

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
ALA WAI COVE
509 University Avenue
Honolulu, Hawaii 96814

REGISTRATION NO. 330

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: June 9, 1970
Expires: July 9, 1971

SPECIAL ATTENTION

A comprehensive reading of this report is urged so that the personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser is particularly directed to the following:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED MAY 8, 1970 AND ADDITIONAL INFORMATION SUBMITTED AS LATE AS JUNE 5, 1970. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF THE INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, HAWAII REVISED STATUTES.

1. Ala Wai Cove is a proposed fee simple condominium project which will be submitted in fee simple to the horizontal property regime and will consist of a 10-story, 77-unit reinforced concrete structure with appurtenances. The developer will substantially renovate the existing 10-story reinforced concrete structure on the property which it owns and operates as a conventional rental apartment building. Seventy-two (72) parking spaces will be available in the grounds and the parking deck of the property. The 77 residential apartments will be offered for sale on a fee simple basis and are specifically made the subject of this report.

2. All documents deemed necessary for the registration of a condominium project and issuance of this Preliminary Public Report have been submitted by the developer to the Commission for examination.
3. The Developer has arranged for insurance by the Federal Housing Administration pursuant to Section 234 of Title II of the National Housing Act, as amended, of individual mortgages by qualified purchasers of apartments in the project. As a condition to its providing such insurance, the Federal Housing Administration requires that the Association of Apartment Owners enter into with that agency and record a Regulatory Agreement whereby the Association may be regulated and restricted by that agency. The Regulatory Agreement is proposed to be executed and recorded with the Declaration as Exhibit B thereto. Purchasers of units in the project should, therefore, familiarize themselves with the provisions of the Regulatory Agreement.
4. The basic condominium documents (Declaration of Horizontal Property Regime, Regulatory Agreement with the Federal Housing Administration, By-Laws of the Association of Apartment Owners, and a copy of the approved Floor Plans) have not been filed in the office of the recording officer.
5. No advertising and promotional material has been submitted to the Commission, but the developer advises that, pursuant to the Commission's rules and regulations, all such material will be submitted to the Commission prior to its public dissemination.
6. The developer has advised the Commission that pursuant to the terms of the Purchase Agreement and Escrow Agreement for the project and to the requirements of the Federal Housing Administration, purchasers' escrowed down payments will not be used to defray the costs of construction. The prospective purchaser is advised to acquaint himself specifically with the provisions of the Purchase Agreement and Escrow Agreement.
7. The prospective purchaser is advised to acquaint himself with the provisions of the Horizontal Property Act, Chapter 514, Hawaii Revised Statutes, and with the rules and regulations promulgated pursuant thereto.
8. This Preliminary Public Report automatically expires on July 9, 1971, thirteen (13) months after its date of issue, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of the report.
9. If the Final Public Report covering this project is not issued within one (1) year from the date of this Preliminary Public Report, purchasers shall be entitled to the refund of all moneys paid by them and shall be relieved of any further obligation.

NAME OF PROJECT: ALA WAI COVE

LOCATION: The 27,991 square feet of land to be submitted to the regime is located at 509 University Avenue Extension, Honolulu, Hawaii 96814, and is also bounded by Hihiwai and Lauiki Streets.

TAX KEY: FIRST DIVISION, 2-7-13:11

ZONING: A-4 Apartment District

DEVELOPER: The developer is Park Terrace, Inc., a Hawaii corporation, whose principal place of business and post office address is Suite 1508, 700 Bishop Street, Honolulu, Hawaii 96813. Park Terrace, Inc. was incorporated on March 3, 1960, and has been doing business in Hawaii since that date. The developer advises that after the basic condominium documents have been filed in the office of the recording officer but before the first conveyance of an apartment in the project, it is proposed that it be merged with and into its

parent corporation, presently known as Paterrin Corp. but which by then should be known as United Hawaiian Properties Corporation. Paterrin Corp. is a subsidiary of United Hawaiian Investment Corporation. Paterrin Corp. and United Hawaiian Investment Corporation each has as its principal place of business and post office address Suite 1508, 700 Bishop Street, Honolulu, Hawaii 96813. The officers of Park Terrace, Inc. are:

President	Roland D. Sagum
Vice President	Michael K. H. Limm
Secretary-Treasurer	Zena M. Schuman

ATTORNEY REPRESENTING DEVELOPER: PADGETT, GREELEY, MARUMOTO & AKINAKA (Asa M. Akinaka), 438 Alexander Young Building, Honolulu, Hawaii 96813. Telephone 537-5976.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime reflects that the project will consist of 27,991 square feet of land in fee simple located at 509 University Avenue Extension between Kapiolani Boulevard and the Ala Wai in Honolulu, and of a single 10-story, 77-unit reinforced concrete structure with appurtenances. The land and improvements will be submitted in fee simple to a horizontal property regime. The project contains 77 residential apartments, five on the first floor and eight on each of the second through tenth floors. The digit or digits which precede the last two digits of an apartment number indicate the floor on which the apartment will be located. Each apartment will be one of eleven (11) distinct types. The apartment number, number and types of rooms, approximate areas, and percentage common interests for the apartments are as follows:

<u>Apartment</u>	<u>Rooms, Area</u>	<u>Percentage Common Interest</u>
101	4 rooms (bedroom, bath, living-dining, kitchen); 604.77 square feet enclosed and 165.00 square feet lanai	1.2970
102	4 rooms (bedroom, bath, living, kitchen); 565.51 square feet enclosed and 253.00 square feet lanai	1.0823
103	4 rooms (bedroom, bath living, kitchen); 559.51 square feet enclosed and 253.00 square feet lanai	1.2053
104	4 rooms (bedroom, bath, living-dining, kitchen); 604.77 square feet enclosed and 165.00 square feet lanai	1.2970
105	5 rooms (2 bedrooms, bath, living-dining, kitchen); 310.3520 square feet enclosed and 175.26 square feet lanai	1.7123
201, 204, 301, 304, 401, 404, 501, 504, 601, 604, 701, 704, 801, 804, 901, 904 1001, 1004	5 rooms (2 bedrooms, bath, living-dining, kitchen); 704.94 square feet enclosed and 93.00 square feet lanai	1.5564

<u>Apartment</u>	<u>Rooms, Area</u>	<u>Percentage Common Interest</u>
202, 203, 302, 303, 402, 403, 502, 503, 602, 603, 702, 703, 802, 803, 902, 903 1002, 1003	5 rooms (2 bedrooms, bath, living-dining, kitchen); 695.94 square feet enclosed and 93.00 square feet lanai	1.5475
205, 305, 405, 505, 605, 705, 805, 905, 1005	4 rooms (bedroom, bath, living, kitchen); 550.66 square feet enclosed and 74.75 square feet lanai	1.2344
206, 306, 406, 506, 606, 706, 806, 906, 1006	3 rooms (living-bedroom, bath, kitchen); 401.86 square feet enclosed and 84.88 lanai	.8811
207, 307, 407, 507, 607, 707, 807, 907, 1007	3 rooms (living-bedroom, bath, kitchen); 413.86 square feet enclosed and 84.88 lanai	.9079
208, 308, 408, 508, 608, 708, 808, 908, 1008	4 rooms (bedroom, bath, living, kitchen); 551.26 square feet enclosed only	1.1472

Each apartment on the first floor will have immediate access to the corridor and then to the lobby, the grounds, and the street. Each apartment on the second through tenth floors will have immediate access to a corridor connecting with two elevators and stairways to the first floor and then to the street.

Each apartment shall not be deemed to include the undecorated and/or unfinished surfaces of the perimeter walls, floors and ceilings surrounding the apartment, or be deemed to include the lights, wires, conduits or public utility lines running through the apartment which are utilized for or serve more than one apartment. Each apartment shall be deemed to include the walls and partitions which are contained in the apartment, and also shall be deemed to include the inner decorated and/or finished surfaces of the perimeter walls, floors and ceilings, including plastic, paint, or paper, etc. Each apartment shall also include a refrigerator, range, dishwasher, disposer, and carpeting. Separate laundry facilities will be provided on each floor for the use of apartments on that floor.

COMMON ELEMENTS: The proposed Declaration states that the common elements for the project include the 10-story, 77-unit reinforced concrete structure and appurtenances and the land upon which they are located, and specifically include, but are not limited to, the land in fee simple, foundations, supports, main walls, slats, elevators, elevator shafts, staircases, lobbies, halls, parking stalls, storage spaces, community and recreational facilities, pumps, tanks, trees, pavement, lanais, pipes, wires, conduits, ducts, all central and appurtenant installations for utility and other common services, and, in general, all the parts of the project necessary or convenient for its existence, maintenance, and safety, or normally in common use.

LIMITED COMMON ELEMENTS: The only limited common element shall be the seventy-two (72) parking stalls, which are designated on the copy of the floor plans by the numbers 1 through 72, the "U" or "C" appearing after each number indicating that

the parking stall so number is uncovered or covered, in the case may be.
 The apartments and the parking stalls assigned to them are as follows:

<u>Apartment</u>	<u>Parking Stall</u>
101	37U
102	38U
103	39U
104	36U
105	41U
201	33U
202	31U
203	30U
204	32U
205	35U
206	none
207	none
208	34U
301	65U
302	66U
303	67U
304	64U
305	71U
306	none
307	none
308	70U
401	44U
402	62U
403	61U
404	63U
405	68U
406	72U
407	none
408	69U
501	53U
502	55U
503	56U
504	54U
505	60U
506	43U
507	42U
508	59U
601	7C
602	5C
603	28C
604	6C
605	52U
606	40U
607	58U
608	8C
701	26C
702	24C
703	16C
704	25C
705	29C
706	57U
707	45U
708	27C
801	17C
802	13C
803	15C
804	12C
805	3C
806	46U
807	47U
808	4C

<u>Apartment</u>	<u>Parking Stall</u>
901	20C
902	22C
903	21C
904	23C
905	14C
906	43U
907	49U
908	11C
1001	10C
1002	2C
1003	1C
1004	9C
1005	13C
1006	50U
1007	51U
1008	19C

COMMON INTEREST TO BE CONVEYED TO PURCHASER: The proposed Declaration discloses that each apartment shall have appurtenant thereto an undivided percentage interest, or common interest, in the common elements, in all profits and expenses of the project, and for all other purposes, including voting, as set forth under the topical heading of DESCRIPTION.

USE: The proposed Declaration provides that the apartments shall be occupied and used by the respective owners thereof only as a private dwelling for the owner, his family, tenants and social guests and for no other purpose. The apartment shall not be rented by the owners thereof for transient or hotel purposes, which are defined as (a) rental for any period less than thirty (30) days; or (b) any rental if the occupants of the apartment are provided customary hotel services, such as room service for food and beverage, maid service, furnish laundry and linen, and bellboy service. Other than the foregoing restrictions, the owners of the apartments shall have the absolute right to lease their apartments provided that the lease is made subject to the covenants and restrictions contained in the Declaration, the By-Laws, and the Regulatory Agreement.

OWNERSHIP OF AND ENCUMBRANCES AGAINST TITLE: Information contained in the Notice of Intention and in the Preliminary Report issued by Security Title Corporation shows that fee title to the 27,991 square feet of the project is vested in Park Terrace, Inc. Of the 27,991 square feet of the project, 22,394 square feet is covered by Transfer Certificate of Title No. 79,150 issued to Park Terrace, Inc. The Preliminary Report indicates the following encumbrances against the project, with appropriate references to liber and page wherein they are recorded in the Bureau of Conveyances and also the document numbers by which they are filed in the Office of the Assistant Registrar of the Land Court and noted on said Transfer Certificate of Title No. 79,150: Mortgage dated March 3, 1960, by Park Terrace, Inc. to Honolulu Mortgage Co., Ltd. (Liber 3790 at Page 5, Document No. 253295); Assignment of the foregoing Mortgage dated July 28, 1961, by Honolulu Mortgage Co., Ltd. to National Life Insurance Company (Liber 4101 at Page 403, Document No. 276943); Supplement to the foregoing Mortgage dated August 23, 1961, by Park Terrace, Inc. to Honolulu Mortgage Co., Ltd. (Liber 4119 at Page 239, Document No. 273212); Assignment of the foregoing Supplement to Mortgage dated August 24, 1961, by Honolulu Mortgage Co., Ltd. to National Life Insurance Company (Liber 4119 at Page 294, Document No. 273213); and undated Continuation Statement continuing the foregoing Mortgage as supplemented (Liber 5920 at Page 109).

As to the 5,597 square feet of the project not covered by said Transfer Certificate of Title No. 79,150, there is a reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patents Nos. 4475 and 7739.

The developer advises that at the time an apartment deed is placed of record with respect to any apartment being offered for sale, the foregoing encumbrances, except the reservation in favor of the State of Hawaii of all mineral and metallic mines, will have been released with respect to that apartment.

PURCHASE MONEY HANDLING: A copy of the Escrow Agreement between Security Title Corporation, as Escrow, and Park Terrace, Inc., as Seller, executed on May 22, 1970,

as amended by Amendment to Escrow Agreement dated June 3, 1970, has been submitted as part of this registration. A specimen copy of the proposed Purchase Agreement and the executed copy of the Escrow Agreement have been examined and have been found to conform with the requirements of the Horizontal Property Act relating to purchasers' rights and to the use and handling of purchasers' funds. Under those documents, purchasers' funds may not be disbursed, except by way of a refund including but not limited to refunds required by Sections 514-37 through 514-39, Hawaii Revised Statutes, or upon default by the purchaser, until completion of the project.

Since the Purchase Agreement gives both the prospective purchaser and the developer the option of cancellation upon the occurrence of certain events; since the Escrow Agreement establishes the procedure for receiving and disbursing purchasers' funds deposited in escrow; and since the Purchase Agreement specifically provides that the purchaser approves the Escrow Agreement, it is incumbent upon the prospective purchaser to read and understand both the Escrow Agreement and the Purchase Agreement before executing the latter.

MANAGEMENT AND OPERATION: The proposed Declaration and By-Laws of the Association of Apartment Owners provide that the operation of the project shall be conducted for the Association by a responsible corporate managing agent under the direction of the Association's Board of Directors. The proposed Purchase Agreement authorizes the developer to employ the first managing agent; gives the managing agent complete authority for the management, operation and maintenance of the project; and provides that upon being billed for the same, the purchaser will pay his proportionate share of project maintenance expenses and reserves. The developer advises that it presently intends to retain Dillingham Land Corporation as the initial managing agent.

STATUS OF PROJECT: A construction Contract dated March 11, 1970 between Paterrin Corp., the parent corporation of developer, as owner, and K. Nagata Construction, Inc., as contractor, was filed as part of this registration. The contract will take effect upon the contractor being provided with evidence of a written commitment by a financing institution for the interim financing of the project. The developer advises that subject to prior sale of at least eighty percent (80%) of the apartments by September 30, 1970, the 10-story apartment building and the project itself should be completed by December 31, 1970.

The purchaser or prospective purchaser should recognize that this published report represents information disclosed by the developer in the required Notice of Intention submitted on May 3, 1970, and supplementary information filed with the Commission as late as June 5, 1970.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 330 filed with the Commission on May 3, 1970.

The Report when reproduced, shall be a true copy of the Commission's public report. The paper stock must be yellow in color.


HERBERT S. ISONAGA, Chairman
REAL ESTATE COMMISSION
State of Hawaii

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Registration No. 330
June 9, 1970

