

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

INN ON THE PARK
1920 Ala Moana Boulevard
Honolulu, Oahu, Hawaii

REGISTRATION NO. 772

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: May 28, 1975
Expires: June 28, 1976

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:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED MAY 8, 1975 AND INFORMATION SUBSEQUENTLY FILED ON MAY 23, 1975. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, HAWAII REVISED STATUTES, CHAPTER 514, AS AMENDED.

1. INN ON THE PARK is a leasehold condominium project consisting of nine (9) Commercial Apartments and 238 Living Apartments in a twenty-one story building.

There will be a total of 76 parking stalls; 12 stalls for compact cars and 64 stalls for regular cars.

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 the issuance of this Preliminary Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime, the Bylaws and the Condominium Map will be filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii and will be recorded in the Bureau of Conveyances, Honolulu, Hawaii, immediately prior to the application for a Final Public Report.
4. As of this date, no advertising and promotional matters have been submitted to the Commission pursuant to its rules and regulations.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Hawaii Revised Statutes, Chapter 514, as amended, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, May 28, 1975, unless a Final Public Report or a Supplementary Public Report issues, or the Commission, upon review of registration, issues an order extending the effective date of this report.
7. This Preliminary Public Report is made a part of the registration of INN ON THE PARK Condominium Project. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers, and securing a signed copy of the receipt for the Preliminary Public Report from each purchaser.
8. Each purchaser of a Living Apartment shall have the opportunity to become a participant in the hotel operation (hereinafter the "Common Rental Program").

THE DEVELOPER PROVIDES IN THE RESERVATION AND SALES CONTRACT THAT NO PERSON WILL BE PERMITTED TO PURCHASE AN APARTMENT IN THE PROPOSED CONDOMINIUM OR TO PARTICIPATE IN THE COMMON RENTAL PROGRAM UNLESS HE OR SHE IS A BONA FIDE RESIDENT OF THE STATE OF HAWAII. THE DEVELOPER HAS ADVISED THE COMMISSION THAT NO PURCHASE OF AN APARTMENT OR PARTICIPATION IN THE COMMON RENTAL PROGRAM BY A NON-RESIDENT IS VALID; IF FRAUDULENTLY ATTEMPTED,

NO MONIES WILL BE REFUNDED. NO APARTMENT OR AN INTEREST IN THE COMMON RENTAL PROGRAM MAY BE TRANSFERRED TO A PERSON NOT A BONA FIDE RESIDENT OF HAWAII UNTIL AT LEAST NINE MONTHS HAVE ELAPSED FROM THE DATE OF CLOSING (BY RECORDATION OF CONDOMINIUM CONVEYANCE DOCUMENT) OF THE LAST APARTMENT IN THE PROJECT SOLD BY DEVELOPER.

NOTE: The Developer has advised the Commission that participation in the Common Rental Program will be voluntary for the purchasers, and that all information pertaining thereto will be disclosed through an offering statement distributed prior to or simultaneously with the issuance of a Final Public Report on INN ON THE PARK. The exact nature of the Common Rental Program will be determined in large measure by the number of presales of apartments to purchasers who indicate an interest in participating in the program. At present, the Developer contemplates operating the program as a limited partnership.

NAME OF PROJECT: INN ON THE PARK

LOCATION: The project is located at 1920 Ala Moana Boulevard, Honolulu, Hawaii 96814, and consists of approximately 15,550 square feet of land.

TAX KEY: 2-6-7-26.

ZONING: B-5, Business.

DEVELOPER: BUSINESS INVESTMENT, LTD., a Hawaii corporation, is the Developer of the project, and has its principal place of business and its post office address at Suite 2320, 190 South King Street, Honolulu, Hawaii 96813. The President of Developer is Colin de Silva, its Secretary and Treasurer is William R. Wilday, Jr.

ATTORNEY REPRESENTING DEVELOPER: Cades Schutte Fleming & Wright, (Attention: Douglas E. Prior or Mark A. Hazlett), 16th Floor, First Hawaiian Bank Building, P. O. Box 939, Honolulu, Hawaii 96808; telephone: 531-7232.

DESCRIPTION OF PROJECT AND APARTMENTS: INN ON THE PARK (the "Project") a single twenty-one story building with a five-story base containing the nine (9) Commercial Apartments parking and other facilities described below and a sixteen-story tower arising atop the base, containing the two hundred thirty-eight (238) Living Apartments.

The first floor of the Project includes a lobby, seven (7) Commercial Apartments, men's and women's restrooms, a pump room, a telephone equipment room, storage rooms and vehicular access. Commercial Apartment 104 on the first floor is intended to serve as a "front desk" for the Common Rental Program.

The second floor of the Project is the first parking level and shall include twenty-four (24) parking stalls (20 regular

and 4 compact parking stalls), a trash room, a mechanical room and Commercial Apartment 201 which includes a sundeck and is intended for use as a restaurant, bar or similar use.

The third floor of the Project is the second parking level and shall include twenty-five (25) parking stalls (21 regular and 4 compact stalls), a linen room, two storage rooms, and a women's locker room.

The fourth floor is the third parking level and shall include twenty-seven (27) parking stalls (23 regular and 4 compact), three storage rooms, and a men's locker room.

The fifth floor includes a fan room, men's and women's rest-rooms, laundromat, swimming pool, open recreation deck, and Commercial Apartment 501 intended for use as a bar, snack-shop or similar facility.

The remaining sixteen floors numbered six through twenty-two (there being no floor numbered thirteen), contain the Living Apartments. Floors six through twenty-one are of similar design, each containing fifteen Living Apartments, one each of Living Apartment Types A-1 through A-15, inclusive. The twenty-second floor of the Project contains thirteen Living Apartments, one each of Living Apartments Type B and Types A-4 through A-15, inclusive.

Each Living Apartment and Commercial Apartment has immediate access to a corridor or lobby permitting ingress and egress from such apartments to the common and limited common elements of the Project. The Commercial Apartments are described as follows:

<u>Commercial Apartment No.</u>	<u>Location</u>	<u>Approximate Floor Area (Square Feet)</u>	<u>Number of Rooms</u>
101	Diamond Head side of the entrance on the makai side of the first floor	560	1
102	Ewa side of the entrance on the makai side of the first floor	973	1
103	Mauka side of the lobby on the ewa side of the first floor	1,042	1
104	Mauka side of the lobby on the Diamond Head side of the first floor	455	4
105	Ewa side of the first floor between Commercial Apartments 104 and 106	466	1

106	Ewa side of the first floor on the mauka side of the building	1,205	1
107	Ewa-makai corner of the first floor	276	1
201	Makai side of the second floor	2,348 (includes sundeck)	2
501	Mauka-Diamond Head corner of the fifth floor	544	1

The Living Apartments are of sixteen different unit types ("Living Apartment Type"). Each Living Apartment Type except A1, A8 and B include a living-sleeping room, entry, a dressing and bathroom, wet bar and lanai. Living Apartment Types A1 and A8 do not have lanais and A1 does not have a wet bar. Living Apartment Type B (Apartment 2201) contains a living room, dining room, kitchen, separate bedroom and lanai. Each Living Apartment has been assigned a three or four digit apartment number from which its location can be determined. The last two digits indicate the Living Apartment's location on a floor and the preceding one or two digits indicate the apartment's floor level. Those Living Apartments with an odd last digit apartment number are on the makai side of the Project; those with even numbers are on the mauka side. The highest last two digit apartment numbers are on the Ewa end. Each floor of the Project is served by three automatic passenger elevators. There are no trash chutes serving the Living Apartments. There is a utility room on the Diamond Head end of each Living Apartment floor.

The Living Apartment Type, Location, approximate floor area including lanai and lanai area for each Living Apartment are indicated below:

<u>Living Apartment Type</u>	<u>Apartment Numbers (No 13th Floor)</u>	<u>Location in the Project</u>	<u>Approximate floor area (square feet) of apartment including lanai</u>	<u>Approximate floor area (square feet) of lanai</u>
A1	601 through 2101 inclusive	Diamond Head end Makai side	244	None
A2	603 through 2103 inclusive	Between Types A1 and A3 - Makai side	281	41
A3	605 through 2105 inclusive	Between Types A2 and A4 - Makai side	320	41
A4	607 through 2207 inclusive	Between Types A3 and A5 - Makai side	320	41

A5	609 through 2209 inclusive	Between Types A5 and A7 - Makai side	317	41
A6	611 through 2211 inclusive	Between Types A5 and A7 - Makai side	320	41
A7	613 through 2213 inclusive	Between Types A6 and A8 - Makai side	315	41
A8	615 through 2215 inclusive	Ewa end - Makai side	258	None
A9	614 through 2214 inclusive	Ewa end - Mauka side	299	41
A10	612 through 2212 inclusive	Between Types 9 and 11 - Mauka side	315	41
A11	610 through 2210 inclusive	Between Types 10 and 12 - Mauka side	320	41
A12	608 through 2208 inclusive	Between Types 11 and 13 - Mauka side	320	41
A13	606 through 2206 inclusive	Between Types 12 and 14 - Mauka side	320	41
A14	604 through 2204 inclusive	Between Types 13 and 15 - Mauka side	320	41
A15	602 through 2202 inclusive	Between stairs and Type A14 - Diamond Head end - Mauka side	281	41
B	2201 only	Diamond Head end - Makai side	853	82

With respect to the dimensions of each Living and Commercial Apartment, the Declaration states that:

"Limits of Apartments. The respective Living and Commercial Apartments shall not be deemed to include the undecorated or unfinished perimeter 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 common elements as hereinafter provided. Each

apartment shall include the adjacent lanai, if any, shown on the Condominium Map. 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 built-in fixtures."

COMMON ELEMENTS: The common elements will include the land and all improvements on the land (except for all portions thereof which are apartments) the limited common elements, as well as all common elements mentioned in Chapter 514, Hawaii Revised Statutes, which are actually constructed on the land and specifically shall include but shall not be limited to:

- (a) the land;
- (b) all foundations, floor slabs, columns, girders, beams, supports, bearing walls, roofs, chases, chutes, corridors, stairs, walkways, entrances and exists;
- (c) all yards and refuse areas;
- (d) all parking areas;
- (e) all ducts, electrical equipment, wiring and other central and appurtenant installations for service of more than one apartment including power, light, cold and hot water, refuse and telephone;
- (f) automatic electric passenger elevators with elevator housing and appurtenant equipment;
- (g) swimming pool, pool recreation area, toilet rooms, and other areas of the fifth floor of the Project, excepting Commercial Apartment 501; subject to a non-exclusive access and general use easement in favor of Commercial Apartment 501 and its customers and invitees to make reasonable use of the pool deck, elevator area, covered and uncovered recreation decks in connection with the service and sale of food and beverages by the owner of Apartment 501 to its customers and invitees using such areas;
- (h) the telephone equipment room, pump room, transformer vault, smoke vest, trash room, fan room; and
- (i) all other devices or installations upon the land existing for or rationally of common use to all owners of apartments within INN ON THE PARK.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, the "limited common elements" are set aside and reserved for the exclusive use of certain apartments, and such apartments have appurtenant thereto exclusive easements for the use of such limited common elements. Except as otherwise provided

in the Declaration, all costs, expenses and charges of every kind pertaining to each such limited common element, including but not limited to the costs of maintenance, repair, replacement, additions, and improvements, shall be borne entirely by the apartment or apartments to which such limited common elements may be appurtenant. Where a single limited common element may be appurtenant to more than one apartment, the cost and expenses attributable to such limited common element shall be allocated as to each apartment on the basis of the ratio of such apartment's common interest to the aggregate common interest of all those apartments to which the limited common element is appurtenant. The limited common elements have the dimensions, layout and location as shown on the Condominium Map and are as follows:

- (a) The following limited common elements are appurtenant to and for the use of all 238 Living Apartments:
 - (i) the lobbies, corridors, staircases and elevators on the sixth through twenty-second floors, inclusive (excluding all utility rooms);
 - (ii) all ventilating fans and shafts, all electrical wiring with appurtenant ducts and related equipment and all components of the hot and cold water circulation system serving the Living Apartments including pumps, waste lines, conduits, pipe chases, and pipes located on the sixth floor or above;
 - (iii) all parking stalls and driving areas on the fourth floor of the Project including parking stalls P3-1 through P3-27, inclusive; and
 - (iv) the fifth floor laundromat.
- (b) Parking stalls P2-1 through P2-9, inclusive, on the third floor of the Project are limited common elements appurtenant to and for the exclusive use of Living Apartment 2201; these parking stalls may be reassigned by the owner of said apartment as provided in the Declaration.
- (c) The following limited common elements are appurtenant to and for the exclusive use of Commercial Apartments 101, 102, 103, 104, 105, 106, 107 and 201:
 - (i) the first floor concrete drive and loading spaces 1, 2, 3 and 4;
 - (ii) all first floor planters;
 - (iii) the first floor women's and men's rest-rooms, corridor and lobby;

- (iv) all ventilating fans and shafts, all electrical wiring with appurtenant ducts and related equipment and all components of the hot and cold water circulation system serving said Commercial Apartments exclusively and including pumps, waste lines, conduits, pipe chases and pipes located on the fourth floor or below which exclusively serve one or more of said Commercial Apartments;
 - (v) second floor parking stalls P1-1 through P1-17, inclusive; and
 - (vi) the immediate entrance ways to Commercial Apartment 201 from the second floor elevator area to said apartment and from the area around staircase No. 2 on the second floor to said apartment.
- (d) The following limited common elements are appurtenant to and for the exclusive use of Commercial Apartment 104 in connection with the Common Rental Program:
- (i) storage room nos. 1, 2 and 3 on the first floor;
 - (ii) the linen room, women's locker room and adjacent corridor, and storage room nos. 1, 2 and 3;
 - (iii) parking stalls P2-18 through P2-24, inclusive in the third floor;
 - (iv) storage room nos. 1, 2 and 3 on the fourth floor;
 - (v) the men's locker room and adjacent corridor on the fourth floor;
 - (vi) parking stalls P3-10 through P3-25, inclusive; and
 - (vii) the utility rooms on the Diamond Head end of the sixth through twenty-second floors, inclusive.

INTEREST TO BE CONVEYED TO PURCHASERS: The percentage of undivided interest in all of the common elements appertaining to each apartment by type is as follows:

<u>Apartment Type</u>	<u>Common Interest Percentage</u>	<u>Number of Apartments</u>	<u>Total Percentage</u>
Living Apartment Types A1 through A15 inclusive	.38	237	90.06

Living Apartment Type B (Apartment 2201)	1.14	1	<u>1.14</u>	91.2
Commercial Apt 101	.7	1	.7	
Commercial Apt 102	1.2	1	1.2	
Commercial Apt 103	1.3	1	1.3	
Commercial Apt 104	.7	1	.7	
Commercial Apt 105	.6	1	.6	
Commercial Apt 106	1.5	1	1.5	
Commercial Apt 107	.4	1	.4	
Commercial Apt 201	2.0	1	2.0	
Commercial Apt 501	<u>.4</u>	<u>1</u>	<u>.4</u>	<u>8.8</u>
(TOTAL)		247		100.0%

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The Living Apartments shall be used for hotel or residential purposes and office purposes to the extent permitted by law. The Commercial Apartments may be used for any purpose permitted by law.

OWNERSHIP OF TITLE: The Developer has filed with the Commission a Preliminary Report, dated April 28, 1975, prepared by Security Title Corporation, which certifies that title to the land committed to this regime is vested in SBS Realty Corp.

ENCUMBRANCES: The Preliminary Title Report prepared by Security Title Corporation states that as of the date of the search (April 28, 1975) title to the land is subject to:

1. Real property taxes. First installment fiscal year July 1, 1974-June 30, 1975, paid in full. Second installment due and delinquent after May 20, 1975.
2. The reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Mortgage, Assignment of Rents, Security Agreement and Financing Statement dated November 5, 1973, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 657192, and also recorded in the Bureau of Conveyances of the State of Hawaii in Book 9590, Page 27, on November 9, 1973, at 3:59 P.M., made by Developer as Mortgagor to CONTINENTAL ILLINOIS REALTY, a real estate investment trust, as Mortgagee, to secure the repayment of the sum of \$4,700,000.00, any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said Mortgagor therein referred to.
4. Mortgage dated July 30, 1971, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 547123, and also recorded on July 30, 1971, in the Bureau of Conveyances of the State of Hawaii in Book 7705,

Page 207, made by SBS REALTY CORP., a Hawaii corporation, as Mortgagor, to CORINNE VON WEDELSTAEDT FORDE, unmarried, as Mortgagee, to secure the repayment of the sum of \$662,500.00, any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said Mortgagor therein referred to.

5. The leasehold estate created by that certain Lease dated July 1, 1973, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 657191, and also recorded on November 9, 1973, in the Bureau of Conveyances of the State of Hawaii in Book 9590, Page 2.
6. Undated Financing Statement recorded on November 9, 1973, in said Bureau of Conveyances in Book 9589, Page 598.

The Developer has advised the Commission that the mortgages and financing statement identified above will be released as to each apartment prior to the conveyance of the particular apartment to a purchaser.

PURCHASE MONEY HANDLING: A copy of the specimen sales contract and the escrow agreement has been submitted as part of the registration. The escrow agreement dated March 31, 1975, identifies SECURITY TITLE CORPORATION, as the escrow agent. Upon examination, the specimen sales contract and the executed escrow agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly with Sections 514-15, 514-35 and Sections 514-36 through 514-40, Hawaii Revised Statutes. A prospective purchaser should carefully examine the form of sales contract and escrow agreement to determine the time for and the amount of installment payments on the purchase price, the estimated common monthly expenses and the sharing of the closing costs.

It is incumbent on the purchaser to read and understand the escrow agreement before signing the Reservation and Sales Contract, as the escrow agreement prescribes the procedure for receiving and disbursing purchaser's funds prior to and after completion of construction of the Project.

MANAGEMENT AND OPERATION: Article III, Section 3, of the By-laws states that the Board of Directors shall at all times employ a responsible managing agent to manage and control the property subject at all times to direction by the Board of Directors. Developer contemplates that General Management Corporation will be the initial managing agent. General Management Corporation is an affiliate of the Developer and its appointment would be limited to a one-year term subject to cancellation by either party upon sixty (60) days' written notice.

STATUS OF PROJECT: The Developer advises that a general contract for construction of the Project has not been executed.

RESERVATION AND SALES CONTRACT PROVISIONS:

The specimen Reservation and Sales Contract provides that until issuance, and purchaser's receipt therefor, of a Final Public Report on the Project, the contract is a mere reservation rather than a binding sales contract.

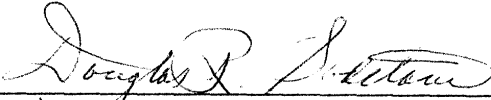
The Reservation and Sales Contract further provides that at any time prior to closing if the purchasers who have agreed to obtain mortgage loans have not secured commitments therefor satisfactory to Developer or if Developer has not sold 215 Living Apartments within one month after a Preliminary Public Report on the Project is issued, Developer may cancel the sales contracts and refund all moneys paid by the purchasers without interest subject to an escrow cancellation fee. Purchasers are further advised that in the specimen Reservation and Sales Contract the Developer reserves the exclusive right without further approval or consent by the purchaser to alter the building plans and Condominium Map filed with the Real Estate Commission and otherwise to provide entries through the common walls between two or more adjacent apartments purchased by the same or related purchasers. Such entries may be permitted at the request of purchaser prior to issuance of a Final Public Report on the Project upon approval of the Developer, the architect, the purchaser's permanent lender, if any, and certification that the alteration will not impair the structural integrity or soundness of the Project. No apartment shall be subject to such an entry, except at the request of the purchaser of the apartments to be subject thereto. The apartments shall not be deemed to be merged by the provision of such entry. Any such entry must be closed and the common wall rebuilt at purchaser's expense, to seal off such entry prior to the sale or conveyance by purchaser of an apartment subject to such entry, except where a single purchaser may acquire each apartment subject to such entry.

The specimen Reservation and Sales Contract provides that no person will be permitted to purchase an apartment in the proposed condominium or to participate in the Common Rental Program unless he is a bona fide resident of the State of Hawaii. Further, the specimen Reservation and Sales Contract provides that the purchasers should be aware that the Seller's mortgage loan (interim, renewals and extensions) used for the construction of the Project shall be and remain at all times a superior lien on the Project, and the purchasers intentionally waive and subordinate the priority of any lien under the Reservation and Sales Contract in favor of the mortgage loan.

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 May 8, 1975, and information subsequently filed on May 23, 1975.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 772 filed with the Commission on May 8, 1975.

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


~~(For)~~ DOUGLAS R. SODEVANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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REGISTRATION NO. 772
May 28, 1975