

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

**FINAL
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT**

ON

MILILANI TERRACE - PHASE I
Mililani Town, Oahu, Hawaii

REGISTRATION NO. 1644

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: October 25, 1985

Expires: November 25, 1986

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:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED ON OCTOBER 29, 1984 AND INFORMATION SUBSEQUENTLY FILED AS OF OCTOBER 18, 1985. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION ON MATERIAL CHANGES IN THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Preliminary Public Report dated December 6, 1984, and the Supplementary Public Report dated April 18, 1985, on MILILANI TERRACE - PHASE I, Registration No. 1644, the Developer has submitted additional information for the Project. This Final Public Report (white paper stock) amends the Preliminary Public Report (yellow paper stock) and the Supplementary Public Report (pink paper stock) and is made a part of the registration. The Developer is required to provide all purchasers and prospective purchasers of apartments with a copy of this Final Public Report (with Disclosure Abstract dated as of July 31, 1985 attached hereto), as well as the Preliminary Public Report and the Supplementary Public Report. Securing a signed copy of the receipt therefor is also the responsibility of the Developer.

2. The Developer has complied with Chapter 514A, Hawaii Revised Statutes, as amended, and has fulfilled the requirements of the Commission for the issuance of this Final Public Report.

3. The Developer reports that the Declaration of Horizontal Property Regime has been filed in the Office of the Assistant Registrar of the Land Court of Hawaii as Document No. 1324757 and noted on Transfer Certificate of Title No. 261,529, that the By-Laws of the Association of Apartment Owners has been filed as aforesaid as Document No. 1324760, and that the Condominium Map has been filed in said Office as Condominium Map No. 557.

4. Advertising and promotional materials have been submitted to the Commission pursuant to the rules and regulations promulgated by the Real Estate Commission, and have been determined to be in compliance therewith.

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. The Developer has requested and the Commission has granted an extension of the Preliminary and Supplementary Public Reports through this Final Public Report. This Final Public Report automatically expires thirteen (13) months after date of issuance, October 25, 1985, unless a supplementary public report is issued or unless the Commission, upon review of the registration, issues an order extending the effective period of this report.

The information contained in the Preliminary Public Report, as modified and supplemented by the Supplementary Public Report, remains unchanged except for the information under the topical headings that follow:

TAX KEY: First Division: 9-5-34-89

DEVELOPER: All information under this topical heading remains unchanged except that the reference to Robert

Tsuyemura as a Vice President of the Developer is hereby deleted.

ENCUMBRANCES AGAINST TITLE: A Status Title Report issued by Title Guaranty of Hawaii, Inc., dated September 27, 1985, reports that all information under this topical heading remains unchanged except as follows:

Items 2 and 4 of this topical heading are respectively amended to read in their entirety as follows:

"2. Easement '3140' over and across Lot 9460-A (besides other land) as shown on Maps 535 and 639, as set forth by Land Court Order No. 55162, filed December 5, 1979."

* * *

"4. Easement '3479' for drainage purposes over and across Lot 9460-A (besides other land) as shown on Maps 596 and 639, as set forth by Land Court Order No. 64399, filed December 9, 1982."

Further, new items 10 and 11 are added at the end of this topical heading, to read as follows:

"10. Real Property Mortgage; Security Agreement; Assignment of Contracts; and Financing Statement dated May 13, 1985, in favor of First Hawaiian Bank, as agent, as Mortgagee, filed as Document No. 1298869 and also recorded in Liber 18637 at Page 641.

11. Real Property Mortgage, Assignment of Rents and Leases, Security Agreement and Financing Statement dated July 2, 1985, in favor of The First National Bank of Boston, as representative and agent, as Mortgagee, filed as Document No. 1307644 and also recorded in Liber 18750 at Page 41."

NOTE: The Developer has notified the Commission that at the time of the first conveyance or lease of each apartment, each of the mortgage instruments described in items 10 and 11 above will be paid and satisfied of record, or the apartment being conveyed or leased and its common interest shall be released therefrom.

MILILANI TOWN COVENANTS: The Declaration of Horizontal Property Regime provides that all present and future apartment owners, tenants and occupants of apartments shall be bound by and subject to the provisions of that certain Declaration of Covenants, Conditions and Restrictions for Mililani Town dated April 19, 1968, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 441561, as amended by instrument dated May 22, 1968, filed in said Office as Document No. 445150, as amended by instrument dated September 26, 1985, filed in said Office as Document No. 1324754, and as further amended from time to time (the

"Mililani Town Covenants"). The Mililani Town Covenants provide, among other things, that each apartment owner, by virtue of being such an owner, shall be a member of the Mililani Town Association and shall pay assessments to the Mililani Town Association, as set forth in the Mililani Town Covenants.

PURCHASE MONEY HANDLING: All information under this topical heading remains unchanged except as follows:

The first paragraph of this topical heading is amended to read in its entirety as follows:

"A specimen Deposit Receipt, Reservation and Sales Agreement (the 'Sales Agreement'), a specimen Addendum to Reservation and Sales Agreement, a specimen V.A. Addendum to Reservation and Sales Agreement (applicable only to purchasers who are eligible and apply for Veterans Administration guaranteed loans), and a copy of the executed Escrow Agreement dated July 17, 1984, between Title Guaranty Escrow Services, Inc., a Hawaii corporation, as 'Escrow', and the Developer, as 'Seller', have been submitted to the Real Estate Commission as part of this registration. Upon examination, the specimen Sales Agreement (including the specimen Addendum to Reservation and Sales Agreement and the specimen V.A. Addendum to Reservation and Sales Agreement) and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly Sections 514A-37, 514A-39, 514A-63, and 514A-105."

Paragraph 2 (in the section discussing the Sales Agreement) at the bottom of page 13 of the Preliminary Public Report is amended to read in its entirety as follows:

"2.(a) Seller warrants the materials and workmanship of the Apartment against defects for a period of one (1) year from the Closing Date or the date of occupancy (whichever first occurs); provided, however, that said warranty shall in no event be for a period less than one (1) year from the 'date of completion' of the Apartment, as that term 'date of completion' is defined in Section 507-43 of the Hawaii Revised Statutes. For purposes of the foregoing warranty, 'defects' shall be those items reasonably requiring the repair, renovation, restoration, or replacement of any of the components constituting the Apartment. Items of maintenance relating to the Apartment are not covered by the foregoing warranty.

(b) Seller warrants the materials and workmanship of the common elements of the Project against defects for a period of two (2) years from the date each of the common elements is completed and available for use by apartment owners, or two (2) years from the date the first apartment in the Project is conveyed to an apartment owner other than Seller, whichever is later. For purposes of the foregoing

warranty, 'defects' shall be those items reasonably requiring the repair, renovation, restoration, or replacement of any of the components constituting the common elements of the Project. Items of maintenance relating to the common elements of the Project are not covered by the foregoing warranty.

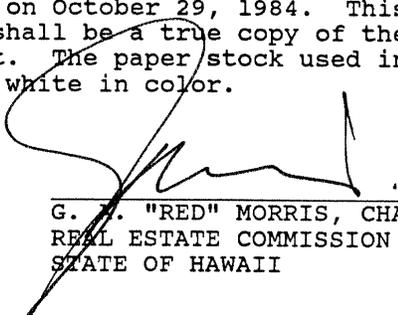
(c) Seller's obligations under the foregoing warranties are expressly conditioned on prompt notification by the purchaser to Seller of any defects in the materials or workmanship, and are expressly limited to the repair or replacement of defects."

STATUS OF PROJECT: The Developer commenced construction of the Project in January 1984 and completed construction thereof on or about October 1, 1985.

SPECIAL NOTATION: All information under this topical heading remains unchanged, except that the Developer has registered the Mililani Terrace - Phase II condominium project with the Commission (Registration No. 1700), and the Developer has notified the Commission of its intention to merge Phase II with the Project prior to the closing of sales of apartments in Phase II and, subsequent to such merger, to assign certain parking stalls appurtenant to Apartment No. D-107 of Phase I to certain Apartments in Phase II.

The purchaser or prospective purchaser should be cognizant of the fact that this Final Public Report represents information disclosed by the Developer in the required Notice of Intention submitted on October 29, 1984 and additional information subsequently filed as of October 18, 1985.

This Final Horizontal Property Regimes (Condominium) Public Report is made a part of Registration No. 1644 filed with the Commission on October 29, 1984. This report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be white in color.


G. F. "RED" MORRIS, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

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

Registration No. 1644

Dated: October 25, 1985