



REAL ESTATE COMMISSION
STATE OF HAWAII

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
1010 Richards Street
P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

PUUIKI KAI NANI II CONDOMINIUM
68-171 and 68-173 Au Street
Waialua, Hawaii

Registration No. 1825

Issued: March 6, 1987
Expires: April 6, 1988

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of February 23, 19 87 and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

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 when complete information is filed.
 - FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.
 - Supersedes all prior public reports
 - Must be read together with _____
 - SUPPLEMENTARY:** (pink) Updates information contained in the
 - Prelim. Public Report dated _____
 - Final Public Report dated _____
 - Supp. Public Report dated _____
- And Supersedes all prior public reports
 Must be read together with _____
- This report reactivates the _____
 public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required -- disclosures covered in this report.

Summary 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 report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

None

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GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Horizontal Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

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 they 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 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.

Some condominium projects are leasehold. This means that the land or the land, 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 owner/tenant) 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. The 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.

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 a vote of the owners. Some of these actions may significantly impact the quality of life for all 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 vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT
(cite to appropriate pages
in text of report)

Interest to be Conveyed to Buyer:

Individual apartments and underlying land will be in fee simple.

Type of Project:

1. New Building(s) Conversion
 Both New Building(s) and Conversion

2. Residential Commercial
 Mixed Residential and Commercial
 Other _____

3. High Rise (5 stories or more) Low Rise

4. Single or Multiple Buildings

5. Apartment Description

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
<u>A</u>	<u>1</u>	<u>3/2</u>	<u>1520 Sq. ft.</u>	<u>240 sq. ft.</u>
<u>B</u>	<u>1</u>	<u>3/2</u>	<u>1520 Sq. ft.</u>	<u>240 sq. ft.</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 2

*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.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>2 each</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>4</u>

7. Recreational amenities: Both units have direct beach access.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: PUUIKI KAI NANI DEVELOPMENT CORPORATION Phone: 538-7289
Name 59-229 C Ke Nui Road (Business)
Business Address
Haleiwa, Hawaii 96712

Names of officers or general partners of developers who are corporations or partnerships:
Schuyler Cole, President

Marilyn J. Cole, Vice-President

Real Estate Sales Agent: DOLORES CERNY Phone: 637-5558
Name P.O. Box 220 (Business)
Business Address
Haleiwa, HI 96712

Escrow: Bank of Hawaii, Escrow Dept. Phone: 537-8111
Name King & Bishop Streets (Business)
Business Address
Honolulu, Hawaii 96813

Managing Agent: N/A Phone: (Business)
Name
Business Address

Attorney for Developer: Stephen A. Jones, Green, Ning, Lilly & Jones 528-1100
Name 1100 Pauahi Tower, 1001 Bishop Street
Business Address
Honolulu, Hawaii 96813

**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 Horizontal Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. Declaration of Horizontal 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
 Recorded – Bureau of Conveyances – Book _____ Page _____
 Filed – Land Court – Document Number _____

Amendment date(s) and recording/filing information:

- 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
 Recorded – Bureau of Conveyance Condo Map No. _____
 Filed – Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

- 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 way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded – Bureau of Conveyances – Book _____ Page _____
 Filed – Land Court – Document Number _____

Amendment date(s) 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 individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. 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

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 apartment owners who must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
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.

2. Developer: The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

- Right to grant easements for utilities.
- Right to amend Declaration and Condominium Map to file Architect's "As-Built" Statement for immaterial changes.
- Right to amend Declaration and By-laws prior to first conveyance of dwelling.
- Right to assign Declarant's rights under Declaration.

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to 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.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

Fee Simple: Individual apartments and the underlying land will be in fee simple.

Leasehold or Subleasehold: Individual apartments and the underlying land will be leasehold.

The leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (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.

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.

Individual Apartments in Fee Simple, Underlying Land in Leasehold or Subleasehold:

The 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; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations.

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:

For Subleaseholds:

Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
 Cancelled 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 cancelled or foreclosed.

B. Underlying Land:

Address: 68-171 and 68-173 Au Street Tax Map Key: Oahu 6-8-11:41
Waialua, Hawaii (TMK)

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

Land Area: 10,005 [x] square feet [] acre(s) Zoning: A-1 Apartment

Fee Owner: NSV OF HAWAII, LTD.
name
59-229 C Ke Nui Road
address
Haleiwa, Hawaii 96712

Sublessor: N/A
name
address

C. Buildings and Other Improvements:

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

2. Buildings: 2 Floors Per Building: 2

[] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[] Concrete [] Hollow Tile [XX] Wood

[] Other _____

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
[] Commercial	_____	[] Industrial	_____
[X] Residential	<u>2</u>	[] Agricultural	_____
[] Timeshare/Hotel	_____	[] Recreational	_____
[] Other:	_____		_____

5. Special Use Restrictions:

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

- Pets: _____
- Number of Occupants: _____
- Other: Residential use and occasional vacation rental.
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 2
 Elevators none Stairways two (one each) Trash Chutes none

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
<u>A</u>	<u>1</u>	<u>3/2</u>	<u>1520 sq. ft.</u>	<u>240 sq. ft.</u>
<u>B</u>	<u>1</u>	<u>3/2</u>	<u>1520 sq. ft.</u>	<u>240 sq. ft.</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

*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 floor area may have been used.

Boundaries of Each Apartment:

Each dwelling includes all interior and exterior surfaces of the structure located on that dwelling's site, including footings, roof, and other surfaces.

Permitted Alterations to Apartments:

Each dwelling owner may improve, remodel, renovate, make additions to, replace or restore his/her dwelling, subject to requirements set forth in the Declaration (building permit, value of dwelling not lessened, compliance with zoning laws, etc.)

7. Parking Stalls:

Total Parking Stalls: 4

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)	<u>4</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>4</u>
Guest Unassigned	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Extra Available for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other:	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Covered & Open	<u>4</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Each apartment will have the exclusive use of at least 2 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.
- Swimming pool
- Recreation Area
- Tennis Court
- Other: Both units have direct beach access.
- Storage Area
- Laundry Area
- Trash Chute

9. Present Condition of Improvements

{For conversions of residential apartments in existence for five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

b. Compliance with Building Code and Municipal Regulations; Cost to Cure Violations

10. Conformance to Present Zoning Code

a. 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.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>X</u>	<u> </u>	<u> </u>
Structures	<u>X</u>	<u> </u>	<u> </u>
Lot	<u>X</u>	<u> </u>	<u> </u>

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 intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit A describes the common elements.

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.

The limited common elements and the apartments which may use them are:

described in Exhibit B

as follows:

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 often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

Exhibit _____ describes the common interests for each apartment.

as follows:

Unit A's common interest is 50%
Unit B's common interest is 50%

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property.

Exhibit C describes the encumbrances against the title contained in the title report dated December 30, 1986.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It 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.

[X] 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. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgage	Mortgagee(s) would foreclose mortgage if Developer defaults, and Buyer's interest would be lost. Mortgages will be satisfied and released before conveyance of first unit to a Buyer.

F. 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 managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial 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 managing agent for this condominium is:

[] not affiliated with the Developer.

[] the Developer or the Developer's affiliate.

[XX] other No managing agent

G. 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 to each apartment.

Exhibit D contains a schedule of maintenance fees and maintenance fee disbursements.

H. 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:

- | | |
|--------------------------------------|---|
| <input type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Water & Sewer |
| <input type="checkbox"/> Other _____ | |

I. 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:

There are no warranties by the Developer; the units are sold "as is". However, the Developer will pass on to the buyer (i) the contractor's normal one-year warranty to correct any work found to be defective within one year after substantial completion, as defined in the construction contract, and (ii) whatever warranties the contractor has received from suppliers and sub-contractors for the benefit of the buyer

2. Appliances:

There are no warranties by the Developer; the units are sold "as is". However, the Developer will pass on to the Buyer (i) the contractor's normal one-year warranty to correct any work found to be defective within one year after substantial completion, as defined in the construction contract, and (ii) whatever warranties the contractor has received from suppliers and sub-contractors for the benefit of the buyer.

J. Status of Construction and Estimated Completion Date:

Estimated commencement date 3/15/87
Estimated completion date 9/15/87

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development:

L. Sales Documents Filed with the Real Estate Commission:

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

[] Notice to Owner Occupants

[XX] Specimen Sales Contract

Exhibit E contains a summary of the pertinent provisions of the sales contract.

[XX] Escrow Agreement dated _____

Exhibit F contains a summary of the pertinent provisions of the escrow agreement.

[] Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer 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, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

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

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. 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.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Horizontal Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other _____

If these documents are not in final form, the buyer should ask to see the most recent draft.

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 Law (Chapter 514A, HRS and Hawaii Administrative Rules Chapter 16-107) are available at the Department of Commerce and Consumer Affairs.

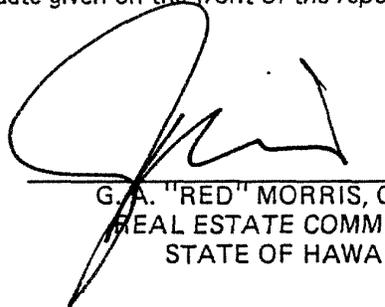
This Public Report is a part of Registration No. 1825 filed with the Real Estate Commission on February 13, 1987.

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

yellow paper stock white paper stock pink paper stock

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

Supplementary Public Reports expire on the expiration date given on the front of the report.



G. A. "RED" MORRIS, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances
Department of Finance, City & County of Honolulu
Planning Department, City & County of Honolulu
Federal Housing Administration
Escrow Agent

EXHIBIT A

COMMON ELEMENTS

Common elements shall include the limited common elements described below and all other portions of the Property, excluding those items defined as part of any Dwelling hereof, but including the portion of land on which the Dwellings are located and all elements mentioned in the Act which are actually constructed on the land, and specifically shall include but not be limited to:

- a. The land in fee simple;
- b. All yards, grounds, planter and planting areas and landscaping;
- c. The driveways, and access areas of the Dwellings;
- d. All electrical and mechanical equipment and wiring and other installations serving the Dwellings, including power, lights, water, sewage disposal, and drainage;
- e. All other parts of the Project existing for the common use where necessary to the existence, maintenance and safety of the Project.

EXHIBIT B

LIMITED COMMON ELEMENTS

Certain parts of the common elements called the "limited common elements", are hereby designated and set aside for the exclusive use of each Dwelling, and each Dwelling shall have appurtenant thereto exclusive easements for the use of such limited common elements. Unless otherwise specified herein, all costs of every kind pertaining to each limited common element, including, but not limited to, costs of landscaping, maintenance, repair, insurance, replacement and improvement, shall be borne entirely by the Dwelling to which it is appurtenant. The limited common elements so set aside and reserved are as follows:

a. The site of each Dwelling consisting of the land beneath and immediately adjacent thereto, as shown and delineated on said Condominium Map, together with all improvements (including the respective parking pad and private waste disposal system) located thereon.

b. The electrical and plumbing lines, equipment, and other installations servicing a Dwelling to the extent that such equipment, lines and installations service only that Dwelling; but to the extent (if any) that such lines, equipment and installations service both Dwelling A and Dwelling B, they shall be common elements and not limited common elements.

EXHIBIT C

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes due and payable; reference is made to Director of Finance, City and County of Honolulu.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance and the effect, if any, upon the area of the land described herein.
4. A 40 foot shoreline setback line as shown on Survey Map dated April 28, 1984, revised August 26, 1985, made by Akira Ishida, Registered Land Surveyor.
5. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT
MORTGAGOR : NSV OF HAWAII, LTD., a Hawaii corporation
MORTGAGEE : BANCORP FINANCE OF HAWAII, INC., a Hawaii corporation
DATED: : September 11, 1986
RECORDED : Liber 19851 Page 499
AMOUNT : \$250,000.00

EXHIBIT D

SUMMARY OF MAINTENANCE FEE SCHEDULE

Based upon the Declaration of Horizontal Property Regime and By-Laws of the Association of Owners of Puuiki Kai Nani II Condominium, it is anticipated that there will be no regular maintenance fees or other common expenses in connection with the Project for the foreseeable future. Insurance on each unit, the limited common elements appurtenant to it, and all common elements of the Project which are not limited common elements, will be paid separately by each unit owner, with the Association named as an additional insured. It is expected that the Association will waive the requirements of annual audits and unannounced cash balance verifications. If and when maintenance to the driveway area becomes necessary, the Board will assess the apartment owners or establish a reserve fund for such purpose as set forth in the Declaration. However, should any common expenses arise, the Board of Directors of the Association will assess the unit owners of their respective shares as provided in the Declaration and By-Laws.

EXHIBIT E

SUMMARY OF RESERVATION AND SALES CONTRACT

The Reservation Agreement/Deposit, Receipt and Sales Contract (the "Sales Contract") between the Developer/Seller and the purchaser, is a contract which identifies the unit being sold, the purchase price for the unit, the method of financing (cash, institutional mortgage, or agreement of sale), and certain closing costs to be paid by the purchaser.

Under the Sales Contract, the Seller reserves the right to modify the Declaration, Bylaws, or Unit Deed under certain circumstances, but no modification can (i) increase the purchaser's share of common expenses or the cost of the property, (ii) substantially change the unit being sold to the purchaser, or (iii) reduce (or substantially change) the Developer/Seller's obligations.

Both Dwellings will be newly constructed. The Seller will pass on and assign to the Purchaser the contractor's customary one-year warranty against defective work, and whatever warranties that the contractor may have received from materialmen and subcontractors. However, Seller makes no warranties itself. EXCEPT FOR THE ASSIGNMENT OF THE CONTRACTOR'S ONE-YEAR WARRANTY, NO WARRANTIES EXIST; NO WARRANTIES FOR FITNESS OF USE, MERCHANTABILITY, HABITABILITY, OR ANY OTHER ARE MADE AS TO EITHER THE UNITS OR COMMON ELEMENTS OF THE PROJECT. PURCHASERS ARE ADVISED TO CONDUCT THEIR OWN INSPECTION OF THE UNIT THEY DESIRE TO PURCHASE. THE UNITS ARE SOLD "AS IS".

The Sales Contract also provides among other things that until the purchaser takes possession of the unit after the sale closes, the risk of destruction of the unit remains on the Developer/Seller, and that there are not expected to be any common expenses assessed against the condominium units for the present time.

If the purchaser fails to make any payment when it is due, the Developer/Seller can cancel the Sales Contract after giving the Purchaser five days to cure the default, and all sums paid under the Sales Contract will belong to the Developer/Seller. Either party may pursue its legal remedies if the other party defaults.

If a Supplementary Public Report for the Project is issued, which differs in any material respect from the last Public Report given to the Purchaser, the Developer/Seller will send a copy of the new Report to the Purchaser. If the purchaser does not acknowledge receipt of the new Report within thirty days, the Developer/Seller has the option of cancelling the Sales Contract and returning the purchaser's funds (less the escrow's cancellation fee of \$25.00), or assuming that the purchaser accepts the new Report and treating the Sales Contract as a valid and continuing contract.

The purchaser is urged to read the Sales Contract in its entirety to be advised of all its provisions.

EXHIBIT F

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement between the Developer and the Escrow, Bank of Hawaii Escrow Dept., provides among other things that the Escrow will supervise the signing of all documents, and will hold all funds deposited by the purchaser in an interest-bearing account, with interest to be credited to the purchaser.

The purchaser may obtain a refund of funds deposited with the Escrow (less a cancellation fee of \$ 25.00), if (i) the Developer requests such a refund, or (ii) there is a change in the building plans for the Project, or if the Final Public Report differs in a material respect from the Preliminary Public Report (if any). If the Developer notifies the Escrow that the purchaser has defaulted under the Reservation and Sales Agreement, the Escrow will notify the purchaser of the default and thereafter hold the deposited funds as the funds of the Developer.

If a dispute arises or if conflicting demands are made on the Escrow, the Escrow may deposit the funds with the First Circuit Court of the State of Hawaii and await further instructions from the Court. Both the purchaser and the Developer agree to hold the Escrow harmless from any liability or cost arising out of the escrow agreement.

The purchaser is urged to read the Escrow Agreement in its entirety to be advised of all of its provisions.