, by reason of the change in the limits of apartments, the party walls (except for the decorated surfaces thereof in the interior of an

apartment), the perimeter nonparty walls (except for the decorated surfaces thereof in the interior of an apartment) and the entire wall abutting the elevator shaft (except for decorated surface thereof in the interior of an apartment) have become common elements.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Developer has modified the purpose of the building and restrictions as to use by adding that no apartment shall be used as a tenement, a rooming house, for or in connection with any "time share plan" (as defined in Section 514E-1, Hawaii Revised Statutes) or for or in connection with the carrying on of any business trade or profession whatsoever.

OWNERSHIP: The Developer has informed the Commission that fee ownership of the land has changed by adding Fujiko Muriel Amano as a co-owner of the parcel bearing Tax Key 2-7-8-6 and excluding Satsuko Morimoto, as a co-owner of the parcel bearing Tax key 2-7-8-7 so that the sole fee owner thereof is Shigeichi Morimoto. Commitment for Title Insurance issued on June 29, 1982 by First American Title Insurance Company certifies that leasehold title to land is vested in the Crystal Park Corporation, a Hawaii Corporation, as lessee. Said leasehold estate or interest is created by that certain Indenture of Short-Form Lease dated December 29, 1981, executed by and between Kikujiro Nakama and Kimie Nakama, husband and wife, Shigeichi Morimoto, a widower, and Robert K. Amano and Fujiko Muriel Amano, husband and wife, "Lessor", and said Lessee, recorded on December 31, 1981 in the Bureau of Conveyances of the State of Hawaii in Liber 16076 Page 403, for a term of approximately 67 years commencing August 1, 1981, unless sooner terminated.

ENCUMBRANCES AGAINST TITLE: Said Commitment for Title Insurance reflects the following encumbrances:

1. For real property taxes that may be due and owing, reference is made to the Office of Finance Director, City and County of Honolulu.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. The terms and provisions of that certain aforesaid Short-Form Lease.
4. Real Property Mortgage and Financing Statement dated December 29, 1981 by Crystal Park Corporation, a Hawaii corporation, as Mortgagor; in favor of Honolulu Federal Savings and Loan Association, a federal savings and loan association, as Mortgagee recorded in the Bureau of Conveyances, State of Hawaii on December 31, 1981 in Liber 16076, page 414 in the amount of \$4,300,000.00 and any other amounts and/or obligations secured thereby.

5. Condominium Map No. 848, filed in the Bureau of Conveyances of the State of Hawaii.

6. The restrictions, covenants, agreements, obligations, conditions, easements and other provisions set forth in Declaration of Horizontal Property Regime dated May 27, 1982, recorded on June 28, 1982 in said Bureau of Conveyances in Liber 16431 Page 279, and the By-Laws attached thereto.

7. All exclusive and non-exclusive easements mentioned in said Declaration, as amended, and/or as delineated on Condominium Map No. 848.

Said commitment for Title Insurance also notes the following:

1. Financing Statement by Crystal Park Corporation, as Debtor, in favor of Honolulu Federal Savings and Loan Association, as Secured Party, filed in the Bureau of Conveyances, State of Hawaii on December 31, 1981 in Liber 16076, page 458 covering items therein described.

2. Pending civil action filed on January 25, 1982 in the Circuit Court of the First Circuit, State of Hawaii, Civil No. 69249, by Regency Realty, Inc., a Hawaii corporation, as Plaintiff against Kikujiro Nakama, Kimie Nakama, Shigeichi Morimoto, Robert K. Amano, Crystal Park Corporation, a Hawaii corporation, Eric Nagano, Jo Paul Rognstad, Building Associates, Ltd., a Hawaii corporation, John Does 1-10, Roe Corporations 1-10, Doe Partnerships 1-10, Doe Entities 1-10 and Governmental Entities 1-10, as Defendants, and concerning an alleged breach of Development Agreement for a proposed condominium over the land and Plaintiff prays for revocation of any and all other development agreements concerning the development of a condominium project over the land, freezing any improvements on the land, general damages in the amount of \$5,000,000.00 and punitive damages in the amounts of \$7,000,000.00.

EASEMENTS: The Developer has modified the easements which the apartments and common elements shall be subject to by adding the following:

If any part of an apartment or limited common element encroaches upon any common element, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall exist. In the event the building shall be partially or totally destroyed and then rebuilt, encroachments of any parts of the apartment and/or limited common elements due to construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

In addition, the easement which an apartment is subject to in favor of the owners of all other apartments and the Board of Directors of the Association of Apartment Owners for access to any common elements located in such apartment has been modified by adding that such easement shall be exercised solely by the Board of Directors or the Managing Agent.

CONSOLIDATION OF APARTMENTS: The right of the Developer or apartment owner to consolidate two or more adjoining apartments as set forth in the Preliminary Public Report has been modified by adding that the Developer or apartment owner seeking consolidation must first obtain the written consent of the Fee-Owners, which consent shall not be unreasonably, arbitrarily or capriciously withheld.

MANAGEMENT AND OPERATIONS: The Developer has informed the Commission that a Management Agreement dated September 22, 1981 has been executed between developer and Realty Management and Sales Corporation of 1580 Makaloa Street, Suite 888, Honolulu, Hawaii.

FINANCING CONSTRUCTION: The Developer has informed the Commission that the cost of completion of the Project will be approximately \$5,157,311; that a maximum of \$4,300,000 will be available to the Developer from an interim construction loan from Honolulu Federal Savings and Loan Association and that the balance of the cost of completion will be paid from purchasers' deposits and sales proceeds realized from sales of the apartments in the Project and from the Developer.

The Developer has informed the Commission that it has obtained a commitment for permanent financing from Honolulu Federal Savings and Loan Association to a maximum of \$4,600,000. The commitment letters for the interim and permanent loans have been forwarded to the Commission and may be reviewed.

STATUS OF PROJECT: The Developer has advised the Commission that construction of the project commenced in October, 1981 and completion is estimated on or about October 15, 1982. A construction contract dated July 15, 1981 has been executed between the Developer and Building Associates, Ltd.

SUBORDINATION TO INTERIM CONSTRUCTION LOAN: By executing a receipt for this Final Public Report, each purchaser acknowledges that the Developer has entered into an agreement with Honolulu Federal Savings and Loan Association (the Lender) for an interim construction loan for the cost of constructing and equipping the project and for other costs and expenses of the project. To secure the interim construction loan, the Developer has given to the Lender a mortgage covering the leasehold interest in the land on which the project is to be built and a


security interest in other items of property comprising or affecting the project. The purchaser acknowledges and agrees that such mortgage lien and security interests securing such loan and all extensions, renewals and modifications thereof shall be and remain at all times a lien or charge on the project prior and superior to any and all liens or charges on the project arising from the purchaser's sales contract or any prior reservation agreement. The purchaser intentionally waives, relinquishes and subordinates the priority or superiority of any interest under his sales contract in favor of the liens or charges upon the project in favor of the Lender. The purchaser also consents to the Developer's assignment of the purchaser's sales contract to the Lender as a portion of the security for such loan and agrees that the purchaser will, in the event that the Lender acquires or controls the project and at the request of the Lender, attorn to the Lender and perform the purchaser's obligations under the sales contract directly to and for the benefit of the Lender.

At the time of the first conveyance, the Developer shall satisfy the provisions of 514A-18, Hawaii Revised Statutes, as amended, requiring the mortgages and other lien, except any improvement district or utility assessment, to be satisfied or to provide for partial releases to the respective apartments.

The purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted June 24, 1981, and additional information subsequently filed as of July 26, 1982.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1440, filed with the Commission on June 29, 1981.

This report when reproduced shall be a true copy of the Commission's Public Report. The paper stock used in making facsimilies must be white.


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

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REGISTRATION No. 1440

August 3, 1982