REAL ESTATE COMMISSION
STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
1010 Richards Street - P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

WAIKOLOA FAIRWAYS
Waikoloa, Hawaii

Registration No. 2117

Issued: December 12, 1990
Expires: January 12, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of November 21, 19 90, 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.

X **FINAL:** *(white)* — The developer has legally created a condominium and has filed complete information with the Commission.

[ ] No prior reports have been issued
[X] 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 [X] 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.

[ ] No prior reports have been issued by the Commission.

[ ] Changes made are as follows:

No changes have been made to the project since the issuance of the Preliminary Public Report.

TABLE OF CONTENTS

page

Report Purpose 1
Type of Report 1
Summary of Changes from Earlier Public Reports 2
Table of Contents 3
General Information on Condominiums 4
Summary of the Condominium Project 5

I. PEOPLE CONNECTED WITH THE PROJECT 6

Developer — Managing Agent
Real Estate Sales Agent — Attorney for Developer
Escrow Company

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS
- A. Declaration 7
- B. Condominium Map (File Plan) 7
- C. Bylaws 7
- D. House Rules 8
- E. Changes to Condominium Documents 8

III. THE CONDOMINIUM PROJECT
- A. Interest to be Conveyed to Buyer 9
- B. Underlying Land 10
- C. Buildings and Other Improvements 10
- D. Common Elements, Limited Common Elements, Common Interest 14
- E. Encumbrances Against Title 15
- F. Management of the Common Elements 15
- G. Maintenance Fees 16
- H. Utility Charges 16
- I. Construction Warranties 16
- J. Status of Construction 17
- K. Project Phases 17
- L. Sales Documents Filed with the Real Estate Commission 17

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE 18

Buyer's Right to Cancel Sales Contract 19
Signature of Real Estate Commission Chairman 20

EXHIBIT A: Common Areas
EXHIBIT B: Limited Common Interests
EXHIBIT C: Common Interest & Parking Stalls
EXHIBIT D: Maintenance Fee (Estimated)
EXHIBIT E: Summary of Sales Contract
EXHIBIT F: Summary of Escrow Agreement
EXHIBIT G: Use Restrictions Regarding Pets
EXHIBIT H: Encumbrances Affecting Title
EXHIBIT I: Exclusion of Warranties
EXHIBIT J:

GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's *"Condominium 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 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

Interest to be Conveyed to Buyer:

[X] Fee simple interest in an apartment and an undivided feehold interest in the common elements.
[ ] Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
[ ] Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

1. [X] New Building(s) [ ] Conversion
   [ ] Both New Building(s) and Conversion
2. [X] Residential [ ] Commercial
   [ ] Mixed Residential and Commercial
   [ ] Other _____
3. [ ] High Rise (5 stories or more) [X] Low Rise
4. [ ] Single or [X] Multiple Buildings
5. Apartment Description

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
A	51	2/ 2½	1276.8	280

Total Apartments: 51

**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:

	Number of Stalls
Assigned Stalls (Individual Units)	51
Guest Stalls	16
Unassigned Stalls	0
Extra Stalls Available for Purchase	0
Other: Handicapped	2
Total Parking Stalls	69

7. Recreational amenities: Swimming Pool, Recreation Area, Jacuzzi

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Yotsuyaken Corporation
Name
Phone: 885-4694 (Business)

P.O. Box 578
Business Address

Kamuela, Hawaii 96743

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

Toshio Sasakura, President

Shuntaro Sasakura, Executive Vice-President

Masako Sasakura, Vice-President

Yukie Sasakura, Treasurer

Mikiko Malasek, Secretary

Real Estate Sales Agent: Nemo Realty
Name
Phone: 885-4694 (Business)

P.O. Box 2710, Kala Cottage, Unit 7
Business Address

Kamuela, HI 96743

Escrow: Title Guaranty Escrow Services, Inc.
Name
Phone: 329-6666 (Business)

P.O. Box 1837
Business Address

Kailua-Kona, HI 96745-1837

Managing Agent: Chaney Brooks & Company
Name Kailua Trade Center
Phone: 329-3121 (Business)

75-5706 Hanama Pl., Ste. 202
Business Address

Kailua-Kona, HI 96740

Attorney for Developer: J. James Sogi
Name

75-5751 Kuakini Hwy., Ste.104
Business Address

Kailua-Kona, HI 96740

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.

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 - ~~Book~~ XXXXXXXXXXXXX ~~Page~~ Document No. 90-140717
[ ] 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
[X] Recorded - Bureau of Conveyance Condo Map No. 1372
[ ] 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
[X] Recorded - Bureau of Conveyances - ~~Book~~ XXXXXXXXXXXXX ~~Page~~ Document No. 90-140718
[ ] Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

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.

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:

[X] 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 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	—	

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:

During the sales period, the Developer has reserved the right to make any changes to said documents and the Project as may be required by law, any title insurance company, institutional mortgage lender or governmental agency, provided only that such changes shall not substantially impair the prospective use and enjoyment of the apartment, substantially reduce the usable space within the apartment, render unenforceable the Purchaser's mortgage loan commitment, increase the Purchaser's share of common expense, or increase the purchase price.

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

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

[ ] Leasehold or Subleasehold: Individual apartments and the common elements which includes 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 Common Interest in the 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: Waikoloa, Hawaii Tax Map Key: (3)6-8-03-25 (TMK)

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

Land Area: 3.512 [ ] square feet [X] acre(s) Zoning: CV-10

Fee Owner: Yotsuyaken Corporation
Name

P.O. Box 578
Address

Kamuela, HI 96743

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: 4 Floors Per Building 2 (plus basement bldg. A)

   [ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

   [ ] Concrete [ ] Hollow Tile [X] Wood

   [ ] Other _____

4. Permitted Uses:

	No. of Apts.		No. of Apts.
[ ] Commercial		[ ] Industrial	
[X] Residential	51	[ ] 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:

[X] Pets Animals and Birds, Except fish, are prohibited. See Exhibit G.

[ ] Number of Occupants: _____

[ ] Other: _____

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 51

Elevators No Stairways Yes Trash Chutes No

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
A	51	2/ 2 1/2	1276.8	280

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:

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter wall or interior load-bearing walls, the unfinished surfaces of the floors and ceilings which surround each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as herein provided. Each apartment shall be deemed to include its adjacent lanai, including the lanai railing, all of the walls and partitions which are not load bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, all windows and window frames and doors and door frames serving the apartment and all fixtures and appliances originally installed in such apartments for its exclusive use.

Permitted Alterations to Apartments;

Additions to or alterations of an apartment made within such apartment or within a limited common element appurtenant to and for the exclusive use of such apartment shall be permitted with the approval of the Board of Directors of the Association of Apartment Owners and the consent of all apartment owners determined by the Board to be directly affected by such additions or alterations, and upon completion of any addition or alteration which changes the floor plan of an apartment or limited common element, the Board shall cause a copy of the revised floor plan of the apartment or limited common element affected to be filed, at the expense of the owner of such apartment, as an amendment of the Declaration and Condominium Map.

7. Parking Stalls:

Total Parking Stalls: 69

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for individual units)		51					51
Guest		16					16
Unassigned							
Extra Available for Purchase							
Other:		2					2
Total Covered & Open	69						

Each apartment will have the exclusive use of at least 1 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.

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

8. Recreational and Other Common Facilities.

[ ] There are no recreational or common facilities.

[X] Swimming pool

[X] Recreation Area

[ ] Tennis Court

[ ] Storage Area

[ ] Laundry Area

[ ] Trash Chute

[X] Other: The recreation facility contains a recreation room, jacuzzi and swimming pool.

9. Present Condition of Improvements

(For conversions of residential apartments in existence for at least 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. [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	Yes	None	None
Structures	Yes	None	None
Lot	Yes	None	None

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.

[X] Exhibit A describes the common elements.

[ ] As follows:

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 may use them are:

[ ] described in Exhibit _____

[X] as follows:

Each apartment shall have appurtenant thereto an exclusive right to use the parking stall assigned to such apartment in Exhibit B attached.

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.

[X] Exhibit C describes the common interests for each apartment.

[ ] As follows:

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

Exhibit H describes the encumbrances against the title contained in the title report dated August 9, 1990 and issued by Title Guaranty of Hawaii, Incorporated

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.

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

[ ] 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.

Type of Lien	Effect on Buyer's Interest If Developer Defaults

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:

[X] not affiliated with the Developer.

[ ] the Developer or the Developer's affiliate.

[ ] self-managed by the Association of Apartment Owners.

[ ] other _____

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:

[ ] Electricity

[ ] Gas

[ ] Other _____

[X] Not applicable

[ ] Television Cable

[ ] Water & Sewer

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:

SEE EXHIBIT I

2. Appliances:
Warranties on appliances furnished with an apartment shall be assigned by the Developer and shall thereafter run in favor of the apartment purchaser directly from the manufacturer. These warranties will expire at different times, depending on the date of installation of the appliances. The Developer will assure each purchaser only that the appliances are in working order at the time of occupancy by the purchaser.

J. **Status of Construction and Estimated Completion Date:**

Construction has not commenced. The estimated completion date is March 1, 1991.

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:

[X] Notice to Owner Occupants

[X] Specimen Sales Contract

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

[X] Escrow Agreement dated August 2, 1989

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

[ ] Other _____

IV. ADDI..JNAL INFORMATION NOT COVERED ABOVE

Buyer's Right to Cancel Sales Contract:

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 Condominium 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. 2117 filed with the Real Estate Commission on August 8, 1989.

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

[ ] yellow paper stock [X] 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.

Peter N. Yanagawa

PETER N. YANAGAWA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances
Department of Finance, County of Hawaii
Planning Department, County of Hawaii
Federal Housing Administration
Escrow Agent

Condominium Public Report on
The Waikoloa Fairways

EXHIBIT A

Common Elements

The common elements consist of all portions of the Project other than the apartments, including specifically, but not limited to:

(1) The Land in fee simple;

(2) All foundations, columns, girders, beams, floor slabs, supports, unfinished perimeter, party and load-bearing walls and partitions, roofs, skylights, stairways, walkways, corridors, ramps, fences (if any), store rooms (which are not within any apartment), mechanical rooms, entrances, entry ways, and exits of all residential buildings of the Project.

(3) All yards, grounds, planting areas, planters, walkways, walkway railings, landscaping, refuse facilities, gardens, the maintenance/office building, the swimming pool, the spa, and all other recreational facilities and appurtenances.

(4) All roads, driveways, driveway ramps and parking areas;

(5) All ducts, vents, shafts, sewer lines, sewage treatment equipment and facilities (if any), electrical equipment, pipes, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, water, gas (if any), cablevision (if any), air conditioning, sewer, refuse, telephone, and radio and television signal distribution;

(6) Any and all apparatus and installations existing for common use, such as tanks, pumps, motors, fans, compressors and, in general, all other installations and apparatus existing for common use;

(7) All mechanical, electrical and air conditioning equipment originally installed and located within any apartment or located elsewhere in the Project utilized for or serving more than one apartment;

(8) 51 uncovered, regular size, parking stalls hereinafter designated as limited common elements;

(9) The sixteen (16) regular size, uncovered parking stalls and two (2) handicapped, uncovered, parking stalls located in the uncovered parking areas of the Project, all as shown on the condominium Map, which are hereinafter designated

as limited common elements;

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

Condominium Public Report on
The Waikoloa Fairways

EXHIBIT B

Limited Common Elements

Certain parts of the common elements, called 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:

(1) Each of the fifty-one (51) regular size, uncovered parking stalls designated as Stalls 1-51, shall be limited common element appurtenant to and reserved for the exclusive use of the apartment located in such Building to which it is assigned.

EXHIBIT C

Schedule of Common Interests and Parking Stall Assignments

The common inteest for an apartment was determined by taking the gross living floor area, including lanai, of the apartment and dividing that figure by the aggregate of the gross living floor area, including lanais, for all apartments in the project, with minor adjustments to bring the total percentage to 100%.

Apt. No.	Apt. Type	Approximate Net Living Floor Area	Lanai Area	Parking Stall No(s).	Percentage Interest
A101	A	1276.8	280	A101	1.9608
A201	A	1276.8	280	A201	1.9608
A301	A	1276.8	280	A301	1.9608
A102	A	1276.8	280	A102	1.9608
A202	A	1276.8	280	A202	1.9608
A302	A	1276.8	280	A302	1.9608
A103	A	1276.8	280	A103	1.9608
A203	A	1276.8	280	A203	1.9608
A303	A	1276.8	280	A303	1.9608
A104	A	1276.8	280	A104	1.9608
A204	A	1276.8	280	A204	1.9608
A304	A	1276.8	280	A304	1.9608
A105	A	1276.8	280	A105	1.9608
A205	A	1276.8	280	A205	1.9608
A305	A	1276.8	280	A305	1.9608
A106	A	1276.8	280	A106	1.9608
A206	A	1276.8	280	A206	1.9608
A306	A	1276.8	280	A306	1.9608
A107	A	1276.8	280	A107	1.9608
A207	A	1276.8	280	A207	1.9608
A307	A	1276.8	280	A307	1.9608
A108	A	1276.8	280	A108	1.9608
A208	A	1276.8	280	A208	1.9608
A308	A	1276.8	280	A308	1.9608
A109	A	1276.8	280	A109	1.9608
A209	A	1276.8	280	A209	1.9608
A309	A	1276.8	280	A309	1.9608
A110	A	1276.8	280	A110	1.9608
A210	A	1276.8	280	A210	1.9608
A310	A	1276.8	280	A310	1.9608
A111	A	1276.8	280	A111	1.9608
A211	A	1276.8	280	A211	1.9608

A311	A	1276.8	280	A311	1.9608
B112	A	1276.8	280	B112	1.9608
B212	A	1276.8	280	B212	1.9608
B113	A	1276.8	280	B113	1.9608
B213	A	1276.8	280	B213	1.9608
B114	A	1276.8	280	B114	1.9608
B214	A	1276.8	280	B214	1.9608
B115	A	1276.8	280	B115	1.9608
B215	A	1276.8	280	B215	1.9608
C116	A	1276.8	280	B116	1.9608
C216	A	1276.8	280	B216	1.9608
C117	A	1276.8	280	B117	1.9608
C217	A	1276.8	280	B217	1.9608
C118	A	1276.8	280	B118	1.9608
C218	A	1276.8	280	B218	1.9608
C119	A	1276.8	280	B119	1.9608
C219	A	1276.8	280	B219	1.9608
C120	A	1276.8	280	C120	1.9608
C220	A	1276.8	280	C220	1.9600

Total:	79,396.8	Total:	100

EXHIBIT D

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Common Interest	Monthly Fee x 12 =	Yearly Total
A	1.9608%	$ 188.22	$ 2,258.64
A	1.9600%	$ 188.22	$ 2,258.64

The 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 =	Yearly Total
Utilities and Services			
Cable	$ 600		7,200
Electricity			
[X] Common Elements	1,000		12,000
Refuse Collection	300		3,600
Telephone			
Water	761		9,132
Maintenance, Repairs and Supplies			
Building	420		5,040
Grounds	2,500		30,000
Management			
Management Fee	1,204		14,448
Payroll and Payroll Taxes			
Office Expenses	25		300
Insurance	735		8,820
Fire and Liability	1,012		12,144
Directors & Officers	200		2,400
Reserves	600		7,200
Taxes and Government Assessments	42		504
Audit Fees	100		1,200
Other	100		1,200
TOTAL	$ 9,599		$ 115,188

I/We Chaney, Brooks and Company, as managing agents for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Date: August 29, 1990

EXHIBIT E

Summary of Sales Contract

The Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Sales Contract says:

(a) What a purchaser must do to qualify for a loan if the purchaser wants a mortgage loan to cover part of the purchase price.

(b) That a purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(c) That a purchaser will receive any interest earned on deposits made under the Sales Contract.

(d) That the apartment will be subject to various other legal documents which the purchaser should examine.

(e) That the purchaser must close the purchase at a certain date and that Developer will pay all closing costs, except those related to a purchaser's mortgage loan.

(f) That the Purchaser acknowledges that the Project is adjacent to an 18-hole golf course, and the Purchaser assumes all risks of property damage or personal injury arising from the use of golf carts, golf balls and/or stray golf balls. The Purchaser AGREES TO INDEMNIFY AND HOLD HARMLESS the Seller, its successors and assigns, from all liability, claims or expenses, including reasonable attorneys' fees arising from any such property damage or personal injury. (See Article IV, Sections G.1 and G.7.)

(g) That the project will be subject to ongoing construction and sales activities which may result in certain annoyances to purchaser.

(h) That Developer makes no rental representations in connection with the sale of units.

The Sales Contract contains various other provisions with which the purchaser should become acquainted.

NOTE: ALL PURCHASERS SHOULD READ THE SALES AGREEMENT IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE SALES AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE SALES AGREEMENT, AND DOES NOT ALTER OR AMEND THE SALES AGREEMENT IN ANY MANNER.

EXHIBIT F

Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement these things will or may happen:

(a) Escrow will let purchasers know when payments are due.

(b) Escrow will arrange for purchasers to sign all necessary documents.

(c) The Escrow Agreement says under what conditions a refund will be made to a purchaser.

(d) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

EXHIBIT G

Use Restrictions Regarding Pets

The following excerpt from the Bylaws contains the restrictions on pets in the project:

"(i) No livestock, poultry or any other animals or birds whatsoever shall be allowed or kept in any part of the project, except that in each apartment the apartment owners may keep an unlimited number of fish confined in aquariums.

Encumbrances Against Title

EXHIBIT H

1. Real Property Taxes - Information pending.

   Tax Key: 6-8-003-025 (3)

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. Covenants contained in Declaration of Protective Covenants dated May 27, 1971, recorded in Liber 7577 at Page 66, as supplemented by instruments recorded in Liber 7577 at page 94, Liber 8026 at Page 291, Liber 8306 at Page 196, Liber 9360 at page 369, Liber 9794 at Page 32, liber 9956 at page 597, Liber 10701 at Page 5, Liber 10706 at page 490, Liber 13453 at pages 142 and 147, Liber 13588 at page 658, Liber 13904 at page 310, Liber 14266 at page 453, Liber 15016 at page 403, Liber 18999 at Page 418, Liber 19199 at page 37, Liber 20893 at page 418, Liber 21761 at Page 582, liber 22070 at Page 414, Liber 22127 at Page 733, Liber 22361 at page 1, and Liber 22791 at Page 30.

4. Exception and reservation unto First Hawaiian Bank, a Hawaii corporation, Trustee under unrecorded Trust Agreement dated December 12, 1968, between it, Richard Smart and Boise Cascade Home & Land Corporation, its successors and assigns, of all rights to underground water under or appurtenant to the granted premises, with the right to assign and transfer said rights to the State of Hawaii, County of Hawaii, Board of Water Supply or any public or private utility or other corporation; provided, however, that said rights shall not include any surface right to enter upon and drill for water; as excepted and reserved in Deed dated December 29, 1971, recorded in Liber 8036 at Page 422.

   Said exception and reservation was conveyed to AtPac Land Co., a Texas general partnership, by Quitclaim Deed dated January 10, 1986, recorded in Liber 19244 at page 474.

5. Declaration of Condominium Property Regime of Waikoloa Fairways dated September 6, 1990, recorded as Document No. 90-140717.

6. Bylaws of the Association of Apartment Owners of Waikoloa Fairways dated September 6, 1990, recorded as Document No. 90-140718.

7. Condominium Map No. 1372

EXCLUSION OF WARRANTIES

EXHIBIT I

THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE OF THE SALES AGREEMENT. DEVELOPER MAKES NO WARRANTIES OR PROMISES OF "MERCHANTABILITY", "HABITABILITY", "WORKMANLIKE CONSTRUCTION" OR "FITNESS FOR A PARTICULAR USE OR PURPOSE" OR ANY OTHER WARRANTIES OR PROMISES OF ANY KIND, EXPRESS OR IMPLIED, ABOUT THE APARTMENT, THE PROPERTY OR THE PROJECT (INCLUDING THE COMMON ELEMENTS AND LIMITED COMMON ELEMENTS OF THE PROJECT), OR ABOUT ANY FURNISHINGS, FIXTURES, APPLIANCES OR OTHER CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED, ATTACHED, AFFIXED OR OTHERWISE CONTAINED IN THE APARTMENT, THE PROPERTY OR THE PROJECT (INCLUDING THE COMMON ELEMENTS AND LIMITED COMMON ELEMENTS THEREOF).

Developer anticipates BUT DOES NOT WARRANT that Developer's construction contract with the general contractor for the Project will contain a warranty section similar to Section 13.2.2 of AIA Document A201 which generally provides:

> If, within one year after the date of substantial completion of the work or designated portion thereof or within one year after acceptance by the Developer of designated equipment, any of the work is found to be defective or not in accordance with the contract documents, the contractor shall correct it promptly after receipt of a written notice from the Developer to do so unless the Developer has previously given the Contractor a written acceptance of such condition. The Developer shall give such notice promptly after discovery of the condition.

Developer makes no warranties itself but agrees that if Purchaser gives Developer written notice of any condition covered by the contractor's warranty promptly after discovery thereof, and during the unexpired term of such contractor's warranty, Developer will forward the Purchaser's notice to the contractor, together with a written notice asking the contractor to correct the problem. The recording of Purchaser's Apartment Deed or other conveyance shall constitute and assignment by Developer to Purchaser of the unexpired term, if any, of any manufacturer's or dealer's warranties (which may by their terms be so assigned) covering any furnishings, fixtures, appliances or consumer products in the Apartment. Purchaser acknowledges and agrees that the DEVELOPER IS NOT ADOPTING ANY SUCH CONTRACTOR'S, MANUFACTURER'S OR DEALER'S WARRANTIES, OR ACTING AS CO-WARRANTOR, BUT IS MERELY ATTEMPTING TO PASS THROUGH TO PURCHASER THE BENEFIT OF ANY SUCH WARRANTIES. Purchaser may inspect the terms of the manufacturer's or dealer's written warranties at developer's sales office.

THE ATTENTION OF THE PURCHASER IS DIRECTED TO ARTICLE IV, SECTION D, OF THE SALES AGREEMENT (INCORPORATED HEREIN BY THIS REFERENCE) PERTAINING TO THE ABSENCE OF REPRESENTATIONS AND WARRANTIES CONCERNING THE APARTMENT, THE PROPERTY, THE PROJECT (INCLUDING THE COMMON ELEMENTS AND LIMITED COMMON ELEMENTS THEREOF), ESTIMATED MAINTENANCE CHARGES AND RENTAL OF THE APARTMENT, AND CONTAINING A PROMISE NOT TO SUE IN CERTAIN CASES.