

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

SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on

MILILANI TERRACE
Mililani Town, Oahu, Hawaii

Registration Nos. 1644 and 1700

This Report Is Not an Approval or Disapproval of This Condominium Project

It was prepared as a supplement to earlier Reports dated December 6, 1984, April 18, 1985, September 20, 1985, October 25, 1985 and February 28, 1986 issued by the Real Estate Commission on the above 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: May 13, 1986
Expires: May 13, 1987

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that personal requirements and expectatons 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 (PHASE I), AUGUST 29, 1985 (PHASE II), AND INFORMATION SUBSEQUENTLY FILED AS OF MAY 8, 1986. 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. Since the issuance of the Final Public Report dated October 25, 1985 on MILILANI TERRACE - PHASE I ("Phase I"), Registration No. 1644, and the Final Public Report dated February 28, 1986 on MILILANI TERRACE - PHASE II ("Phase II"), Registration No. 1700, the Developer of the Project has submitted additional information for the Project. This Supplementary Public Report (pink paper stock) amends the Preliminary Public Reports (yellow paper stock) of both Phase I and Phase II, the Supplementary Public Report (pink paper stock) of Phase I, and the Final Public Reports (white paper stock) of both Phase I and Phase II, and is made a part of the registrations. The Developer is required to provide all purchasers or prospective purchasers of apartments with a copy of this Supplementary Public Report (with the Amended Disclosure Abstract dated April 29, 1986 attached hereto), as well as the Public Reports mentioned hereinabove. The Developer will also be responsible for obtaining a signed copy of the receipt therefor from each purchaser and prospective purchaser.

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

3. The Developer reports that a Certificate of Merger and Amendment of Declarations of Horizontal Property Regimes of Mililani Terrace - Phase I and Mililani Terrace - Phase II (the "Certificate of Merger") was filed in the Office of the Assistant Registrar of the Land Court of Hawaii as Document No. 1362310 and noted on Transfer Certificate of Title No. 261529, and an Assignment of Parking Stalls and Amendment to Declarations Reflecting Assignment was filed and noted as aforesaid as Document No. 1362313.

4. Advertising and promotional materials have been submitted to the Commission pursuant to the rules and regulations promulgated by the 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. This Supplementary Public Report dated May 13, 1986 and all prior Public Reports will expire on May 13, 1987, unless the Commission, upon review of the registration, issues an order extending the effective period thereof.

The information contained in the previous Public Reports remain unchanged except for the information under the topical headings that follow:

LOCATION: Phase I and Phase II of the Project as merged pursuant to the Certificate of Merger are located on approximately 256,308 square feet of land.

LIMITED COMMON ELEMENTS: The Developer has advised that pursuant to Section 514A-14 of the Hawaii Revised Statutes, as amended, an Assignment of Parking Stalls and Amendment to Declarations Reflecting Assignment was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1362313 (the "Parking Assignment"). By said Parking Assignment the parking stalls listed below have been assigned from Apartment D-107 to the respective apartments described below:

| <u>PARKING STALL NUMBER</u> | <u>TO BE ASSIGNED TO APARTMENT NUMBER</u> |
|-----------------------------|---|
| F101 | F101 |
| F101C | F101 |
| F102 | F102 |
| F102C | F102 |
| F103 | F103 |
| F104 | F104 |
| F105 | F105 |
| F106 | F106 |
| F201 | F201 |
| F201C | F201 |
| F202 | F202 |
| F202C | F202 |
| F203 | F203 |
| F204 | F204 |
| F205 | F205 |
| F206 | F206 |
| G101 | G101 |
| G101C | G101 |
| G102 | G102 |
| G102A | G102 |
| G103 | G103 |
| G103C | G103 |
| G104 | G104 |
| G104A | G104 |
| G105 | G105 |
| G106 | G106 |
| G107 | G107 |
| G108 | G108 |
| G201 | G201 |
| G201C | G201 |
| G202 | G202 |
| G202C | G202 |
| G203 | G203 |
| G203C | G203 |
| G204 | G204 |
| G204C | G204 |
| G205 | G205 |
| G206 | G206 |
| G207 | G207 |
| G208 | G208 |

INTEREST TO BE CONVEYED TO BUYER: Each apartment in Phase I and Phase II, as merged pursuant to the Certificate of Merger, shall hereafter have appurtenant thereto the respective common interest set forth in Exhibit A attached hereto.

MERGER OF INCREMENTS: The Developer has advised that pursuant to Section S of the Declarations of Horizontal Property Regime for both phases, the Developer has caused and effected a merger of "Mililani Terrace - Phase II", Registration No. 1700 (herein sometimes referred to as "Phase II"), with "Mililani Terrace - Phase I", Registration No. 1644 (herein sometimes referred to as "Phase I"). Such merger has been effected by the filing in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, as Document No. 1362310, of a Certificate of Merger and Amendment of Declarations of Horizontal Property Regimes of Mililani Terrace - Phase I and Mililani Terrace - Phase II (herein called the "Certificate of Merger"). In accordance with the Certificate of Merger, all of the apartments in Phase I and Phase II shall be treated as though they were all included in a single condominium project (the "Merged Project"), the common elements of Phase I and Phase II are the common elements of the Merged Project, each apartment in the Merged Project has the respective undivided interest in the common elements and in all common profits and expenses of the Merged Project, and for all other purposes, including voting, as set forth in Exhibit A attached hereto, and the Merged Project is known as "Mililani Terrace".

STATUS OF THE PROJECT: The Developer reports that construction of Phase I was completed on or about October 1, 1985 and construction of Phase II was completed on or about March 10, 1986.

The purchaser or prospective purchaser should be aware of the fact that this public report represents information disclosed by the Developer in the Notice of Intention filed on October 29, 1984 (Phase I) and August 29, 1985 (Phase II), and information subsequently submitted as of May 8, 1986.

This SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of Registration No. 1644 filed with the Commission on October 29, 1984 and Registration No. 1700 filed with the Commission on August 29, 1985.

This Report, when reproduced, will be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be in pink.



G.A. "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 Nos. 1644 and 1700

Date: May 13, 1986

EXHIBIT A

| <u>APT. NO.</u> | <u>COMMON INTEREST</u> | <u>APT. NO.</u> | <u>COMMON INTEREST</u> |
|-----------------|------------------------|-----------------|------------------------|
| A101 | .76917% | C108 | 1.03558% |
| A102 | .76917% | C201 | 1.03557% |
| A103 | .76917% | C202 | 1.03558% |
| A104 | .76917% | C203 | .76917% |
| A105 | .76917% | C204 | .76917% |
| A106 | .76917% | C205 | .76917% |
| A201 | .76917% | C206 | .76917% |
| A202 | .76917% | C207 | 1.03557% |
| A203 | .76917% | C208 | 1.03558% |
| A204 | .76917% | D101 | 1.03557% |
| A205 | .76917% | D102 | 1.03557% |
| A206 | .76917% | D103 | 1.03557% |
| B101 | .76917% | D104 | 1.03558% |
| B102 | .76916% | D105 | 1.03557% |
| B103 | .76916% | D106 | 1.03558% |
| B104 | .76917% | D107 | 1.03557% |
| B201 | .76917% | D108 | 1.03558% |
| B202 | .76916% | D201 | 1.03557% |
| B203 | .76916% | D202 | 1.03558% |
| B204 | .76917% | D203 | 1.03557% |
| C101 | 1.03557% | D204 | 1.03558% |
| C102 | 1.03558% | D205 | 1.03557% |
| C103 | .76917% | D206 | 1.03558% |
| C104 | .76917% | D207 | 1.03557% |
| C105 | .76917% | D208 | 1.03558% |
| C106 | .76917% | E101 | .76917% |
| C107 | 1.03557% | E102 | .76916% |

| <u>APT. NO.</u> | <u>COMMON INTEREST</u> | <u>APT. NO.</u> | <u>COMMON INTEREST</u> |
|-----------------|------------------------|-----------------|------------------------|
| E103 | .76916% | E202 | .76916% |
| E104 | .76917% | E203 | .76916% |
| E201 | .76917% | E204 | .76917% |
| F101 | 1.03557% | G203 | 1.03557% |
| F102 | 1.03558% | G204 | 1.03558% |
| F103 | .76917% | G205 | .76917% |
| F104 | .76917% | G206 | .76917% |
| F105 | .76917% | G207 | .76917% |
| F106 | .76917% | G208 | .76917% |
| F201 | 1.03557% | H101 | 1.03557% |
| F202 | 1.03558% | H102 | 1.03558% |
| F203 | .76917% | H103 | 1.03557% |
| F204 | .76917% | H104 | 1.03558% |
| F205 | .76917% | H105 | .76917% |
| F206 | .76917% | H106 | .76917% |
| G101 | 1.03557% | H107 | .76917% |
| G102 | 1.03557% | H108 | .76917% |
| G103 | 1.03557% | H201 | 1.03557% |
| G104 | 1.03558% | H202 | 1.03558% |
| G105 | .76917% | H203 | 1.03557% |
| G106 | .76917% | H204 | 1.03558% |
| G107 | .76917% | H205 | .76917% |
| G108 | .76917% | H206 | .76917% |
| G201 | 1.03557% | H207 | .76917% |
| G202 | 1.03558% | H208 | .76917% |

| <u>APT. NO.</u> | <u>COMMON INTEREST</u> | <u>APT. NO.</u> | <u>COMMON INTEREST</u> |
|-----------------|------------------------|-----------------|------------------------|
| J101 | 1.03557% | J201 | 1.03557% |
| J102 | 1.03558% | J202 | 1.03558% |
| J103 | 1.03557% | J203 | 1.03557% |
| J104 | 1.03558% | J204 | 1.03558% |

MILILANI TERRACE

DISCLOSURE ABSTRACT

1. (a) PROJECT: Mililani Terrace
Mililani Town, Oahu, Hawaii
- (b) DEVELOPER: Mililani Town, Inc.
130 Merchant Street, 21st Floor
Honolulu, Hawaii 96813
Telephone: (808) 623-2500
- (c) PROJECT MANAGER: Chaney, Brooks & Company
606 Coral Street
Honolulu, Hawaii 96813
Telephone: (808) 544-1600

2. USE OF APARTMENTS:

- (a) Number of Apartments in Project for Residential Use: 112
- (b) Proposed Number of Apartments in Project for Hotel Use: -0-
- (c) Extent of Commercial or Other Nonresidential Development in Project: None

3. WARRANTIES:

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

4. BREAKDOWN OF ANNUAL MAINTENANCE CHARGES AND ESTIMATED COSTS FOR EACH APARTMENT:

Attached to this Disclosure Abstract as Exhibit "A" is a breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project, prepared by Chaney, Brooks & Company, a Hawaii corporation, as of April 1986, and certified to have been based on generally accepted accounting principles. The attached breakdown of annual maintenance charges and the estimated cost for each apartment are subject to change based on actual costs of the items listed. The Developer can make no assurances regarding the estimated maintenance assessments. Variables such as inflation, uninsured casualty loss or damage, increased or decreased services from those contemplated by the Developer, apartment owner delinquencies and other factors may cause the maintenance assessments to be greater or less than the estimated maintenance assessments. The breakdown of the estimated cost for each apartment contained in this Disclosure Abstract does not include the Buyer's obligation for the payment of Mililani Town Association dues (currently \$12.00 per month), lease rents or real property taxes, and does not include or otherwise take into account the one-time "start-up" fee required to be paid in addition to the normal maintenance charges. Estimates of the real property taxes will be provided by the Developer upon request.

* NOTE: THE DEVELOPER ADVISES THAT COSTS AND EXPENSES OF *
* MAINTENANCE AND OPERATION OF A CONDOMINIUM PROJECT ARE *
* VERY DIFFICULT TO ESTIMATE INITIALLY AND EVEN IF SUCH *
* MAINTENANCE CHARGES HAVE BEEN ACCURATELY ESTIMATED, *
* SUCH CHARGES WILL TEND TO INCREASE IN AN INFLATIONARY *
* ECONOMY AND AS THE IMPROVEMENTS AGE. MAINTENANCE *
* CHARGES CAN VARY DEPENDING ON SERVICES DESIRED BY *
* APARTMENT OWNERS. THE BUYER SHOULD EXAMINE THE MAINTENANCE *
* CHARGE SCHEDULE TO SEE WHAT SERVICES ARE INCLUDED *
* IN THE SCHEDULE. *

5. TEMPORARY ASSUMPTION BY DEVELOPER OF ACTUAL COMMON EXPENSES:

The Developer will assume all the actual common expenses of the Project (and therefore an apartment owner will not be obligated for the payment of his respective share of the common expenses) until such time the Developer files with the Real Estate Commission of the State of Hawaii an amended Disclosure Abstract which states that after a date certain, the respective apartment owner shall thereafter be obligated to pay for his respective share of common expenses that is allocated to his apartment; provided, however, that such

amended Disclosure Abstract shall be filed at least 30 days in advance with the Real Estate Commission, with a copy thereof being delivered either by mail or personal delivery after the filing to each of the apartment owners whose maintenance expenses were assumed by the Developer.

CERTIFICATE

I, the undersigned, duly sworn on oath, depose and affirm as follows:

1. That I am the Vice-President of Chaney, Brooks and Company, a Hawaii corporation, designated by the Developer of the Mililani Terrace condominium project (the "Project") to act as the Managing Agent for the management and administration of the Project.

2. That I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project, as set forth in Exhibit "A" attached hereto and hereby incorporated herein by reference, are reasonable estimates as of April 1986, based on generally accepted accounting principles.

DATED: Honolulu, Hawaii, this 28th day of April 1986.

Phyllis A. Okada
Phyllis A. Okada

Subscribed and sworn to before me ^{ntv}
this 29th day of April, 1986.

Maria Elena J. Raposo
Notary Public
State of Hawaii

My commission expires: 11/15/88

MLN:mkd

EXHIBIT "A"

MILILANI TERRACE

(Combined Phases I & II)

Estimated Common Expenses as of

April 1986

| <u>BUDGET ITEMS</u> | <u>ANNUAL</u> | <u>MONTHLY</u> |
|-----------------------|---------------|----------------|
| <u>RECEIPTS</u> | | |
| Maintenance Fees | \$ 104,820.00 | \$ 8,735.00 |
| TOTAL RECEIPTS | \$ 104,820.00 | \$ 8,735.00 |
| <u>DISBURSEMENTS</u> | | |
| <u>Utilities</u> | | |
| Electricity | \$ 2,400.00 | \$ 200.00 |
| Water | 14,400.00 | 1,200.00 |
| Sewer | 10,800.00 | 900.00 |
| <u>Maintenance</u> | | |
| Lighting | 2,400.00 | 200.00 |
| Grounds | 26,400.00 | 2,200.00 |
| Misc. Repairs | 3,600.00 | 300.00 |
| Refuse | 1,200.00 | 100.00 |
| <u>Administration</u> | | |
| Management | 13,956.00 | 1,163.00 |
| <u>Budget Items</u> | | |
| Insurance | 18,000.00 | 1,500.00 |
| Audit | 2,400.00 | 200.00 |
| Legal | 1,200.00 | 100.00 |
| Miscellaneous | 8,064.00 | 672.00 |

ESTIMATED MAINTENANCE CHARGES OR FEES FOR EACH APARTMENT:

- (1) The estimated monthly maintenance charge for each one bedroom/one bath apartment is \$67.19.
- (2) The estimated monthly maintenance charge for each two bedroom/one bath apartment is \$90.46.

MLN:mkd