

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION

DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS

STATE OF HAWAII

1010 RICHARDS STREET

P. O. BOX 3469

HONOLULU, HAWAII 96801

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

UNIVERSITY GARDENS
908 and 918 University Avenue
Honolulu, Hawaii
REGISTRATION NO. 1597 (CONVERSION)

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 3, 1984
Expires: June 3, 1985

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 and prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED April 5, 1984, AND INFORMATION SUBSEQUENTLY FILED AS OF April 30, 1984. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION ON THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. UNIVERSITY GARDENS is a proposed leasehold condominium conversion project consisting of

30 residential apartments in two (2) three-story buildings constructed in 1959 with 30 uncovered compact parking stalls.

2. The Developer of the Project has submitted to the Commission for its examination all documents deemed necessary for the registration of the condominium project and the issuance of this Preliminary Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime, the Bylaws of the Association of Apartment Owners and the Condominium Map will be recorded in the Bureau of Conveyances of the State of Hawaii immediately prior to the application for a Final Public Report.
4. No advertising or promotional materials have been submitted to the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report expires thirteen (13) months after issuance, May 3, 1984, unless a Final or Supplementary Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective date of this report.
7. This Preliminary Public Report is part of the registration of UNIVERSITY GARDENS. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and securing a signed copy of the receipt therefor.

NAME OF PROJECT: UNIVERSITY GARDENS.

LOCATION: The Project is located at 908 and 918 University Avenue, Honolulu, Hawaii and has a land area of approximately 21,040 square feet.

TAX KEY: 2-7-16:32 (1st Tax Division--City and County of Honolulu).

ZONING: Apartment District (A-2) under the Ordinances of the City and County of Honolulu.

DEVELOPER: LILIHA DEVELOPMENT CO., INC., a Hawaii corporation, whose principal place of business and post office address is 41 South Beretania Street, Suite B-101, Honolulu, Hawaii 96813 (telephone: (808) 521-8541). The officers of the corporation are: Peter B. Savio, President and Treasurer; Mary V. Savio, Vice President and Secretary.

ATTORNEY REPRESENTING DEVELOPER: Cades Schutte Fleming & Wright (Attention: Edward R. Brooks), Suite 1100, 1000 Bishop Street, P. O. Box 939, Honolulu, Hawaii 96808 (telephone: (808) 521-9200).

DESCRIPTION OF PROJECT: The proposed Project contains 30 residential apartments in two (2) three-story buildings with 30 parking stalls. The Project and the apartments are more specifically described in Exhibit "A" attached hereto and made a part hereof.

Each apartment shall be deemed to include: (i) all the walls, columns and partitions which are not load-bearing within its perimeter walls, (ii) the inner decorated or finished surfaces of all walls, floors and ceilings, (iii) any doors, door frames, windows or window frames along the perimeters, (iv) the airspace within the perimeters and (v) all fixtures originally installed therein. The respective apartments shall not be deemed to include: (a) the undecorated or unfinished surfaces of the perimeter (party and non-party) walls, (b) the interior load-bearing columns, girders, beams and walls, (c) the undecorated or unfinished surfaces of the floors and ceilings surrounding each apartment, or (d) 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.

COMMON ELEMENTS: One freehold estate is hereby designated in all remaining portions and appurtenances of the Project, including specifically, but not limited to:

- a. The Land in fee simple.
- b. All foundations, floor slabs, sewers, columns, girders, beams, supports, fences, unfinished perimeter walls, load-bearing walls and roofs.
- c. All grounds, trees, landscaping, yards and gardens.
- d. All refuse containers on the grounds of the Project.
- e. Laundry facilities on each floor of each of the two buildings.
- f. One storage room on the ground floor of each of the two buildings.
- g. All roads, parking areas, driveways, walkways stairways, building entries and corridors.
- h. All ducts, electrical equipment, wiring, pipes and other central appurtenant transmission facilities over, under and across the Project which serve more than one apartment for services such as power, light, water, sewer, telephone and television signal distribution.

i. Any and all other appurtenant installations of common use and all other parts of the Project necessary and convenient to its existence, maintenance and safety or normally in common use.

LIMITED COMMON ELEMENTS: Each apartment shall have appurtenant thereto an exclusive easement for the use of a mailbox and a parking space as designated on Exhibit "B" attached hereto as being appurtenant to such apartment.

INTEREST TO BE CONVEYED TO PURCHASER: The apartments have the percentage common interests in the common elements of the Project as set forth in Exhibit "B" attached hereto. Each apartment shall have such percentage interest in all common profits and expenses of the Project and for all other purposes, including voting. Interests in each apartment will be transferred by the Trustees of the Estate of Bernice Pauahi Bishop to each buyer under an Apartment Lease, consisting of a lease of the improvements comprising the particular apartment, and an undivided percentage interest in the common elements, inclusive of the land.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The proposed Declaration provides that each apartment shall be occupied and used only for residential purposes and no apartment shall be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The respective apartments shall not be rented by the Owners thereof for transient or hotel purposes, which shall be defined as (i) rental for any period less than thirty days, or (ii) any rental in which the occupants of the apartment are provided customary hotel services, such as room service for food and beverage, maid service, furnishing of laundry and linen, and bellboy service. Neither the apartments nor any interest therein shall be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any timesharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess an apartment or apartments in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise. Other than the foregoing obligations, the owners of the respective apartments shall have the absolute right to lease the same, provided that such lease covers an entire apartment, is in writing and is made subject to the covenants and restrictions contained in the Declaration and Bylaws. The Bylaws provide, in part, that no livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project, except as authorized by the Board of Directors.

OWNERSHIP OF TITLE: A Preliminary Report dated March 22, 1984, issued by Title Guaranty of Hawaii, Incorporated states that fee simple title to the land is held by the Trustees of the Estate of Bernice Pauahi Bishop, deceased. Pursuant to that certain Lease No. 11,350 dated September 1, 1958, Tome Sugiyama, is the lessee of the property to be submitted to the regime. The Developer has entered into a Deposit Receipt Offer and Acceptance with Tome Sugiyama for the purchase of said Lease No. 11,350. By letter dated April 24, 1984, the Developer has indicated that Tome Sugiyama is willing to extend the DROA closing date to May 15, 1984.

ENCUMBRANCES: Said Preliminary Report dated March 22, 1984 states that the title to the property is subject to the following encumbrances:

1. For any taxes that may be due and owing, reference is made to the Office of the Tax Assessor, First Division, Island of Oahu, Hawaii.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. Lease No. 11,350, dated September 1, 1958, between the Trustees of the Estate of Bernice Pauahi Bishop and Tamotsu Sugiyama dba Territorial Contractors, recorded in the Bureau of Conveyances of the State of Hawaii in Book 3668, at Page 241. Said Lease was acquired by Tome Sugiyama by instrument, dated September 11, 1981, recorded as aforesaid in Book 15836, at Page 122.

PURCHASE MONEY HANDLING: A copy of a specimen Deposit Receipt and Sales Contract (the "Sales Contract") and an executed Escrow Agreement have been submitted as part of the registration. The Escrow Agreement, dated March 26, 1984, identifies Title Guaranty Escrow Services, Inc. as "Escrow." Upon examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly with Sections 514A-37, 39, 40 and 63 through 66. A prospective purchaser should carefully examine the form of Sales Contract and the Escrow Agreement to determine the time for and the amount of the installment payments on the purchase price and his obligations to pay the closing costs. It is incumbent upon the purchaser to read and understand the Escrow Agreement before signing the Sales Contract since the Escrow Agreement prescribes the procedure for receiving and disbursing the purchaser's down payments and the Sales Contract provides that the purchaser approves the Escrow Agreement.

Among other provisions, the Escrow Agreement provides that a purchaser shall be entitled to a return of his funds, and Escrow shall pay such funds to such purchaser, and upon the terms and conditions provided for in the Sales Contract, if any one of the following has occurred:

(a) The Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held under the Escrow Agreement by Escrow; or

(b) The Developer shall have notified Escrow of the Developer's exercise of the option to cancel or rescind the Sales Contract pursuant to any right of cancellation or rescission provided therein or otherwise available to the Developer; or

(c) The Developer and the purchaser shall have requested Escrow in writing to return to the purchaser the funds of the purchaser held under the Escrow Agreement by Escrow because:

(1) The purchaser has been unable to obtain adequate financing or a commitment for adequate financing, for the purchase of his apartment unit, within thirty (30) calendar days following the end of the ten (10) day calendar period during which the Developer is limited to selling to owner-occupants, as required by Chapter 514A, Part VI, Hawaii Revised Statutes, or

(2) The purchaser desires to cancel the Sales Contract because of hardship circumstances such as those set forth in Section 514A-104(1), Hawaii Revised Statutes, or because the purchaser indicates an intent not to become an owner-occupant of the apartment unit covered by the Sales Contract.

In any of the foregoing events, Escrow shall, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee to Escrow of not less than \$25.00 per apartment or a cancellation fee commensurate with the work done by Escrow prior to such cancellation, whichever fee is greater) and thereupon said Sales Contract and any Apartment Lease theretofore delivered to Escrow shall be returned and shall be deemed no longer held under the Escrow Agreement; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by the Developer of written notice from Escrow of its intent to make such refund.

The Sales Contract, among other things, contains acknowledgments by each purchaser: (i) that the Developer will not sponsor, arrange or promote any program for the rental or temporary use and occupancy of apartments in the Project other than apartments owned by the Developer upon completion of the Project, if any; (ii) that the purchaser must make any such arrangements for his apartment, if desired, without the involvement or participation of the Developer; (iii) that the Developer has authorized no agents, salesmen or brokers to make any representations as to rental or other income from any apartment or any other economic benefit, including possible advantages from the ownership of an apartment under federal or state tax laws, to be derived from the purchase of an apartment in the Project; (iv) that the purchaser acknowledges that no such representations or warranties have been made and that the

Developer expressly disclaims and repudiates any representation from any source as to any possible economic benefit arising from ownership of an apartment in the Project; (v) that the purchaser's right, title and interest under the Sales Contract shall be subject and subordinate to the liens and security interests of any mortgages or other security instruments made by the Developer in favor of any lending institutions to secure one or more loans for the purpose of completing the conversion of the Project; (vi) that the Project and the apartment and anything installed or contained therein are being sold on an "as is" basis, without any warranties, express or implied; (vii) that the apartments in the Project may currently be occupied by tenants, and that it is the responsibility of the purchaser and not the Developer to evict any tenants in the purchaser's apartment; and (viii) that the Developer has the right to cancel the Sales Contracts if the Developer is unable to sell at least twenty-four (24) apartments in the Project or is unable to complete the conversion of the Project for any reason beyond the Developer's control.

MANAGEMENT AND OPERATION: Article III, Section 3, of the proposed Bylaws states that the Board of Directors shall at all times employ a responsible managing agent to manage and control the Project, subject at all times to direction by the Board and subject to approval by the Trustees of the Estate of Bernice Pauahi Bishop. The initial managing agent of the Project is Savio Realty, Ltd., whose principal place of business and post office address is 41 South Beretania Street, Suite B-101, Honolulu, Hawaii 96813.

STATUS OF PROJECT: THE PROJECT IS A CONDOMINIUM CONVERSION, AND THE BUILDINGS AND APARTMENTS WERE CONSTRUCTED IN 1959. A LETTER DATED FEBRUARY 7, 1984 FROM THE BUILDING DEPARTMENT, CITY AND COUNTY OF HONOLULU VERIFIES THAT THE PROJECT MET ALL CODE REQUIREMENTS AT THE TIME OF CONSTRUCTION AND NO VARIANCES OR SPECIAL PERMITS WERE GRANTED TO ALLOW DEVIATIONS FROM ANY APPLICABLE CODES. THE PROJECT, THE APARTMENTS AND ANYTHING INSTALLED OR CONTAINED IN THE APARTMENTS ARE BEING SOLD IN "AS IS" CONDITION, AND THE DEVELOPER WILL NOT MAKE ANY CORRECTIONS TO THE PROJECT OR APARTMENTS OR ANYTHING INSTALLED AS CONTAINED THEREIN, AND SHALL NOT BE LIABLE FOR OR OBLIGATED TO CORRECT ANY CONSTRUCTION OR OTHER DEFECTS IN THE PROJECT OR APARTMENTS OR ANYTHING INSTALLED OR CONTAINED THEREIN, WHETHER OR NOT SUCH DEFECTS ARE HIDDEN OR LATENT. THE DEVELOPER DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROJECT, THE APARTMENTS OR ANYTHING INSTALLED OR CONTAINED THEREIN, INCLUDING ANY IMPLIED WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

The purchaser and prospective purchasers should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted April 5, 1984 and information subsequently filed as of April 30, 1984.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1597 filed with the Commission on April 5, 1984.

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



G. A. "RED" MORRIS, Chairman
Real Estate Commission
State of Hawaii

Distribution:

Federal Housing Administration
Department of Finance
Bureau of Conveyances
Planning Department
City and County of Honolulu
Escrow Agent

Registration No. 1597

May 3, 1984.

PHYSICAL DESCRIPTION

A. Project. The Project consists of two (2) three-story buildings, (Buildings A and B), with no basement, and thirty (30) on-site, uncovered, compact parking stalls, all of which stalls are designated as limited common elements. Building A is located at 908 University Avenue, and Building B is located at 918 University Avenue. Both buildings are constructed of concrete masonry and hollow tile with concrete floor slabs and tar and gravel roofing. The Project contains laundry rooms and trash areas. There are thirty (30) substantially identical residential apartments in the Project.

B. Apartments. The Project contains thirty (30) substantially identical residential apartments each of which consists of two-bedrooms, one-bath, one living/dining area and one kitchen area. All apartments are furnished with a tub/shower, disposal, refrigerator, range and water heater. Each apartment on the first floor has immediate access to the Project grounds and parking areas, and each apartment on the second floor and third floor has immediate access via corridors to stairways providing access to the Project grounds and parking areas.

Building A contains fifteen (15) apartments and is rectangular in shape, single-load and is situated at 908 University Avenue. The length of Building A runs in a Diamond Head-Ewa direction. Five (5) apartments are located in a row on the first floor of Building A. Five (5) apartments are located in a row on the second floor of Building A. Five (5) apartments are located in a row on the third floor of Building A. Beginning at the Diamond Head end of Building A, the apartments are consecutively numbered on each floor as follows:

First Floor: A101, A102, A103, A104 and A105.

Second Floor: A201, A202, A203, A204 and A205.

Third Floor: A301, A302, A303, A304 and A305.

Building B contains fifteen (15) apartments and is rectangular in shape, single-load and is situated at 918 University Avenue. The length of Building B runs in a Diamond Head-Ewa direction. Five (5) apartments are located in a row on the first floor of Building B. Five (5) apartments are located in a row on the second floor of Building B. Five (5) apartments are located in a row on the third floor of Building B. Beginning at the Diamond Head end of Building B, the apartments are consecutively numbered as follows:

First Floor: B101, B102, B103, B104 and B105.

Second Floor: B201, B202, B203, B204 and B205.

Third Floor: B301, B302, B303, B304 and B305.

A list of apartments, apartment numbers, areas and percentages of common interest appurtenant to each apartment is set forth in Exhibit "B" attached hereto and made a part hereof. The percentages of common interests have been based upon the approximate interior square footages of the apartments. Since the interior square footages of the apartments are substantially the same, the percentages of common interests were calculated by dividing the number of apartments in the Project into one hundred percent. Twenty (20) of the apartments each have percentage interests of 3.33 percent. The ten (10) ground floor apartments each have percentage interests of 3.34 percent. These percentage interests shall be valid and effective whether or not the Developer's calculations of such interests are accurate or mathematically correct.

EXHIBIT "A"

<u>Apt. No.</u>	<u>Net Floor Area</u>	<u>Percentage Int. In Common Elements</u>	<u>Mailbox and Parking Stall No.</u>
A101	575	3.34	A101
A102	575	3.34	A102
A103	575	3.34	A103
A104	575	3.34	A104
A105	575	3.34	A105
A201	575	3.33	A201
A202	575	3.33	A202
A203	575	3.33	A203
A204	575	3.33	A204
A205	575	3.33	A205
A301	575	3.33	A301
A302	575	3.33	A302
A303	575	3.33	A303
A304	575	3.33	A304
A305	575	3.33	A305
B101	575	3.34	B101
B102	575	3.34	B102
B103	575	3.34	B103
B104	575	3.34	B104
B105	575	3.34	B105
B201	575	3.33	B201
B202	575	3.33	B202
B203	575	3.33	B203
B204	575	3.33	B204
B205	575	3.33	B205
B301	575	3.33	B301
B302	575	3.33	B302
B303	575	3.33	B303
B304	575	3.33	B304
B305	575	3.33	B305

EXHIBIT "B"