

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
MAKIKI CLIFFS
1010 Maunaihi Place
Honolulu, Hawaii

REGISTRATION NO. 1708 (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 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 16, 1985
Expires: November 16, 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 and prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED SEPTEMBER 30, 1985 AND INFORMATION SUBSEQUENTLY FILED AS OF OCTOBER 10, 1985. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. MAKIKI CLIFFS is a leasehold condominium conversion project consisting of one 3-story building, without basement, containing 17 apartments, 17 parking stalls, and other improvements. Each apartment shall be assigned one parking stall.

2. The Developer of the project has submitted to the Commission for examination all documents and exhibits deemed necessary for the issuance of this Final Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners, and approved floor plans) for the project have been recorded in the office of the recording officer. The Declaration dated --- (acknowledged August 2, 1985 and August 5, 1985), has been recorded in the Bureau of Conveyances of the State of Hawaii in Liber 18849 at Page 385, and the By-Laws dated August 5, 1985, has been recorded in the Bureau in Liber 18849 at Page 410. Condominium Map No. 966 has been assigned to the project.
4. No advertising and promotional matter has been filed pursuant to the Rules and Regulations promulgated by 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 Condominium Rules and Regulations which relate to Horizontal Property Regime.
6. This Final Public Report is made a part of the registration on MAKIKI CLIFFS condominium project. The Developer has the responsibility of placing a true copy of this Final Public Report (white paper stock) and Disclosure Abstract (dated May 1, 1985) in the hands of all purchasers and prospective purchasers and for securing a signed copy of the receipt therefor.
7. This Final Public Report automatically expires thirteen (13) months from the date of issuance, October 16, 1985, unless a Supplementary Public Report is published, or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: MAKIKI CLIFFS

LOCATION: The project is located on that certain parcel of land at 1010 Maunaihi Place, Honolulu, Hawaii, containing a total area of approximately 12,561 square feet.

TAX KEY: First Division, 2-4-16-36

ZONING: A-2

DEVELOPER: MAKIKI CLIFFS, INC., a Hawaii corporation, whose principal place of business and post office address is Suite 618, 745 Fort Street, Honolulu, Hawaii 96813, Ph. No. 524-4024. The officers of the corporation are: Howard Bilkiss - President and Treasurer and Kathryn Bilkiss - Vice President and Secretary.

ATTORNEY REPRESENTING DEVELOPER: OKUMURA TAKUSHI FUNAKI & WEE, ATTORNEYS AT LAW, A LAW CORPORATION (Alfred M. K. Wong), Suite 1400 Grosvenor Center, 733 Bishop Street, Honolulu, Hawaii 96813, Tel. No. 543-9800.

DESCRIPTION OF PROJECT: The building of the project is a concrete structure consisting of three (3) floors. The first floor consists of three (3) one-bedroom apartments numbered 101, 102 and 103, a parking area containing seventeen (17) standard size parking stalls numbered 1 through 17, a trash area, mailboxes and two stairways. The second and third floors each have three (3) one-bedroom and four (4) two-bedroom apartments numbered 01 through 07 preceded by the number of the floor, a balcony and two stairways. The roof area contains a laundry room and stairway.

Seventeen (17) freehold estates are established in the spaces within the perimeter walls, floors and ceilings of the 17 apartments in the building. The 17 apartments shall not include the undecorated or unfinished surfaces of the perimeter walls or of the interior load-bearing walls, the floors and perimeter ceilings surrounding each apartment, or any pipes, wires, ducts, conduits, or other utility or service lines running through such apartments which are utilized for or serve more than one apartment, all of which are common elements as provided in the Declaration. Each apartment shall include the walls and partitions which are not load-bearing and which are within its perimeter walls; doors and door frames; windows and window frames; the inner decorated or finished surfaces of walls, floors and ceilings, adjoining and connected thereto; lanai and lanai air spaces; and all fixtures originally installed therein. Notwithstanding the designation of the limits of the apartments, the square footage of each respective apartment is measured from undecorated or unfinished surfaces of the interior face of perimeter walls, which measurement is referred to and shown herein as the "net living area", and no reduction is made to account for interior load bearing walls, ducts, vent shafts and the like, located within the perimeter walls.

The apartments on the first floor are numbered 101 through 103 and the apartments on the second and third floors are numbered 01 through 07 preceded by the number of the floor on which it is located, all as shown on the Condominium Map.

Each of the 17 apartments has immediate access or through a balcony and stairway to a walkway on the grounds of the project.

Each "01", "02" and "03" apartment consists of one bedroom, a living-dining room, kitchen, bathroom, foyer, and a lanai. There are nine (9) one-bedroom apartments. Each "04", "05", "06" and "07" apartment consists of two bedrooms, a living-dining room, kitchen, bathroom, foyer and lanai. There are eight (8) two-bedroom apartments.

Each of the 17 apartments is one of five (5) types, A, B, C, D and DR. The types A, B and C apartments are one-bedroom apartments and the types D and DR apartments are two-bedroom apartments. The type DR apartments are mirror images of the type D apartments. The type A apartments have a net living area of approximately 520 square feet and a lanai of approximately 45 square feet. The type B apartments have a net living area of approximately 632 square feet and a lanai of approximately 45 square feet. The type C apartments have a net living area of approximately 516 square feet and a lanai of approximately 45 square feet. The types D and DR apartments have a net living area of approximately 735 square feet and a lanai of approximately 56-58 square feet. All "01" apartments are type A apartments, all "02" apartments are type B

apartments, all "03" are type C apartments, all "04" and "06" apartments are type D apartments, and all "05" and "07" apartments are type DR apartments, as shown on the Condominium Map.

COMMON ELEMENTS: One freehold estate is designated in all of the remaining portions and appurtenances of the project (the "common elements") including specifically, but not limited to:

(a) The land in fee simple.

(b) All foundations, floor supports, columns, girders, beams, supports, balconies, stairways, unfinished perimeter walls and loadbearing walls and roof of the building.

(c) All yards, grounds and landscaping, roads, walkways, parking areas, driveways, all trash enclosures, mailboxes, and laundry room on the roof.

(d) All ducts, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities, installations over, under and across the project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution.

(e) Any and all apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements ("limited common elements") are set aside and reserved for the exclusive use of certain apartments and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

(a) There are seventeen (17) parking stalls located in the project, numbered 1 through 17. Each of the 17 parking stalls shall be a limited common element appurtenant to and reserved for the exclusive use of the apartments shown below:

<u>Parking Stall No.</u>	<u>Apartment No.</u>
1	101
2	102
3	103
4	201
5	202
6	203
7	204
8	205
9	206
10	207
11	301
12	302
13	303
14	304
15	305
16	306
17	307

(b) All other common elements of the project which are rationally related to less than all of said apartments shall be limited to the use of such apartments.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment shall have appurtenant thereto an undivided percentage interest in all the common elements of the project (the "common interest") and the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting, as follows:

<u>Type</u>	<u>Undivided Interest</u>		<u>Total No. of Apts.</u>	=	<u>Total Undivided Interests</u>
A ("01" apts.)	4.7%	x	3	=	14.1%
B ("02" apts.)	5.8%	x	3	=	17.4%
C ("03" apts.)	4.7%	x	3	=	14.1%
D ("04" & "06" apts.)	6.8%	x	4	=	27.2%
DR ("05" & "07" apts.)	6.8%	x	<u>4</u>	=	<u>27.2%</u>
			17		100.0%

The common interest is based upon the total area in square feet of each apartment divided by the total area of all apartments in the project.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The purposes for which the building and other improvements and each of the apartments are intended and shall be restricted as to use are as follows:

The apartments 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 apartments in 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.

Among other provisions, the House Rules provide that water beds are not permitted in the apartment without the approval of the Board of Directors; no fireworks of any sort shall be set off on the project; and only certain animals, such as cats, dogs or other household pets, are permitted, provided that they are first registered with the Manager.

OWNERSHIP OF TITLE: The Title Insurance Policy dated August 9, 1985 by Title Guaranty of Hawaii, Inc. indicates that title to the land is vested in Tsuyo Arakaki, unmarried. Tsuyo Arakaki, as lessor, Makiki Cliffs, Inc., as grantor, and Makiki Cliffs, Inc., as lessee-grantee, have executed 17 separate condominium

conveyance documents covering the seventeen (17) apartments in the project. Makiki Cliffs, Inc. (the Developer) will assign the condominium conveyance document for an apartment to the purchaser thereof.

ENCUMBRANCES AGAINST TITLE: The Title Insurance Policy indicates that title to the land is subject to the following:

1. Real property taxes that may be due and owing: Reference is made to the Office of Finance Director, City and County of Honolulu.
2. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Horizontal Property Regime dated --- (acknowledged August 2, 1985 and August 5, 1985), recorded in the Bureau of Conveyances of the State of Hawaii in Liber 18849 at Page 385, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 966.)
3. By-Laws of the Association of Apartment Owners of the Condominium Project known as "MAKIKI CLIFFS" dated August 5, 1985, recorded in said Bureau in Liber 18849 at Page 410, as the same may hereafter be amended.
4. Terms, easements, restrictions, agreements, reservations, covenants, conditions and provisions contained in the following Condominium Conveyance Documents recorded in said Bureau in Liber 18849 at Page 442 (Apartment 101); Liber 18849 at Page 462 (Apartment 102); Liber 18849 at Page 482 (Apartment 103); Liber 18849 at Page 502 (Apartment 201); Liber 18849 at Page 522 (Apartment 202); Liber 18849 at Page 542 (Apartment 203); Liber 18849 at Page 562 (Apartment 204); Liber 18849 at Page 582 (Apartment 205); Liber 18849 at Page 602 (Apartment 206); Liber 18849 at Page 622 (Apartment 207); Liber 18849 Page 642 (Apartment 301); Liber 18849 Page 662 (Apartment 302); Liber 18849 at Page 682 (Apartment 303); Liber 18849 at Page 702 (Apartment 304); Liber 18849 at Page 722 (Apartment 305); Liber 18849 at Page 742 (Apartment 306); Liber 18849 at Page 762 (Apartment 307).
5. Mortgage, Security Agreement and Financing Statement dated August 7, 1985, recorded in Liber 18850 at Page 1, in favor of Bancorp Finance of Hawaii, Inc., a Hawaii corporation, to secure the sum of \$790,000.00.

PURCHASE MONEY HANDLING. A copy of the Specimen Sales Contract and the executed Escrow Agreement dated September 27, 1985 have been submitted as part of the registration. The Escrow Agreement identifies Bank of Hawaii as the Escrow. Upon examination, the Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. It is incumbent upon the purchaser and prospective purchaser that he reads with care the Sales Contract and the executed Escrow Agreement.

The Escrow Agreement establishes how proceeds from the sale of apartments and all sums received from any source are placed in escrow, as well as the methods of disbursement of said funds. The Escrow Agreement provides that a Purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said Purchaser, without interest and less \$25.00 cancellation fee and costs, if one of the following has happened:

(a) Escrow receives a written request from Developer to return to Purchaser the funds of such Purchaser then held by Escrow; or

(b) If a Purchaser's funds were obtained after the issuance of a final public report and purchaser exercises his or her right to cancel prior to the earlier of (1) the conveyance of the apartment to Purchaser or (2) midnight of the thirtieth (30th) day following the date of delivery of the final public report, provided however, that the Purchaser has not previously waived his or her right to cancel; or

(c) If there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) such Purchaser's apartment or appurtenant limited common elements, or (2) those amenities of the Project available for such Purchaser's use, unless the Purchaser has waived his or her rights of rescission in writing.

Among other provisions, the Sales Contract provides that all of the Buyer's right, title and interest under the contract shall be subject and subordinate to the lien of any mortgage(s) made to finance the costs of the project and to any and all sums which may become a lien pursuant to the terms of such mortgage(s).

MANAGEMENT AND OPERATIONS: Administration of the project shall be vested in the Association of Owners. Operation of the project shall be conducted for the Association by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the By-Laws except that the initial Managing Agent shall be appointed by the Developer. NINA KAMAI PROPERTY MANAGEMENT, INC., whose principal place of business and post office address is Suite C-6, 1400 Kapiolani Boulevard, Honolulu, Hawaii 96814, has been named as the initial Managing Agent. Any officer of the Developer is designated as the agent to receive service of process until such time as the Board of Directors of the Association is elected.

STATUS OF PROJECT: The project was completed in 1968 and has been used for apartment rentals; however, no apartments are rented to tenants at this time.

To the best of Developer's information and belief, and based on a letter provided by the City's Building Director dated February 15, 1985, the building presently built on the subject premises is in compliance with all ordinances, codes, rules, regulations or other requirements in force at the time of its construction thereof, and no variance was granted from any ordinance, code, rule, regulation or other requirement in force

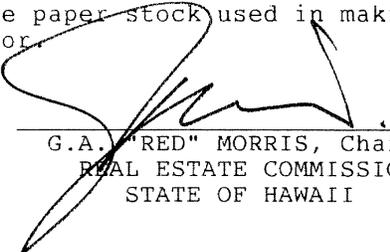
at the time of the construction thereof or from any current ordinance, code, rule, regulation or other requirement. Any change to the structure in the future would be subject to any zoning requirements in effect at that time including Section 21-107, Non Conforming Uses, of the Comprehensive Zoning Code.

The Developer makes no representations as to the expected useful life of structural components and mechanical and electrical installations material to the use and enjoyment of the condominium.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted September 30, 1985 and information subsequently filed as of October 10, 1985.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1708 filed with Commission on September 30, 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.A. "RED" MORRIS, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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Registration No. 1708

Dated: October 16, 1985