

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

on
KAILUA BUSINESS CENTER
Uluniu Street
Kailua, Hawaii 96734

REGISTRATION NO. 1664

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 : January 31, 1985
Expires: March 1, 1986

SPECIAL ATTENTION

A comprehensive reading of this report by prospective purchasers 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:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED ON JANUARY 14, 1985, AND INFORMATION SUBSEQUENTLY FILED AS OF JANUARY 23, 1985. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. KAILUA BUSINESS CENTER is a proposed fee simple condominium project consisting of one 3-story building containing apartments for commercial and office use. A minimum of 9 apartments has been proposed. There will be 38 regular uncovered parking stalls in the project.

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 issuance of this Preliminary Public Report. The Developer is held responsible for placing this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed copy of the receipt therefor.
3. The basic documents (Declaration of Horizontal Property Regime, Bylaws of Association of Apartment Owners and a copy of the floor plans of the project) have not yet been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.
4. No advertising or promotional matter has 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 automatically expires thirteen (13) months after date of issuance, January 31, 1985, unless a Final or 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: KAILUA BUSINESS CENTER

LOCATION: The land, consisting of one (1) parcel containing 29,400 square feet, is situate at Uluniu Street, Kailua, Hawaii.

TAX KEY: First Division, 4-3-52-23.

ZONING: The land is zoned B-2 and R-6.

DEVELOPER: Uluniu Partners, a Hawaii general partnership, whose principal place of business and post office address is 408A Uluniu Street, Kailua, Hawaii 96734 (telephone: 261-3326), is the Developer of this project. The partners of the Developer are: Madeline J. Scherman (Managing Partner), Frederick C. Holschuh, Samuel Gingrich, A. Steven Aglinskas, James C. Budde, Barry D. Miller and Sharon Goodhart, all of whose address is 408A Uluniu Street, Kailua, Hawaii 96734.

ATTORNEY REPRESENTING DEVELOPER: Ashford & Wriston (Attention: Galen C. K. Leong), 235 Queen Street, Honolulu, Hawaii (Telephone: 524-4787).

DESCRIPTION: The project shall consist of a minimum of 9 apartments for commercial and office use contained in one 3-story building. The Developer has reserved the right to divide the initial 9 apartments into more apartments prior to the issuance of the Final Public Report.

There will be 38 parking stalls available for common use. The parking area will be constructed with paved concrete.

The apartments will be constructed principally of steel, concrete, glass, masonry and gypsum board. There is no basement.

Each apartment consists of the room located on the floor of the building shown below and with the square footage shown below:

<u>Apartment No.</u>	<u>Location</u>	<u>Area</u>
Apartment 1	Ground Floor	868 square feet
" 2	"	2,114 " "
" 3	"	1,180 " "
" 4	"	1,890 " "
" 5	"	1,900 " "
" 6	Second Floor	8,415 " "
" 7	"	8,415 " "
" 8	Third Floor	4,515 " "
" 9	"	4,515 " "

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls, the unfinished surfaces of the floors and ceilings which surround 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. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls, the inner decorated or finished surfaces of all walls, floors and ceilings, doors and door frames, all windows and window frames and doors and door frames serving the apartment, and all fixtures originally installed in such apartment for its exclusive use.

Each apartment has immediate access to the grounds of the project or to a corridor leading to stairways and elevators which connect the apartment to the grounds, walkways and drive-ways of the project and the adjacent public street.

COMMON ELEMENTS: The proposed Declaration states that the common elements shall include:

- (a) The land in fee simple;
- (b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, corridors, fire escapes, roofs, stairs, walkways and entrances and exits of said building;

- (c) The lobby, roof deck, grounds, fences, driveways, concrete parking areas and refuse facilities;
- (d) All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations for utility and other common services such as power, light, gas, water, sewer, telephone and television signal distributions, if any;
- (e) All elevators, elevator lobbies and equipment, pumps, motors, fans and compressors.
- (f) All other apparatus and installations existing for common use;
- (g) All other parts of the project necessary or convenient to its existence, maintenance and safety, or normally in common use.

EASEMENTS: The proposed Declaration provides that the apartments and common elements shall have and be subject to the following easements:

- (a) Each apartment shall have appurtenant thereto nonexclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support of such apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive or limited use of the limited common elements as herein provided and in all other apartments of its building for support.
- (b) In the case of minor encroachments of common elements upon any apartment, or in the case of minor encroachments of any apartment upon the common elements or any other apartments, a valid easement for such encroachment and maintenance thereof shall and does exist for so long as such encroachment continues. In the event any building of the property shall be partially or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any portion of the property, minor encroachments upon any part of the common elements or any apartment due to the same shall be permitted, and a valid easement for such encroachment and the maintenance thereof shall and does exist for so long as such encroachment continues.
- (c) The Association of Apartment Owners of the project shall have the right, to be exercised by its Board of Directors or Managing Agent, to enter any apartment and limited common element from time to time during reasonable hours as may be necessary for the operation of the project or for the installation, repair

or replacement of any common elements or at any time for making emergency repairs therein required to prevent damage to any apartments or common elements.

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

<u>Apartment No.</u>	<u>Common Interest</u>
1	2.567
2	6.252
3	3.490
4	5.560
5	5.619
6	24.888
7	24.888
8	13.368
9	<u>13.368</u>
	100.000

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration provides that the apartments shall be occupied and used as follows:

- (a) The apartments may be occupied and used for commercial and office use by the respective owners thereof, their tenants, customers, clients, employees and guests.
- (b) The apartments shall 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 provided that all leases of such apartments shall be in writing and shall be subject to all provisions of the proposed Declaration and the Bylaws.
- (c) Notwithstanding the foregoing, the apartments of the project or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing 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.

The Bylaws, provide, in part, that no livestock, poultry or other animals shall be allowed or kept in any part of the project.

OWNERSHIP OF TITLE: The fee simple title to the land is vested in the Developer.

ENCUMBRANCES AGAINST TITLE: A Preliminary Report prepared by Long & Melone, Ltd. dated December 21, 1984, shows that the land is subject to the following encumbrances:

1. For any taxes that are due and owing and a lien on the land, reference is made to the Office of the Tax Assessor, First Division.
2. Grant of Easement dated April 5, 1949 in favor of Hawaiian Electric Company, Inc. and Hawaiian Telephone Company filed as Document No. 109692.
3. Mortgage in favor of Territorial Savings and Loan Association, dated May 4, 1979, filed as Land Court Document No. 936910.

PURCHASE MONEY HANDLING: A copy of the Escrow Agreement dated January 9, 1985, by and between Sentinel Escrow of Hawaii, Inc., a Hawaii corporation, as Escrow, and Developer, as Seller, has been submitted to the Commission as part of this registration. On examination the Escrow Agreement and the specimen Sales Contract are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. The provisions of the Sales Contract should be carefully read by the purchasers. The specimen Sales Contract recites the conditions under which the purchaser acknowledges receipt of the Public Report.

The specimen Sales Contract provides among other things, (1) that Purchaser agrees that all rights of the purchaser are and at all times subject and subordinate to the lien of any mortgage to a lending institution, and to all advances, modification, extensions and renewals thereof, made to finance the cost of construction of the project; and (2) if Developer has not obtained contracts covering at least 75% of the apartments in the project on or before July 15, 1985, Developer may cancel the Sales Contract and refund Purchaser's deposit, less Escrow's cancellation fee.

It is incumbent upon the purchaser that he read with care the Sales Contract and Escrow Agreement. The Escrow Agreement establishes how the proceeds from the sale of the apartments and all sums of any source are placed in trust as well as the retention, disbursement and refund of said trust fund.

ALTERATION OF PROJECT: The proposed Declaration provides that the owner of an apartment may at any time create two or more separate apartments out of the space comprising such apartment or the owner or owners of two or more adjacent apartments may elect to consolidate or consolidate and resubdivide such adjacent apartments provided that any such subdivisions or consolidations or consolidation and resubdivision shall be done in accordance with all of the provisions as set forth in the proposed Declaration.

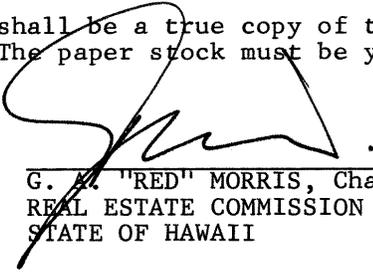
MANAGEMENT AND OPERATION: No Management Agreement has been submitted to the Commission. The Developer will be the initial managing agent for the project.

STATUS OF THE PROJECT: The Developer reports that construction of the project is scheduled to commence in September, 1985.

The purchaser or prospective purchaser shall be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted January 14, 1985 and information subsequently filed as of January 23, 1985.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1664 filed with the Commission on January 14, 1985.

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



G. M. "RED" MORRIS, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

REGISTRATION NO. 1664

Dated: January 31, 1985