

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
ROYAL ALOHA
1909 Ala Wai Boulevard
Honolulu, Hawaii

REGISTRATION NO. 855

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 14, 1976
Expires: June 14, 1977

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 APRIL 13, 1976. THE DEVELOPERS, BY NOTIFYING THE COMMISSION OF THE INTENTION TO SELL, ARE COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, HAWAII REVISED STATUTES.

1. ROYAL ALOHA is a proposed leasehold condominium project which includes a reinforced concrete building (herein the "Building") completed in January, 1971, consisting of a basement and 16 floors, and containing a resident manager's apartment and 143 apartments, including 141 residential apartments and two commercial apartments. The developers propose to sell the 141 residential apartments and two commercial apartments to prospective buyers under sales contracts and, pursuant to such

sales contracts, to convey such apartments and to demise undivided leasehold interests in the land constituting the site of the project by way of condominium conveyancing instruments.

2. The developers have heretofore operated said land and the Building as the Royal Aloha Hotel with accessory uses. Prior to April 1, 1976, the developers changed the use of the dwelling units in the hotel from hotel to apartment use. They intend to continue to operate the apartments which from time to time remain unsold as a hotel with accessory uses but without any obligation to do so.
3. The developers have submitted to the Commission for examination all documents and exhibits which are deemed essential by the Commission for the registration of the project and the issuance of the Preliminary Public Report.
4. 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.
5. The developers have advised the Commission that advertising and promotional matter required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to public dissemination.
6. 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.
7. This Preliminary Public Report automatically expires thirteen (13) months after its date of issue, May 14, 1976, unless a Final or Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of the report.

If the Final Public Report covering 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 mortgage loan expenses, and shall be relieved of any further obligation.

8. This Preliminary Public Report is made a part of the registration of the ROYAL ALOHA condominium project. The developers have the responsibility of placing a true copy of this public report (yellow paper stock) in the hands of all purchasers and prospective purchasers and securing a signed copy of the receipt for this report from each purchaser.

NAME OF PROJECT: ROYAL ALOHA.

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

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

ZONING: Waikiki Special Design District (Resort Commercial Precinct).

DEVELOPERS: Dr. Hung Wo Ching and Messrs. Han Yuan Ching, Han Hsin Ching, and Han Ping 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, consists of a basement and 16 floors, and contains a resident manager's apartment and 143 apartments, including 141 residential apartments and two commercial apartments. There are established 143 freehold estates in the spaces within the perimeter walls, floors, and ceilings of the 141 residential apartments and the two commercial apartments. The 143 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, facilities, and appurtenances running through such apartment which are utilized for or serve more than one apartment, all of which are common elements. Each apartment shall be deemed to include the walls and partitions which are not load-bearing and which are within the perimeter walls; the doors and door frames; the windows and window frames; the inner decorated or finished surfaces of all walls, floors, and ceilings; any lanai or lanais adjoining and connected thereto; the exterior surfaces of the railings of any such lanai or lanais; and all fixtures originally installed therein.

(b) Each of the 143 apartments and the resident manager's apartment is one of 17 types, namely, Residential Types A1, A2, A3, A4, B1, B2, C1, C2, C3, C4, C5, D, E, F, and G and Commercial Types J and K. The type of each of the 143 apartments and the resident manager's apartment is listed under COMMON INTEREST TO BE CONVEYED TO BUYER.

(c) The number of enclosed rooms, exclusive of lanais, contained in the various types of apartments is as follows:

Residential Types A1, A2, A3, A4, B1, and B2: Four enclosed rooms, including a bedroom, bathroom, living room, and kitchen.

Residential Types C1, C2, C3, C4, C5, and D: Five enclosed rooms, including two bedrooms, a bathroom, living room, and kitchen.

Residential Types E and F: Seven enclosed rooms, including two bedrooms, two bathrooms, a living room, kitchen, and laundry.

Residential Type G: Seven enclosed rooms, including three bedrooms, two bathrooms, a living room, and kitchen.

Commercial Types J and K: One enclosed room as loft space. The owner of either commercial apartment from time to time may remove any existing partitions therein and install other and further partitions therein to create two or more rooms or sections, subject only to the prior approval of the Board of Directors of the Association, which approval shall not be withheld with respect to any such work which affects only such commercial apartment and the limited common elements appurtenant thereto and complies with then applicable laws, ordinances, rules, and regulations.

(d) The approximate floor areas in square feet of the various apartments, measured from the centerlines of party perimeter walls and the external surfaces of non-party perimeter walls, are as follows:

<u>Type</u>	<u>Number of Apartments</u>	<u>Enclosed Area</u>	<u>Lanai Area</u>	<u>Entry Lanai Area</u>	<u>Roof Lanai Area</u>
A1	1	520			
A2	10	520	50		
A3	1	513			
A4	13	513	50		
B1	1	520	68		960
B2	2	520	50		
C1	70	674	50		
C2	1	674		130	
C3	10	674	50	60	
C4	1	674		60	
C5	13 (*)	674	50	60	
D	13 (*)	674	50		
E	1	1,115	365		
F	1	1,115	365		
G	3	1,375	260		
J	1	4,610			
K	1	2,800			

(*) Excluding the resident manager's apartment.

(e) Each apartment has immediate access to a corridor connecting to the elevators and stairways which give access to the ground level and then to the street.

COMMON ELEMENTS: The proposed Declaration states that the common

elements, which shall constitute one freehold estate, shall include the limited common elements and all other portions of the project other than the apartments, including specifically but not 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, fire escapes, 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 dwelling unit designated as Apartment 209, which shall be used by the resident manager of the project in accordance with rules and regulations applicable thereto as the Board of Directors of the Association of Apartment Owners may from time to time adopt, amend, or repeal; the 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: (a) Each of the 59 parking stalls located within the project shall be a limited common element appurtenant to and reserved for the exclusive use of Apartment 1504 as designated on the Condominium Map; provided, however, that developers reserve the right to sell to buyers of other apartments any or all of such parking stalls as limited common elements appurtenant to such other apartments and, by way of an amendment to the Declaration, to redesignate such parking stalls as they appear on the Condominium Map with the numbers of the other apartments to which they are to be appurtenant. Note: As provided in paragraph 1 of the proposed Sales Contract, if a purchaser of a residential apartment does not purchase a parking stall within the project as a limited common element appurtenant to his apartment, he will have the right but not the obligation, as long as he owns his apartment, to rent on a monthly basis and at not more than a fair market rent, one undesignated parking space outside of the project but constituting a part of a qualified off-site parking facility under applicable zoning ordinances. In order to fulfill their obligations under paragraph 1 of the proposed Sales Contract, the developers on March 30, 1976, obtained from the Department of Land Utilization of the City and County of Honolulu a special use permit designating property located at the northwesterly corner of the intersection of McCully Street and Kalakaua Avenue, Tax Map Key, First Division, 2-6-14:39, 41, 43, and 44, as an off-site parking facility to provide off-street parking spaces for the project. Said off-site parking facility does not constitute a part of the project and is subject to substitution as provided in paragraph 1 of the proposed Sales Contract.

(b) The manager's office on the ground or first floor shall be a limited common element reserved for the exclusive use of Apartment 1504. However, upon sale to others of all other apartments in the project or the earlier termination of

their operation of a hotel with respect to apartments not so sold, developers, without requiring the payment of any consideration therefor, will release their right to the exclusive use of said manager's office.

(c) All lines and other transmission facilities and appurtenances for public services and utilities serving only a commercial apartment shall be limited common elements appurtenant to and reserved for the exclusive use of such commercial apartment.

(d) Each apartment shall have appurtenant thereto and as a limited common element an exclusive easement to use one mail box.

COMMON INTEREST TO BE CONVEYED TO BUYER: (a) The proposed Declaration discloses that each apartment according to its type, excluding the dwelling unit reserved for use by the resident manager for the project, 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>Number of Apartments</u>	<u>Percentage Common Interest</u>
A1, A2, A3, A4	25	0.5108
B1, B2	3	0.5108
C1, C2, C3, C4, C5	95	0.6665
D	13	0.6665
E	1	1.1026
F	1	1.1026
G	3	1.3597
J	1	4.7119
K	1	2.7194
	<u>143</u>	

Note: However, the fee simple owners of said land have reserved all voting rights appurtenant to the project in exercise of (i) the power to amend the Declaration or the By-Laws in derogation of the rights of the fee simple owners as provided therein, (ii) the power to determine not to repair, rebuild, or restore the project in the event of damage, destruction, or condemnation of all or any part thereof, (iii) the power to remove the project from under the provisions of the Horizontal Property Act, and (iv) the power to prosecute an action for partition; provided, however, that the fee simple owners shall not exercise such reserved voting rights without the prior approval of apartment owners representing not less than 75% of the common interests; and provided, further, that no vote on any matter as to which the condominium conveyancing instruments require the consent or approval of the fee simple owners shall be effective without the prior written approval of the fee simple owners.

(b) The following is a summary of the types of and percentage common interests appurtenant to the apartments:

<u>Apartment Number</u>	<u>Type</u>	<u>Percentage Common Interest</u>
201	C2	0.6665
202	A1	0.5108
203	A3	0.5108
204	C4	0.6665
205	C1	0.6665
206	C1	0.6665
207	C1	0.6665
208	C1	0.6665
209	D	Resident Manager's Unit
210	C1	0.6665
301	C3	0.6665
302	A2	0.5108
303	A4	0.5108
304	C5	0.6665
305	C1	0.6665
306	C1	0.6665
307	C1	0.6665
308	C1	0.6665
309	D	0.6665
310	C1	0.6665
401	C3	0.6665
402	A2	0.5108
403	A4	0.5108
404	C5	0.6665
405	C1	0.6665
406	C1	0.6665
407	C1	0.6665
408	C1	0.6665
409	D	0.6665
410	C1	0.6665
501	C3	0.6665
502	A2	0.5108
503	A4	0.5108
504	C5	0.6665
505	C1	0.6665
506	C1	0.6665
507	C1	0.6665
508	C1	0.6665
509	D	0.6665
510	C1	0.6665
601	C3	0.6665
602	A2	0.5108
603	A4	0.5108
604	C5	0.6665
605	C1	0.6665
606	C1	0.6665
607	C1	0.6665
608	C1	0.6665
609	D	0.6665
610	C1	0.6665

701	C3	0.6665
702	A2	0.5108
703	A4	0.5108
704	C5	0.6665
705	C1	0.6665
706	C1	0.6665
707	C1	0.6665
708	C1	0.6665
709	D	0.6665
710	C1	0.6665
801	C3	0.6665
802	A2	0.5108
803	A4	0.5108
804	C5	0.6665
805	C1	0.6665
806	C1	0.6665
807	C1	0.6665
808	C1	0.6665
809	D	0.6665
810	C1	0.6665
901	C3	0.6665
902	A2	0.5108
903	A4	0.5108
904	C5	0.6665
905	C1	0.6665
906	C1	0.6665
907	C1	0.6665
908	C1	0.6665
909	D	0.6665
910	C1	0.6665
1001	C3	0.6665
1002	A2	0.5108
1003	A4	0.5108
1004	C5	0.6665
1005	C1	0.6665
1006	C1	0.6665
1007	C1	0.6665
1008	C1	0.6665
1009	D	0.6665
1010	C1	0.6665
1101	C3	0.6665
1102	A2	0.5108
1103	A4	0.5108
1104	C5	0.6665
1105	C1	0.6665
1106	C1	0.6665
1107	C1	0.6665
1108	C1	0.6665
1109	D	0.6665
1110	C1	0.6665
1201	C3	0.6665
1202	A2	0.5108
1203	A4	0.5108
1204	C5	0.6665
1205	C1	0.6665

1206	C1	0.6665
1207	C1	0.6665
1208	C1	0.6665
1209	D	0.6665
1210	C1	0.6665
1302	B1	0.5108
1303	A4	0.5108
1304	C5	0.6665
1305	C1	0.6665
1306	C1	0.6665
1307	C1	0.6665
1308	C1	0.6665
1309	D	0.6665
1310	C1	0.6665
1402	B2	0.5108
1403	A4	0.5108
1404	C5	0.6665
1405	C1	0.6665
1406	C1	0.6665
1407	C1	0.6665
1408	C1	0.6665
1409	D	0.6665
1410	C1	0.6665
1502	B2	0.5108
1503	A4	0.5108
1504	C5	0.6665
1505	C1	0.6665
1506	C1	0.6665
1507	C1	0.6665
1508	C1	0.6665
1509	D	0.6665
1510	C1	0.6665
1601	E	1.1026
1602	F	1.1026
1603	G	1.3597
1604	G	1.3597
1605	G	1.3597
C-1	K	2.7194
C-2	J	4.7119
		<u>100.0000</u>

* * * * *

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The apartments shall be occupied and used only for those purposes including hotel, apartment, and commercial 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 the By-Laws.

OWNERSHIP OF TITLE: Information contained in the Notice of Intention and in the Preliminary Report dated February 10, 1976, 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, Han Hsin Ching, and Han Ping Ching, as tenants in common; 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-A, 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 Report indicates that all of the land described above are subject to the following encumbrances: real property taxes for the second half of the fiscal year 1975-1976, which will be delinquent after May 20, 1976, of a total of \$25,788.57; 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 April 9, 1976, between Hung Wo Ching, Han Yuan Ching, Han Hsin Ching, and Han Ping 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.

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 intend to retain First Hawaiian Bank as the initial managing agent.


SPECIAL NOTE: Under 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 APARTMENT TO BE PURCHASED WILL OR MAY BE MANAGED FOR SUCH BUYER BY THE DEVELOPERS AS A HOTEL OR APARTMENT RENTAL UNIT.

STATUS OF PROJECT: A Certificate of Occupancy certifying that the project was fully completed on January 27, 1971. The developers advise that they contemplate making certain alterations and renovations to the building and that they propose to operate each apartment offered for sale as a hotel room until it has been 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 April 13, 1976.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 855 filed with the Commission on April 13, 1976.

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



Member, Real Estate Commission
State of Hawaii

Distribution:
DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
PLANNING DEPARTMENT, CITY & COUNTY OF HONOLULU
FEDERAL HOUSING ADMINISTRATION
FIRST HAWAIIAN BANK, ESCROW AGENT

Registration No. 855

May 14, 1976