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

VARSITY VILLA
2649 Varsity Place
Honolulu, Hawaii

REGISTRATION NO. 335

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: June 18, 1970
Expires: July 18, 1971

SPECIAL ATTENTION

A comprehensive reading of the 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 JUNE 8, 1970, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED ON JUNE 15, 1970. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514 OF THE HAWAII REVISED STATUTES.

1. VARSITY VILLA is a proposed leasehold condominium project consisting of a 4-story building, having a total of fifty-three (53) apartments or units arranged throughout the first floor through the fourth floor. Fifty-three (53) parking stalls are available to apartment occupants.

2. No promotional and advertising material has been submitted pursuant to the rules and regulations promulgated by the Commission.

3. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Horizontal Property Act, Chapter 514 of the Hawaii Revised Statutes and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

4. The Developer has submitted to the Commission all documents deemed necessary for the registration of this condominium project and the issuance of this Final Public Report prior to completion of construction.

5. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners, and a copy of the approved Floor Plans) have been filed in the office of the recording officer.

   The Declaration of Horizontal Property Regime executed June 4, 1970, with By-Laws attached, was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii on June 5, 1970, as Document No. 503047. The Assistant Registrar designated Land Court Condominium Map No. 102 to the project.

6. This Final Public Report is made a part of the registration on VARSITY VILLA condominium project. The Developer is responsible for placing a true copy of this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers. Securing a signed copy of the Receipt for the Final Horizontal Property Regime Public Report from each purchaser and prospective purchaser is also the responsibility of the Developer.

7. This Final Public Report automatically expires thirteen (13) months after date of issuance, June 18, 1970, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: VARSITY VILLA

LOCATION: The approximate 28,728 square feet of land committed to the project is situated on the makai side of Varsity Place at 2649 Varsity Place, Honolulu, City and County of Honolulu, State of Hawaii.

TAX KEY: FIRST DIVISION 2-8-24-15

ZONING: Apartment A-3

DEVELOPER: Varsity Dorm, Inc., a Hawaii corporation, whose business and post office address is 404 City Bank Building, 801 Richards Street, Honolulu, Hawaii 96813. Telephone 531-3555.

The officers of the corporation are:

HAROLD H. OHAMA	President and Treasurer	2262 Aupuni Street Honolulu, Hawaii
LANI C. AI	Vice President	1624 Kanunu Street Honolulu, Hawaii
NORMAN K. CHUNG	Secretary	41 Niniko Place Honolulu, Hawaii

ATTORNEYS REPRESENTING DEVELOPER: NORMAN K. CHUNG and DENNIS A. ING, 926 Bethel Street, Honolulu, Hawaii 96813. Telephone 537-4396.

DESCRIPTION: The Declaration of Horizontal Property Regime states that 53 freehold estates are designated in the spaces within the floors, ceilings and perimeter walls of each of the 53 apartment units of the project, said spaces, hereinafter called "apartments" being included in one building consisting of 4 floors. The building is constructed principally of hollow tile, steel, reinforced concrete, glass, plaster board and allied building materials. The apartments are designated on the developer's floor plans and are described as follows:

1. An apartment numbered 110 is located on the first floor of the building and consists of a separate bedroom, a living room, a kitchen and a bathroom. It contains a gross area of approximately 444 square feet.

2. Ten apartments numbered 101 through 108, inclusive, 112 and 113 are located on the first floor of the building and each such apartment consists of a studio-bedroom, a kitchen and a bathroom. Each such apartment contains a gross area of approximately 300 square feet.

3. Fourteen apartments numbered 201 through 214, inclusive, are located on the second floor of the building. Each such apartment consists of a studio-bedroom, a kitchen and a bathroom, and contains a total gross area of approximately 300 square feet. In addition, each such apartment has an adjacent balcony with an approximate area of 32 square feet.

4. Fourteen apartments numbered 301 through 314, inclusive, are located on the third floor of the building, and are identical to the apartments on the second floor, except for said numerical designation.

5. Fourteen apartments numbered 401 through 414, inclusive, are located on the fourth floor of the building, and are identical to the apartments on the second floor, except for said numerical designation.

6. In addition to the aforesaid apartment units, a lobby, designated room 109 on said floor plans, a laundry room, designated room 111, and equipment room, designated room 114, are located on the first floor.

There are a total of fifty-three (53) parking spaces. One parking space shall be assigned to each apartment upon the original conveyance thereof and shall be appurtenant to and for the exclusive use of such apartment, and shall be marked with the number of the apartment to which it is assigned. There will be an elevator to service the building.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls, the interior load-bearing walls, or the interior party walls, the floors and ceilings surrounding each apartment or any pipes, shafts, wires, conduits or other utility or service 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 be deemed to include the adjacent lanai, where applicable, all the walls and partitions which are not load-bearing within the perimeter walls or which are not interior party walls; the inner decorated or finished surface of all walls, floors and ceilings, and all fixtures originally installed therein.

Developer's counsel advises the Commission that references in the Declaration to "freehold estates" and to the land as "fee simple" are made for legal reasons only and this in no way alters the fact that this is a leasehold condominium project.

COMMON ELEMENTS: The Declaration identifies the common elements as: (a) said land in fee simple; (b) all foundations, floor slabs, columns, girders, beams, supports, bearing walls, roofs, chases, entries, stairways, hallways, lobbys, walkways, elevator and storage areas of said building; (c) all yards, grounds, landscaping, mail boxes and refuse facilities; (d) all parking areas, ramps and driveways; (e) all ducts, electrical equipment, wiring and other central and appurtenant installations including power, light, water, sewer and telephone; (f) Room 109 on the first floor of the building, which is to be used as a lobby, the approximate gross area thereof being 300 square feet; (g) Room 111 on the first floor, designated for use as a laundry room, having an approximate gross area of 240 square feet. This room is to be completed as loft space only and shall be furnished only with such equipment as the Association of Apartment Owners shall see fit to install therein; (h) Room 114 which has been designated as an equipment room, having a gross area of approximately 300 square feet. This room will be completed as loft space and will be used to house meters and other equipment necessary for operation of the building; (i) the machine room located next to the elevator shaft on the first floor, designated as such on the floor plan and not designated by number. Said room has an approximate gross area of 42 square feet; (j) the elevator shaft; (k) storage rooms on the second, third and fourth floors, between the stairway and the rooms that are designated 211, 311 or 411, respectively, each such room having a gross area of approximately 96 square feet. Said rooms will be finished only as loft space; (l) the stairways between floors.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, designated "limited common elements" are set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto an exclusive easement for the use of said limited common elements. The limited common elements so set aside and reserved are as follows: (a) one parking space shall be assigned to each apartment and shall be marked with the number corresponding to the number of the apartment to which such parking space is assigned, and such parking space shall be appurtenant to and for the exclusive use of such apartment; (b) the hallways on each apartment floor shall be appurtenant to and for the exclusive use of the apartments on such floor.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the project and the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting, as follows:

1. Apartment 110, the 1-bedroom apartment, shall have appurtenant thereto an undivided 3.80% interest as aforesaid.

2. Each of the other (studio) apartments shall have appurtenant thereto an undivided 1.85% interest as aforesaid.

Purchasers will receive a direct lease of the undivided interest from the fee simple owner of the land for a term to expire on August 31, 2029.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The apartments may be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose. The apartments may not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than 30 days, or (b) any rental in which the occupants of the apartment are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen or bellboy service. Except for such transient or hotel purposes, the owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of the Declaration of Horizontal Property Regime.

OWNERSHIP OF TITLE TO LAND: The Notice of Intention, and exhibits filed therewith, disclose that ownership to title in the real property committed to the Horizontal Property Regime is vested in George David Hao, Jr., individually and as executor of the Estate of George David Hao, Sr., deceased, Viella Vida Hao and Evelyn Aczon Hao. The Lien Letter dated August 23, 1968, prepared by Long & Melone, Ltd., and updated by letter of June 5, 1970, from Long & Melone, Ltd., certifies that George David Hao, Jr., Viella Vida Hao and Evelyn Aczon Hao have title to the land committed to the Regime.

ENCUMBRANCES AGAINST TITLE: The aforesaid lien letter prepared by Long & Melone, Ltd., dated August 23, 1968, and updated June 5, 1970, identifies the following as of the date June 5, 1970: Restriction of access rights, as shown on Map 2 of Land Court Application No. 1311, as set forth by Land Court Order No. 17308, filed July 10, 1959, as amended by Land Court Order No. 27270, filed July 14, 1967. Last Will and Testament of George David Hao, Sr., filed in the Circuit Court of the First Circuit, with Probate No. 32457, and also filed in the Office of the Assistant Registrar of the Land Court as Document No. 502954, said Last Will and Testament devising all property, real and personal to decedent's son George D. Hao, Jr. Order of Probate filed in Probate No. 32457 and as Land Court Document No. 502955. Letters Testamentary dated August 20, 1969, issued to George D. Hao, Jr., and filed as Land Court Document No. 502956. Cancellation of Lease and Lease by and between George David Hao, Jr., husband of Evelyn Aczon Hao, both individually and as executor of the Estate of George David Hao, deceased, Viella Vida Hao and Varsity Dorm, Inc., dated February 27, 1970, filed as Land Court Document No. 502957, which cancels Lease dated May 27, 1965, filed as Land Court Document No. 362884, as assigned by instrument dated April 7, 1966, filed as Land Court Document No. 388191; and which demises and leases to Varsity Dorm, Inc., the land committed to the Regime for a term of 60 years commencing on September 1, 1969 and ending on August 31, 2029, subject to the terms, covenants and conditions contained in said Cancellation of Lease and Lease. Taxes: The second installment of real property taxes for the fiscal year ending June 30,

1970, amounting to $1,523.10 were due on June 10, 1970. (The first installment in the amount of $1,523.10 for said fiscal year have been fully paid.) The terms and provisions of the Declaration of Horizontal Property Regime, with By-Laws of the Association of Apartment Owners attached, filed as Document No. 503047 with the Assistant Registrar of the Land Court on June 5, 1970, are also identified for purposes of this Final Public Report as encumbrances.

FINANCING OF PROJECT: Developer has submitted to the Commission a statement of the total project cost. Developer has also filed satisfactory evidence showing sufficient funds to cover the total estimated project cost from Developer's funds, funds to be made available through an interim (construction) loan from Real Estate Finance Corporation, and the balance out of anticipated revenues from sales of units representing slightly under 18% of the total number of units to be sold.

Developer further has a commitment letter dated February 10, 1970 from Real Estate Finance Corporation to make available about $600,000 in permanent take-out loans to purchasers of Varsity Villa.

PURCHASE MONEY HANDLING: A copy of the executed escrow agreement dated February 4, 1970, as amended on June 17, 1970, identifies Crown Escrow, Inc., a Hawaii corporation, as the escrow agent. Upon examination, the specimen contract of sale and the escrow agreement as amended are found to be in compliance with Chapter 514 of the Hawaii Revised Statutes and particularly Section 514-15 (6), HRS.

It is incumbent upon the purchaser and prospective purchaser that he reads with care the Contract of Sale (Leasehold) and the executed escrow agreement. The latter document, the escrow agreement, establishes how the proceeds from the sale of apartments and all sums received from any source are placed in trust, as well as how said trust funds are retained and disbursed.

MANAGEMENT AND OPERATIONS: The executed Declaration discloses that the administration of the project shall be vested in an Association of Apartment Owners, consisting of all apartment owners of the project, and that the operation of the project shall be governed by the By-Laws of the Association of Apartment Owners. Under said By-Laws the Association's powers are exercised through a Board of Directors, which is charged with the responsibility of managing and operating the project, including without limitation such duties as the supervision of the immediate management and operation of the project and the employment, supervision and dismissal of necessary personnel.

Said Declaration also discloses that the initial managing agent shall be Building Management Corporation, a Hawaii corporation, whose principal place of business and post office address is 405 City Bank Building, 810 Richards Street, Honolulu, Hawaii.

The specimen Contract of Sale submitted to the Commission reflects that the Developer has entered into a Property Management Agreement dated June 5, 1970, with Building Management Corporation for a period of three years from the date the apartment is ready for occupancy.

STATUS OF PROJECT: The developer states that construction on the project commenced on or about June 1, 1970, pursuant to a construction contract entered into by and between Varsity Dorm, Inc., the developer, and Paradise Planning & Construction, Inc., a Hawaii corporation, on February 25, 1970. Under the terms of said contract the construction must be substantially completed within 250 working days from the time construction has commenced. The developer has submitted a Bond dated February 27, 1970 in the sum of 100% of the construction contract price. Midpac Lumber Company is identified as Surety in said Bond.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted June 8, 1970 and additional information subsequently filed on June 15, 1970.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 335 filed with the Commission.

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

HERBERT S. ISONAGA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

YH:bym

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

June 18, 1970
Registration No. 335