

**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 II  
Mililani Town, Oahu, Hawaii

REGISTRATION NO. 1700

**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: February 28, 1986

Expires: March 28, 1987

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 AUGUST 29, 1985 AND INFORMATION SUBSEQUENTLY FILED AS OF FEBRUARY 20, 1986. 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 September 20, 1985, on MILILANI TERRACE - PHASE II, Registration No. 1700, 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 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 attached hereto), as well as the Preliminary 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. 1347097 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. 1347100, and that the Condominium Map has been filed in said Office as Condominium Map No. 575.

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 Public Report through this Final Public Report. This Final Public Report automatically expires thirteen (13) months after date of issuance, February 28, 1986, 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 remains unchanged except for the information under the topical headings that follow:

ATTORNEY REPRESENTING DEVELOPER: Goodsill Anderson Quinn & Stifel (Robert F. Hirano), 1600 Bancorp Tower, Financial Plaza of the Pacific, 130 Merchant Street, Honolulu, Hawaii 96813 (Telephone No. 547-5600).

DESCRIPTION OF THE PROJECT: All information under this topical heading remains unchanged except that the introductory paragraph and paragraph 1 thereof are hereby amended to read as follows:

"The Declaration of Horizontal Property Regime (the "Declaration") and the plans (the "Condominium Map") submitted by the Developer indicate that the Project will contain thirteen (13) separate two-story buildings, without basements, designated as Buildings 14 to 26, inclusive, thirty-three (33) regular size, uncovered parking stalls, eleven (11) compact size, uncovered parking stalls, and a playground area, all as shown on the Condominium Map. The buildings will be constructed primarily of cement, plasterboard, wood, glass and allied construction materials.

1. Buildings.

Each of Buildings 14 to 26, inclusive, will contain four (4) residential apartments. The apartments will be located in the buildings as set forth in Exhibit "1" attached hereto and hereby made a part hereof."

COMMON ELEMENTS: All information under this topical heading remains unchanged except that paragraph (f) thereof is relettered to be paragraph (g) and a new paragraph (f) is added, to read as follows:

"(f) The playground area and playground equipment; and"

EASEMENTS: All information under this topical heading remains unchanged except that paragraph 9 on page 9 thereof is amended to read in its entirety as follows:

"9. The Developer, its successors and assigns shall have easements for access purposes, for electrical, gas, communications and other utility purposes, and for sewer, drainage and water facilities over, under, across, along and through the Land, including but not limited to any and all Easements shown on Map 639 filed with Land Court Application No. 1000, together with the right to designate easements for the aforesaid purposes, if necessary, and to grant to the State of Hawaii, the City and County of Honolulu, the Board of Water Supply of the City and County of Honolulu, any other appropriate governmental agency and/or any public utility or other corporation, easements for any such purposes over, under, across, along and through the Land under the usual terms and conditions required by the grantee of such easement rights; provided, however, that such easement rights must be exercised in such manner as to not unreasonably interfere with the use of the Land by the apartment owners and those claiming by, through or under the apartment owners, and in connection with the installation, maintenance or repair of any facilities pursuant to any of

said easements the Land shall be promptly restored by and at the expense of the person owning and exercising such easement rights to substantially the condition of the Land immediately prior to the exercise thereof; and the acceptance or acquisition by any party of any interest in the Project shall constitute an undertaking and agreement by such party (a) to join in and execute, upon request, any and all documents designating and/or granting any such easements, and (b) to perform and carry out at such party's expense, or to cause the Association of Apartment Owners to perform and carry out as a common expense, any obligation in any such grant of easement rights, or in any grant of easement specifically referred to in the Declaration (including without limitation the Grant of Easement filed as Land Court Document No. 1282625 and the Grant of Easement filed as Land Court Document No. 1344569), with respect to providing and maintaining any screening or landscaping or similar requirement as to facilities within the Land which may now or hereafter be required by law, ordinance or governmental agency, and (c) to indemnify and hold harmless the Developer and its successors and the grantee under any such grant of easement from all loss or liability arising from any breach of these undertakings and agreements."

ENCUMBRANCES AGAINST TITLE: All information under this topical heading remains unchanged except that new items 17 and 18 shall be added after item 16 thereof, to read as follows:

"17. Grant of easement for sewer pipeline, etc. purposes (affecting (Easement '4155') dated October 25, 1985, in favor of the City and County of Honolulu, filed as Document No. 1326139.

18. Grant of easement dated January 2, 1986, in favor of Hawaiian Electric Company, Inc. and Hawaii Telephone Company, filed as Document No. 1344569."

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 December 6, 1985, filed in said Office as Document No. 1347094, 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 introductory 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 June 17, 1985, 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 14 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."

The first sentence of paragraph 8 (in the section discussing the Sales Agreement) on page 16 of the Preliminary Public Report is amended to read as follows:

"Prior to the closing of the sale of the Apartments listed below, Seller intends to merge the Project with the Mililani Terrace - Phase I condominium project ('Phase I') located on land adjacent to the Project such that upon such merger all of the apartments in the Project and in Phase I shall be treated as though they were all included in a single condominium project, all common elements of the Project and of Phase I will become the common elements of the merged project, and the common interest appurtenant to the Apartment shall be altered from the percentage set forth in Article I of the Sales Agreement to a percentage as set forth in the 'Certificate of Merger' filed by the Seller, in accordance with the Declaration."

The first sentence of the last paragraph of paragraph 8 (in the section discussing the Sales Agreement) on page 17 of the Preliminary Public Report is amended to read as follows:

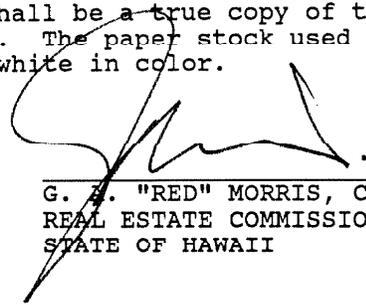
"Thus, while the Project documents may not currently reflect that the above-listed parking stalls are appurtenant to the above-listed Apartments, Seller will, prior to the closing of the sales of the above-listed Apartments, amend the Declaration so as to cause such parking stalls to be made appurtenant to the respective Apartments as set forth above."

**STATUS OF PROJECT:** The Developer commenced construction of the Project in June 1984 and estimates that construction thereof will be completed in February 1986.

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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 August 29, 1985 and additional information subsequently filed as of February 20, 1986.

This Final Horizontal Property Regimes (Condominium) Public Report is made a part of Registration No. 1700 filed with the Commission on August 29, 1985. 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. E. "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. 1700

Dated: February 28, 1986