# CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer The Makikian, Ltd.
Address 1190 Wilder Ave., Honolulu, Hi 96822

Project Name(*): The Makikian
Address: 1190 WilderAve., Honolulu, Hi 96822

Registration No. 3174 (Conversion)

Effective date: November 17, 1994
Expiration date: December 17, 1995

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

___ PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

XX FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
- [XX] No prior reports have been issued.
- [ ] This report supersedes all prior public reports.
- [ ] This report must be read together with _____

___ SUPPLEMENTARY: (pink) This report updates information contained in the:
- [ ] Preliminary Public Report dated: _____
- [ ] Final Public Report dated: _____
- [ ] Supplementary Public Report dated: _____

And
- [ ] Supersedes all prior public reports
- [ ] Must be read together with _____
- [ ] This report reactivates the _____ public report(s) which expired on _____

(*) Exactly as named in the Declaration

sure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required and attached to this report [XX] Not Required - disclosures covered in this report.

ıary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public : was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the r reports if they wish to know the specific changes that have been made.

[XX] No prior reports have been issued by the developer.

[ ] Changes made are as follows:

## TABLE OF CONTENTS


| | page |
|---|---|
| ıtion of this Report | 1 |
| ion Date of Reports | 1 |
| f Report | 1 |
| ure Abstract | 2 |
| ary of Changes from Earlier Public Reports | 2 |
| of Contents | 3 |
| ıl Information on Condominiums | 4 |
| ion of the Condominium Project | 4 |
| PERSONS CONNECTED WITH THE PROJECT | 5 |
| Developer — Attorney for Developer — General Contractor | |
| Real Estate Broker — Escrow Company — Condominium Managing Agent | |
| CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS | |
| A. Declaration | 6 |
| B. Condominium Map (File Plan) | 6 |
| C. Bylaws | 6 |
| D. House Rules | 7 |
| E. Changes to Condominium Documents | 7 |
| THE CONDOMINIUM PROJECT | |
| A. Interest to be Conveyed to Buyer | 8 |
| B. Underlying Land | 9 |
| C. Buildings and Other Improvements | 10 |
| D. Common Elements, Limited Common Elements, Common Interest | 13 |
| E. Encumbrances Against Title | 14 |
| F. Construction Warranties | 15 |
| G. Status of Construction | 16 |
| H. Project Phases | 16 |
| CONDOMINIUM MANAGEMENT | |
| A. Management of the Common Elements | 17 |
| B. Estimate of Initial Maintenance Fees | 17 |
| C. Utility Charges for Apartments | 17 |
| MISCELLANEOUS | |
| A. Sales Documents Filed with the Real Estate Commission | 18 |
| B. Buyer's Right to Cancel Sales Contract | 18 |
| C. Additional Information Not Covered Above | 20 |
| D. Signature of Developer | 21 |

IBIT A: Estimate of Initial Maintenance Fees and Estimate of Maintenance Fee Disbursments
IBIT B: Encumbrances Against Title
IBIT C: Summary of Sales Contract
IBIT D: Summary of Escrow Agreement
IBIT E:
IBIT F:
IBIT G:
IBIT H:
IBIT I:

General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

## I. PERSONS CONNECTED WITH THE PROJECT

Developer: The Makikian, Ltd.
Name
1190 WilderAve.
Business Address
Honolulu, Hi 96822
Phone: _____ (Business)

Names of officers or general partners of developers who are corporations or partnerships:

Gerard Nihous - President/Director
Penny Mueh - Treasurer/Director
William O. Farrior III, - Vice President/Director

Real Estate Broker: Hawaiian Properties (B)
Name
1778 Ala Moana Blvd. #UL-4
Business Address
Honolulu, Hawaii 96815
Phone: 955-3341 (Business)

Escrow: Fidelity Escrow Services
Name
700 Bishop St. #1015
Business Address
Honolulu, Hawaii 96813
Phone: 537-6799 (Business)

General Contractor: N/A
Name
Business Address
Phone: _____ (Business)

Condominium Managing Agent: Chaney, Brooks & Co.
Name
606 Coral Street
Business Address
Honolulu, Hawaii 96813
Phone: 544-1600 (Business)

Attorney for Developer: Richard Hacker
Name
1188 Bishop St. #1703
Business Address
Honolulu, Hawaii 96813
Phone: 528-2882 (Business)

## II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

A. Declaration of Condominium Property Regime contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

[ ] Proposed

[X] Recorded - Bureau of Conveyances: Document No. 94-147265

[ ] Filed - Land Court: Book _____ Page _____ Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

N/A

B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

[ ] Proposed

[XX] Recorded - Bureau of Conveyances Condo Map No. 2094

[ ] Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

N/A

C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

[ ] Proposed

[X] Recorded - Bureau of Conveyances: Document No. 94-147266

[ ] Filed - Land Court: Book _____ Page _____ Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

D. House Rules. The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

[ ] Proposed [ ] Adopted [XX] Developer does not plan to adopt House Rules

E. Changes to Condominium Documents

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of common interest which must vote for or give written consent to changes:

| | Minimum Set by Law | This Condominium |
|---|---|---|
| Declaration (and Condo Map) | 75%* | 75% |
| Bylaws | 65% | 65% |
| House Rules | --- | N/A |

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. Developer:

[X] No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

[ ] Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules:

## III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

[X] Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.

[ ] Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires:_____

Rent Renegotiation Date(s):_____

_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____contains a schedule of the lease rent for each apartment per [ ] Month [ ] Year

For Subleaseholds:

[ ] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
[ ] Canceled [ ] Foreclosed

[ ] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

[ ] Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires:_____
Rent Renegotiation Date(s):_____

_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually
Exhibit _____contains a schedule of the lease rent for each apartment per [ ] Month [ ] Year

[ ] Other:

## IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 1190 WILDER AVE.
HONOLULU, HI 96822

Tax Map Key: 1-2-4-30:92 & 1-2-4-30:78 (TMK)

[ ] Address [ ] TMK is expected to change because _____

Land Area: 18,636 [XX] square feet [ ] acre(s)

Zoning: A-2

Lessor
(Fee Owner): THE MAKIKIAN, LTD.
Name
1190 WILDER AVE
Address
HONOLULU, HI 96822

Sublessor: N/A
Name

Address

C. Buildings and Other Improvements:

1. [ ] New Building(s) [XX] Conversion of Existing Building(s) [ ] Both New Building(s) and Conversion

2. Number of Buildings: 2 Floors Per Building 3

[ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[X] Concrete [ ] Hollow Tile [ ] Wood

[ ] Other_____

4. Permitted Uses by Zoning:

| | No. of Apts. | Use Permitted By Zoning | | No. of Apts. | Use Determined By Zoning |
|---|---|---|---|---|---|
| [X] Residential | 32 | [X] Yes [ ] No | [ ] Ohana | ____ | [ ] Yes [ ] No |
| [ ] Commercial | ____ | [ ] Yes [ ] No | [ ] Industrial | ____ | [ ] Yes [ ] No |
| [ ] Mix Res/Comm | ____ | [ ] Yes [ ] No | [ ] Agricultural | ____ | [ ] Yes [ ] No |
| [ ] Hotel | ____ | [ ] Yes [ ] No | [ ] Recreational | ____ | [ ] Yes [ ] No |
| [ ] Timeshare | ____ | [ ] Yes [ ] No | [ ] Other:_____ | ____ | [ ] Yes [ ] No |

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
[XX] Yes [ ] No

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

[XX] Pets: Not allowed.

[XX] Number of Occupants: 4 max.

[XX] Other: Long term residential use only. No transient or hotel use, including but not limited to time interval ownership.

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 4 Trash Chutes: 0

| Apt. Type | Quantity | BR/Bath | Net Living Area (sf)* | Lanai/Patio (sf) |
|---|---|---|---|---|
| A | 8 | 1/1 | 412 | 0 |
| B | 24 | 1/1 | 470 | 0 |
| | | | | |
| | | | | |
| | | | | |

Total Apartments: 32

*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

All of the walls and partitions which are not load-bearing within the apartment perimeter or party walls, any glass window or panels within the apartment perimeter, the inner decorated or finished surfaces of all walls, floors and ceiling and any fixtures and appliances originally installed therein.

Permitted Alterations to Apartments:

Any alterations or additions within an apartment or within a limited common element appurtenant to and for the exclusive use of an apartment which do not alter the charecteristic of such apartment or limited common element shall require the written consent and approval of the owner's plans only by the holders of all liens affecting such apartment and the Board.

7. Parking Stalls:

Total Parking Stalls: 18

| | Regular | | Compact | | Tandem | | |
|---|---|---|---|---|---|---|---|
| | covered | open | covered | open | covered | open | TOTAL |
| Assigned (for each unit) | | | | | | | |
| Guest | | | | | | | |
| Unassigned | 14 | 4 | (all stalls owned by & | | | | 18 |
| Extra for Purchase | | | to be rented by Assoc.) | | | | |
| Other: | | | | | | | |
| Total Covered & Open | 18 | | | | | | |

Each apartment will have the exclusive use of at least _____ parking stall(s). Buyers are encouraged to find out which stall(s) will be available for their use.

[ ] Commercial parking garage permitted in condominium project.

[ ] Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[XX] Swimming pool [X] Storage Area [X] Recreation Area

[XX] Laundry Area [ ] Tennis Court [ ] Trash Chute

[XX] Other: Whirlpool Spa

9. Compliance With Building Code and Municipal Regulations: Cost to Cure Violations

[XX] There are no violations. [ ] Violations will not be cured.

[ ] Violations and cost to cure are listed below. [ ] Violations will be cured by _____

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations
(For conversions of residential apartments in existence for at least five years):

Existing Foundation: stable
Floor/Exterior walls: structurally sound
Roof: good
Plumbing/Electrical: meets code

The engineer has expressed no opinion as to the useful life of the structure.

11. Conformance to Present Zoning Code

a. [X] No variances to zoning code have been granted.

[ ] Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

| | Conforming | Non-Conforming | Illegal |
|---|---|---|---|
| Uses | X | | |
| Structures | X | | |
| Lot | X | | |

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

[ ] described in Exhibit _____.

[X] as follows:

The land of the Project in fee simple; Roadway; parking stalls; recreation area; swimming pool; whirlpool spa; laundry facilities; walkways and retaining walls, mail boxes; storage room; planters, electronic gates; all other apparatus and installations existing for common use; and all other parts of the project necessary or convenient to its existence, maintenance and safety, or normally in common use.

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

[ ] There are no limited common elements in this project.

[X] The limited common elements and the apartments which use them, as described in the Declaration, are:

[ ] described in Exhibit _____.

[XX] as follows:

One (1) mailbox located on the Project grounds, bearing the same number as the number of the apartment.

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

[ ] described in Exhibit _____.

[XX] as follows:

Each apartment and its owner(s) shall have appurtenant thereto a one-thirty second (1/32) fractional interest (3.125 percentage interest) purposes including voting, said interest being referred to as the "common interest".

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit B describes the encumbrances against the title contained in the title report dated Aug. 26, 1994 and issued by Long & Melone, Ltd.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[ ] There are no blanket liens affecting title to the individual apartments.

[XX] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

| Type of Lien | Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance |
|---|---|
| MORTGAGE | Buyer's interest will be terminated and deposits will be refunded, less escrow cancellation fees. |

F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

No Warranties; each apartment "as is"
This project is a conversion of fully constructed buildings to condominium status. Said buildings are in compliance with all ordinances, codes, rules and regulations, or other requests in force at the time of this construction. No variance has been granted from any ordinance, code rule, regulation or from any other ordinance code, rule, regulation or other request.

2. Appliances:

The buildings were constructed in 1957 and all apartments, buildings other improvements and applicances are sold without warranties, "as is".

G. Status of Construction and Estimated Completion Date:

Existing structure completed 1957

H. Project Phases:

The developer [ ] has [XX] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

## IV. CONDOMINIUM MANAGEMENT

A. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

[X] not affiliated with the Developer
[ ] self-managed by the Association of Apartment Owners
[ ] the Developer or the Developer's affiliate.
[ ] other _____

B. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit A contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

[ ] None [X] Electricity [X] Gas [X] Water
[X] Sewer [ ] Television Cable [ ] Other Refuse collection

## V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

[X] Notice to Owner Occupants

[X] Specimen Sales Contract
Exhibit C contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated May 17, 1994
Exhibit D contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to $250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

A) The Developer delivers to the buyer a copy of:
   1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission;
   AND
   2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
B) The buyer is given an opportunity to read the report(s); AND
C) One of the following has occurred:
   1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
   2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
   3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND
B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
B) Declaration of Condominium Property Regime.
C) Bylaws of the Association of Apartment Owners.
D) House Rules.
E) Condominium Map.
F) Escrow Agreement.
G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
H) Other_____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 3174 filed with the Real Estate Commission on Sept.14,199.

Reproduction of Report. When reproduced, this report must be on:

[ ] yellow paper stock [XX] white paper stock [ ] pink paper stock

Additional Information Not Covered Above

None

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

The Makikian, Ltd.
Name of Developer

By: _____
Duly Authorized Signatory

05/17/94
Date

Gérard C. NIHOUS, President
print name & title of person signing above

Distribution:

Department of Finance, City & County of Honolulu
Planning Department, City & County of Honolulu
Federal Housing Administration

EXHIBIT A

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

te of Initial Maintenance Fees:

| Apartment | Monthly Fee x 12 months = Yearly Total |
|---|---|
| Each Apartment | 362.50 x 12 = 4,350.00 ea.<br>x 32 apts = $139,200 yr |

e Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance
Fee Disbursements:

| | Monthly x 12 months= Yearly Total |
|---|---|
| **Utilities & Services** | |
| Electricity (common elements and apartments) | $17,500.00 |
| Gas | $3,600.00 |
| Refuse Collection | $5,000.00 |
| Water | $5,000.00 |
| Sewer | $10,000.00 |
| **Maintenance, Repairs & Supplies** | |
| Building - Maintenance | $3,600.00 |
| Building - Supplies | $1,200.00 |
| Equipment - Maintenance | $2,000.00 |
| Equipmant - Supplies | $1,500.00 |
| Grounds - Maintenance | $5,000.00 |
| Grounds - Supplies | $500.00 |
| Pool - Maintenance | $1,000.00 |
| Pool - Supplies | $1,750.00 |
| **Management** | |
| Resident Manager Payroll | $5,000.00 |
| Resident Manager Payroll Taxes | $600.00 |
| Office Expenses (Telephone) | $500.00 |
| Fiscal Property Management (Chaney Brooks) | $9,000.00 |
| **Insurance** | |
| Insurance - Liability | $5,350.00 |
| Insurance - Workers Comp | $2,300.00 |
| **Reserves** | |
| Reserve Account | $50,000.00 |
| **Taxes & Government Assessments** | |
| General Excise Tax | $300.00 |
| **Audit Fees** | |
| Audit & Tax Fees | $1,500.00 |
| **Other** | |
| Mis. Project Expense | $2,000.00 |
| Legal Fees | $5,000.00 |
| | $139,200.00 |

I, Norman Lee, as agent and employed by Chaney Brooks & Co., the condominium managing agent or developer, for the condominium project The Makikian, LTD. hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

DATED: Honolulu, Hawaii, May 17, 1994.

Norman Lee

Exhibit B

ENCUMBRANCES AGAINST TITLE

1. For information regarding real property taxes as may be due and owing, reference is hereby made to the City & County of Honolulu Director of Finance.

   Tax Key (1) 2-4-30:92 (A.A. 14,818 sq. ft.) Code 2

   Tax Key (1) 2-4-30:78 (A.A. 3,818 sq. ft.) Code 2

2. Title to all mineral and metallic mines reserved to the State of Hawaii.

3. SUBLEASE
   Sublessor(s) : Kepoikai Aluli and Yoshiho Ogami
   Sublessee(s) : Kepoikai Aluli, Yoshiho Ogami, husband of Miyuki Ogami, and Edward G. Jenkins, husband of Billye Olsen Jenkins
   Dated : June 28, 1957
   Recorded in the Bureau of Conveyances in Book 4247, Page 201.
   Leases the parking lot on said premises for a term identical with the period of the leaseholds of the Sublessors upon said premises, as amended and extended for a period to and including October 31, 2026, by instrument dated July 21, 1994, recorded in the Bureau of Conveyances as Document No. 94-133738.

   NOTE: PROBATE PROCEEDINGS
   Filed in the First Circuit Court, State of Hawaii, with Probate No. 93-0478, entitled "In the Matter of the Estate of Yoshiho Ogami, Deceased".

   PROBATE PROCEEDINGS
   Filed in the First Circuit Court, State of Hawaii, with Probate No. 93-0494, entitled "In the Matter of the Estate of Yoshiho Ogami, Deceased".

4. AS TO PARCEL FIRST:

   LEASE
   Lessor(s) : Georgia Souza, widow
   Lessee(s) : Yoshiho Ogami, husband of Miyuki Ogami
   Dated : November 1, 1956
   Recorded in the Bureau of Conveyances in Book 3227, Page 26.
   Term : 60 years from and including November 1, 1956, to and including October 31, 2016.
   As amended and extended by instrument dated July 21, 1994, recorded in the Bureau of Conveyances as Document No. 94-133738.
   Which said Lease was assigned
   To : The Makikian, Ltd., a Hawaii corporation
   By Assignment of Lease dated: June 28, 1957
   Recorded in the Bureau of Conveyances in Book 3300, Page 425.

5. AS TO PARCEL SECOND:

LEASE
Lessor(s) : Georgia Souza, widow
Lessee(s) : Kepoikai Aluli, husband of Geraldine Aluli
Dated : November 1, 1956
Recorded in the Bureau of Conveyances in Book 3263, Page 181.
Term : 60 years from and including November 1, 1956, to and including October 31, 2016.
As amended and extended by instrument dated July 21, 1994, recorded in the Bureau of Conveyances as Document No. 94-133738.
Which said Lease was assigned
To : The Makikian, Ltd., a Hawaii corporation
By Assignment of Lease dated: June 28, 1957
Recorded in the Bureau of Conveyances in Book 3300, Page 421.

6. AS TO PARCEL THIRD:

LEASE
Lessor(s) : Georgia C. Souza, widow
Lessee(s) : Kepoikai Aluli, husband of Geraldine Aluli
Dated : April 2, 1957
Recorded in the Bureau of Conveyances in Book 3263, Page 169.
Term : 59 years and 12 months to and including October 31, 2016.
As amended and extended by instrument dated July 21, 1994, recorded in the Bureau of Conveyances as Document No. 94-133738.

SUBLEASE
Lessor(s) : Kepoikai Aluli, husband of Geraldine Aluli
Lessee(s) : The Makikian, Ltd., a Hawaii corporation
Dated : June 28, 1957
Recorded in the Bureau of Conveyances in Book 3300, Page 403.
Term : To and including October 31, 2016.
As amended by instrument dated July 21, 1994, recorded in the Bureau of Conveyances as Document No. 94-133738.

7. Any and all recorded and unrecorded proprietary leases, liens and encumbrances affecting the same within "THE MAKIKIAN, LTD." have been purposely omitted herefrom.

8. MORTGAGE AND SECURITY AGREEMENT
   Mortgagor(s) : The Makikian, Ltd., a Hawaii cooperative housing corporation
   Mortgagee(s) : Bank of Hawaii, a Hawaii corporation
   Dated : July 24, 1992
   Recorded in the Bureau of Conveyances as Document No. 92-127712.
   To Secure : $1,575,000.00

9. ASSIGNMENT OF RENTS
   Assignor(s) : The Makikian, Ltd., a Hawaii cooperative housing corporation
   Assignee(s) : Bank of Hawaii, a Hawaii corporation
   Dated : July 24, 1992
   Recorded in the Bureau of Conveyances as Document No. 92-127713.
   Assigns all of the leases and subleases described in Exhibit A attached thereto, and any other leases or rental agreements now or hereafter entered into, demising any space on or within the land described herein, etc.

10. FINANCING STATEMENT
   Debtor(s) : The Makikian, Ltd.
   Secured Party : Bank of Hawaii
   Recorded August 5, 1992 in the Bureau of Conveyances as Document No. 92-127714
   Covers : Said premises

NOTE: Since the date of the title report, the Developer has recorded the documents noted on page 6 of this public report.

## SUMMARY OF SALES CONTRACT
The Makikian Project

The sales contract to be used for the Makikian is a standard Hawaii Association of Realtors form of Deposit Receipt, Offer and Acceptance (DROA). It contains three (3) separate sections: A- Addenda and Agency Disclosure; B- Deposit Receipt; and C- Offer.

The DROA form also, on the reverse, has a provision for a Cooperating Broker's Separate Agreement.

The DROA lists the Seller's realtor as Ronald D. Silverman of Hawaiian Properties.

The DROA identifies the property description by address and TMK.

The DROA blanks are to be filled in by the Purchaser and the Seller, either through their real estate agents, or themselves, as appropriate.

The DROA is intended to act as a basis for instructions to Escrow.

END OF EXHIBIT "C"

## SUMMARY OF ESCROW AGREEMENT
The Makikian Project

The Escrow Agreement is a contract between the The Makikian, Ltd. as the Developer ("Seller") and Fidelity Escrow Services Corp. ("Escrow"). The Escrow is a neutral third party who will hold all monies and documents, and once all requirements have been fulfilled by each party (Seller and Purchaser), Escrow will cause conveyance documents to be recorded with the appropriate State of Hawaii agencies and disburse funds as directed in the purchase contract.

All monies paid into Escrow shall be deposited into a financial institution or institutions doing business in Hawaii. All interest accrued shall be creditor to Seller in accordance with the provisions contained in the sales contract.

Escrow shall make weekly deposits of purchase monies, unless Seller instructs Escrow to make more frequent deposits. If more frequent deposits are required, Seller shall pay Escrow a service charge.

Distribution of funds by Escrow shall be as specified by the sales contract. Unless otherwise provided in the sales contract, Escrow may make disbursements to pay for construction costs, architectural, engineering, finance and legal fees.

In case of a prospective Purchaser's default, Escrow is to treat all funds deposited by the Purchaser, less Escrow's cancellation fee of One Hundred no/100 Dollars ($100.00) as belonging to the Purchaser.

Escrow shall be entitled to a fee, agreed upon between Seller and Escrow, for disbursement of funds not belonging to Purchasers, as directed by Seller.

Escrow shall arrange and supervise the execution of conveyance and related documents.

Escrow shall be entitled to a "Escrow Fee" of Five Hundred Ninety Two and no/100 Dollars ($592.00) for each unit closing.

Either Seller or Escrow may terminate the Escrow Agreement upon fifteen (15) days written notice to the other party, except for transactions in process which shall be completed per the terms of the agreement.

END OF EXHIBIT "D"