

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
THE ROYAL ALOHA
1909 Ala Wai Boulevard
Honolulu, Hawaii

REGISTRATION NO. 554

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: July 18, 1973
Expires: August 18, 1974

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 buyer and prospective buyer is particularly directed to the following:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED MAY 2, 1973. THE DEVELOPERS, 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. THE ROYAL ALOHA is a proposed leasehold condominium project which includes a reinforced concrete and steel building (herein the "Building") completed in January, 1971, consisting of a basement and 16 floors, and containing 145 apartments, including 142 residential apartments and three commercial apartments. The developers propose to sell up to but not more than 71 of said residential apartments to prospective buyers

under sales contracts and, pursuant to such sales contracts, to convey such residential apartments by residential apartment deeds and to issue ground leases covering undivided interests in the land constituting the site of the project. The developers have heretofore operated all 145 commercial and residential apartments as the Royal Aloha Hotel with accessory uses. Without being obligated to do so, they intend to continue to operate the three commercial apartments and the remaining residential apartments as a hotel with accessory uses. It should be noted that paragraph 12 of the proposed Sales Contract, each prospective buyer must acknowledge that neither the developers nor anyone on their behalf has in any way represented to such buyer that the residential apartment to be purchased will or may be managed for such buyer by the developers as a hotel or apartment rental unit.

2. The developers have submitted to the Commission for examination a filing of documents and exhibits which is complete except for some particular requirement, or requirements, which can be expected to be completed as part of this registration.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners, and a copy of the approved floor plans) have not yet been filed in the office of the recording officer.
4. The prospective buyer 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.
5. This Preliminary Public Report automatically expires thirteen (13) months after its date of issue, July 18, 1973, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of the report.
6. If the Final Public Report covering The Royal Aloha is not issued within one (1) year from the date of this Preliminary Public Report, buyers shall be entitled to refund of all moneys paid by them without interest and less their loan fees and escrow charges, and shall be relieved of any further obligation.

NAME OF PROJECT: THE ROYAL ALOHA.

LOCATION: The project is located at 1909 Ala Wai Boulevard, Honolulu, Hawaii, on land with the proximate aggregate area of 30,918 square feet.

TAX KEY: FIRST DIVISION, 2-6-14:26 and 31.

ZONING: H-2 Hotel District and B-5 Resort Commercial District.

DEVELOPERS: Dr. Hung Wo Ching and Messrs. Han Yuan Ching and Han Hsin Ching, all of whom have as a place of business and post office address 1909 Ala Wai Boulevard, Honolulu, Hawaii 96815.

ATTORNEY REPRESENTING DEVELOPERS: Asa M. Akinaka, Suite 701, 888 Mililani Street, Post Office Box 1035, Honolulu, Hawaii 96808, Telephone 538-6774.

DESCRIPTION: (a) The Building, which was completed in January, 1971, is constructed principally of reinforced concrete and steel, consists of a basement and 16 floors, and contains 145 apartments, including 142 residential apartments and three commercial apartments. There will be established 145 freehold estates in the spaces within the perimeter walls, floors, and ceilings of the 142 residential apartments and the three commercial apartments in the Building. The 145 apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or of the interior load-bearing walls, the floors and perimeter ceilings surrounding each apartment, or any pipes, wires, ducts, conduits, or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, all of which shall be common elements. Each apartment shall be deemed to include the walls and partitions which are not load-bearing and which are within its perimeter walls; doors and door frames; windows and window frames; the inner decorated or finished surfaces of all walls, floors, and ceilings; any balcony or lanai adjoining and connected thereto; and all fixtures originally installed therein.

(b) All of the apartments are numbered and located as shown on the floor plans which will be filed with the proposed Declaration in the Office of the Assistant Registrar of the Land Court of the State of Hawaii. The digit or digits which precede the last two digits of a residential apartment number indicate the floor of the Building on which such residential apartment is located. There are no residential apartments numbered 1301, 1401, or 1501. Commercial Apartment A is located both on the first floor and in the basement of the Building, and Commercial Apartments B and C are located on the first floor of the Building.

(c) Each of the 142 residential apartments will be one of 12 types:

<u>Type of Apartment</u>	<u>Apartments</u>
I	201
II	202, 203
III	204
IV	205-210, 305-310, 405-410, 505-510, 605-610, 705-710, 805-810, 905-910, 1005-1010, 1105-1110, 1205-1210, 1305-1310, 1405-1410, 1505-1510
V	301, 401, 501, 601, 701, 801, 901, 1001, 1101, 1201

VI	302, 303, 402, 403, 502, 503, 602, 603, 702, 703, 802, 803, 902, 903, 1002, 1003, 1102, 1103, 1202, 1203, 1303, 1403, 1503
VII	304, 404, 504, 604, 704, 804, 904, 1004, 1104, 1204, 1304, 1404, 1504
VIII	1302
IX	1402, 1502
X	1603, 1604, 1605
XI	1601
XII	1602

(d) The number of rooms and approximate area of each type of residential apartment are as follows:

Type I: A lanai and five enclosed rooms, including two bedrooms, a bathroom, living room, and kitchen; approximately 815 square feet, including 135 square feet of lanai area and 680 square feet of enclosed area. (1 apartment)

Type II: Four enclosed rooms, including a bedroom, bathroom, living room, and kitchen; approximately 510 square feet. (2 apartments)

Type III: A lanai and five enclosed rooms, including two bedrooms, a bathroom, living room, and kitchen; approximately 740 square feet, including 60 square feet of lanai area and 680 square feet of enclosed area. (1 apartment)

Type IV: A lanai and five enclosed rooms, including two bedrooms, a bathroom, living room, and kitchen; approximately 731 square feet, including 51 square feet of lanai area and 680 square feet of enclosed area. (84 apartments)

Type V: Two lanais and five enclosed rooms, including two bedrooms, a bathroom, living room, and kitchen; approximately 866 square feet, including 195 square feet of lanai area and 680 square feet of enclosed area. (10 apartments)

Type VI: A lanai and four enclosed rooms, including a bedroom, bathroom, living room, and kitchen; approximately 558 square feet, including 48 square feet of lanai area and 510 square feet of enclosed area. (23 apartments)

Type VII: Two lanais and five enclosed rooms, including two bedrooms, a bathroom, living room, and kitchen; approximately 791 square feet, including 111 square feet of lanai area and 680 square feet of enclosed area. (13 apartments)

Type VIII: A lanai and four enclosed rooms, including a bedroom, bathroom, living room, and kitchen; approximately 576 square feet, including 66 square feet of lanai area and 510 square feet of enclosed area. (1 apartment)

Type IX: A lanai and four enclosed rooms, including a bedroom, bathroom, living room, and kitchen; approximately 561 square feet, including 51 square feet of lanai area and 510 square feet of enclosed area. (2 apartments)

Type X: A lanai and seven enclosed rooms, including three bedrooms, two bathrooms, a living room, and kitchen; approximately 1,643 square feet, including 265 square feet of lanai area and 1,387 square feet of enclosed area. (3 apartments)

Type XI: A lanai and seven enclosed rooms, including two bedrooms, two bathrooms, a living room, kitchen, and laundry; containing 1,459 square feet, including 367 square feet of lanai area and 1,092 square feet of enclosed area. (1 apartment)

Type XII: A lanai and seven enclosed rooms, including two bedrooms, two bathrooms, a living room, kitchen, and laundry; containing 1,485 square feet, including 367 square feet of lanai area and 1,118 square feet of enclosed area. (1 apartment)

(e) Each of the commercial apartments consists of loft space which from time to time may be partitioned by the owner thereof into two or more rooms or sections. Commercial Apartment A, presently used as the registration desk, offices, and service areas of a hotel within the Building known as the Royal Aloha Hotel, consists of one separate area on the first floor and six separate areas in the basement of the Building and contains an area of approximately 5,299 square feet. Commercial Apartment B, presently used as a restaurant and cocktail lounge, consists of one separate area on the first floor of the Building and contains an area of approximately 4,452 square feet. Commercial Apartment C, presently used as a gift and sundries shop, consists of one separate area on the first floor of the Building and contains an area of approximately 884 square feet.

(f) Each residential apartment on the second through sixteenth floors has immediate access to a corridor connecting to the elevators and stairways which give access to the lobby on the first floor and thence to the street. The commercial apartments on the first floor have immediate access to the lobby on that floor and thence to the street. The commercial apartment in the basement has immediate access to a corridor connecting to the street and also connecting to the elevators and stairways which give access to the lobby on the first floor and thence to the street.

NOTE: The developers advise the Commission that they propose to offer for sale all of the apartments on the ninth floor, except apartment 901, and all of the apartments on the tenth through sixteenth floors, inclusive.

COMMON ELEMENTS: The proposed Declaration states that common elements, which shall constitute one freehold estate, shall specifically include but not be limited to said land in fee simple; all foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter and load-bearing walls, roofs, corridors, lobbies, stairs, stairways, entrances, and exits of

the Building and other improvements; all parking areas, driveways, walkways, yards, grounds, landscaping, and recreational facilities, including the swimming pool; all service rooms, equipment rooms, and storage areas except those included within an apartment; all central and appurtenant installations for common services, including air conditioning, power, light, water, gas, sewer, telephone, television antenna, and trash disposal; the two elevators and appurtenant equipment and all tanks, pumps, motors, fans, compressors, ducts, and, in general, all apparatus and installations existing for common use; and all other parts of the project necessary or convenient to its existence, maintenance, and safety, or normally in common use.

LIMITED COMMON ELEMENTS: The proposed Declaration states that each of the 55 parking stalls shall be a limited common element reserved for the exclusive use of Commercial Apartment A. One or more of the parking stalls may from time to time be conveyed separately from the apartment to which they are appurtenant with the prior written approval of developers; provided, however, that such parking stalls are thereby made appurtenant to one or more other apartments in the project. The service and delivery area on the grounds of the project shall be a limited common element reserved for the exclusive use of the commercial apartments. The corridor and elevator lobby on each of the second through sixteenth floors shall be a limited common element reserved for the exclusive use of the apartments on that floor.

COMMON INTEREST TO BE CONVEYED TO BUYER: The proposed Declaration discloses that each apartment according to its type 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 follows:

<u>Type</u>	<u>Percentage Common Interest</u>	<u>Aggregate Common Interest</u>
I	0.698%	0.698%
II	0.528	1.056
III	0.656	0.656
IV	0.652	54.768
V	0.726	7.260
VI	0.555	12.765
VII	0.684	8.892
VIII	0.565	0.565
IX	0.557	1.114
X	1.157	3.471
XI	1.055	1.055
XII	1.070	1.070

A	3.184	3.184
B	2.714	2.714
C	0.732	<u>0.732</u>
		100.000%

NOTE: The developers advise the Commission that by retaining 71 units for hotel purposes, they also will have the percentage of common interest for each of the 71 units.

If an apartment owner conveys his apartment and the common interest and easements appurtenant thereto free and clear of any mortgages to the Board of Directors of the Association of Apartment Owners on behalf of all apartment owners and thereby exempts himself from liability for his contribution toward the common expenses thereafter accruing as provided in the Declaration, or if the Board of Directors of the Association of Apartment Owners on behalf of all apartment owners acquires any apartment, the common interest appurtenant to every other apartment in the project shall automatically convert into a new undivided percentage interest equal to the quotient obtained by dividing the original or previously similarly converted percentage common interest of that apartment by the total original or previously similarly converted common interests of all of such other apartments.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The residential apartments shall be occupied and used only for residential purposes, including but not limited to hotel purposes. The commercial apartments shall be occupied and used only for those commercial, hotel, apartment, and other purposes permitted under applicable laws, ordinances, rules, and regulations. Except for the foregoing restrictions as to use, the apartment owners shall have the absolute right to lease their apartments subject to the covenants, conditions, restrictions, easements, encumbrances, and other provisions contained in the Declaration or in the By-Laws of the Association of Apartment Owners.

OWNERSHIP OF TITLE: Information contained in the Notice of Intention and in two Preliminary Reports dated March 1, 1973, issued by Title Guaranty of Hawaii Incorporated show (a) that the fee title to Lot 8-B-15, area 3,842.0 square feet, Block "A," Map 15, Land Court Application No. 279 (amended), is vested in Han Yuan Ching and Han Hsin Ching, as joint tenants with full rights of survivorship; and (b) that the fee title to (1) Lots 8-B-30-A, area 1,075.0 square feet, 8-B-30-B, area 1,080.0 square feet, and 8-B-30-C, area 148.0 square feet, Map 223, Land Court Application No. 279 (amended), and (2) Lots 8-B-5-A, area 4,500.0 square feet, and 8-B-5-B, area 500.0 square feet, Map 16, Lots 70, area 750.0 square feet, and 71, area 6,750.0 square feet, Map 102, and Lots 72-A, area 1,184.0 square feet, 72-B, area 808.0 square feet, and 73-B, area 10,281.0 square feet, Map 242, Land Court Application No. 279 (amended), is vested in Hung Wo Ching.

ENCUMBRANCES AGAINST TITLE: The Preliminary Reports indicate that all of the land described above are subject to the following encumbrances: real property taxes for the second half of the fiscal year 1972-1973, which will be delinquent after May 20, 1973, of a total of \$20,807.00; mortgage dated October 31, 1968, in favor of First National Bank of Hawaii, now known as First Hawaiian Bank, to secure the repayment of \$2,400,000.00, filed as Document No. 458177; additional charge mortgage dated April 14, 1970, in favor of First Hawaiian Bank, to secure the repayment of \$800,000.00, filed as Document No. 498545; and additional charge mortgage dated December 30, 1970, in favor of First Hawaiian Bank, to secure the repayment of \$190,000.00, filed as Document No. 523606. The land described above in (a) is also subject to a grant dated October 18, 1968, granting Hawaiian Electric Company, Inc. and Hawaiian Telephone Company an easement for utility purposes over and across Lot 8-B-15, filed as Document No. 457746. The land described above in (b)(1) is also subject to the following encumbrances: easements, reservation, and covenants contained in deed dated July 19, 1966, filed as Document No. 398249; and grant dated October 18, 1968, granting Hawaiian Electric Company, Inc. and Hawaiian Telephone Company an easement for utility purposes, filed as Document No. 457746. The land described above in (b)(2) is also subject to grant dated June 7, 1927, granting the City and County of Honolulu a perpetual easement for the maintenance of public utilities across Lots 8-B-5-B, 70, 72-A, and 72-B. Note: Lots 70, 72-A, and 72-B will be acquired by the City and County of Honolulu for street widening purposes as set forth by Land Court Order No. 6424 filed October 12, 1945.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated March 27, 1973, between Hung Wo Ching, Han Yuan Ching, and Han Hsin Ching, as sellers, and First Hawaiian Bank, as escrow agent, has been submitted as a part of this registration. The specimen Sales Contract and the executed Escrow Agreement have been examined and have been found to conform with the requirements of Chapter 514, Hawaii Revised Statutes, including the requirements of Sections 514-36 through 514-40, Hawaii Revised Statutes.

Among other provisions the Sales Contract provides that the developers may cancel the Sales Contract upon written notice to buyer, in which event developers shall refund to buyer all amounts paid by him hereunder, without interest and after deduction of buyer's share of the escrow fee and all mortgage loan expenses, if upon expiration of nine months after the issuance of a Preliminary Public Report at least 80% of the residential apartments in the project have not been sold.

Since the Sales Contract gives both the prospective buyer and the developers the option of cancellation upon the occurrence of certain events; since the Escrow Agreement establishes the procedure for receiving and disbursing buyers' funds deposited in escrow; and since the Sales Contract specifically incorporates the Escrow Agreement and provides that the buyer approves its provisions, it is incumbent upon the prospective buyer to read and understand both the Escrow Agreement and the Sales Contract 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 bank, trust company, real estate management company, or other qualified corporation under the direction of the Association's Board of Directors. The specimen Sales Contract authorizes the developers 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 buyer will pay his proportionate share of project maintenance expenses and reserves. The developers advise that they presently intend to retain First Hawaiian Bank as the initial managing agent.

STATUS OF PROJECT: A Certificate of Occupancy certifying that the project was fully completed on January 27, 1971. The developers advise that they propose to operate each residential apartment offered for sale as a hotel room until shortly before the closing of the sale. Minor refurbishing and cleaning are contemplated in the lobby and corridor areas and in various residential apartments prior to delivery of possession of the residential apartments to be sold.

The buyer or prospective buyer should recognize that this published report represents information disclosed by the developers in the required Notice of Intention submitted on May 2, 1973.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 554 filed with the Commission on May 2, 1973.

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


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

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Registration No. 554

July 18, 1973