



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

CONDOMINIUM PUBLIC REPORT

PUKALANI FAIRWAY ESTATES
 2811 Liholani Street
 Pukalani, Maui, Hawaii

Registration No. 2711

Issued: September 14, 1992
 Expires: October 14, 1993

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of September 3, 1992, 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.
 No prior reports have been issued
 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.

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

[] Changes made are as follows:

SPECIAL ATTENTION

1. This is CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and does not represent a legally subdivided lot. The dotted lines in the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustration purposes only and should not be construed to be formal subdivision lines.
2. The Condominium Project is adjacent to a golf course. All prospective purchasers should be aware of the potential hazards to property and persons associated with golf and golf tournaments. The Developer and the Association of Apartment Owners shall not be liable for any damage or harm that comes as a result of the Project's proximity to a golf course.
3. The Condominium Project is serviced by private sewer treatment lines and a private sewage treatment plant. Each Condominium Owner will pay a proportionate share of the cost of maintenance of the sewer lines and treatment plant. Said costs are included in the Water and Sewer Fee component of the Estimate of the Monthly Maintenance Fees in Exhibit F.
4. The Developer has submitted a non-surety performance bond for one hundred per cent of the Developer's verified estimate of the cost of construction of this project to the Commission. Before signing a sales contract, a prospective buyer may review the bond and the entire application submitted by the Developer.

This public report does not constitute approval of the Project by the Real Estate Commission or any other government agency, nor does it ensure that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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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 "Condominium Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

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.

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.

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:

- 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. New Building(s) Conversion
 Both New Building(s) and Conversion
2. Residential Commercial Ohana
 Mixed Residential and Commercial Agricultural
 Other _____
3. High Rise (5 stories or more) Low Rise
4. Single or Multiple Buildings
5. Apartment Description See Exhibit A

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 24

**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)	_____
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: <u>Each</u> apartment has an attached two (2) car enclosed garage	<u>48</u>
Total Parking Stalls	<u>48</u>

7. Recreational amenities:

None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Pukalani Fairway Associates Phone: 537-1050
Name (Business)
Davies Pacific Center, Suite 2004
Business Address
841 Bishop Street, Honolulu, Hawaii 96813

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

NSI Pukalani, Inc.
Stanford S. Carr Development Corporation

Real Estate Broker: Valley Isle Realty Locations Incorporated
Name
2145 Wells Street, Suite 301 41 E. Lipoa Street
Business Address
Wailuku, Maui 96793 Phone: 242-4400 Kihei, Maui 96753 Phone: 897-52

Escrow: Island Title Corporation Phone: 526-9171
Name (Business)
1001 Bishop Street, Pauahi Tower Suite 301
Business Address
Honolulu, Hawaii 96813

General Contractor: VALUE CORP Phone: 395-1903, 226-9917
Name (Business)
P. O. Box 25305
Business Address
Honolulu, Hawaii 96825

Condominium Managing Agent: Mitcham & Iwado Management, Inc Phone: 877-9000
Name (Business)
PO Box 1646 or
296B Alamaha Street
Business Address
Kahalui, Maui, Hawaii 96732

Attorney for Developer: Nancy N. Grekin Phone: 524-4800
Name (Business)
1001 Bishop Street, Pacific Tower Suite 780
Business Address
Honolulu, Hawaii

**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
 Recorded - Bureau of Conveyances - Document No. 92-135920
Book _____ Page _____
 Filed - Land Court - Document No. _____

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. 1714
 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 - Document No. 92-135921
Book _____ Page _____
 Filed - Land Court - Document No. _____

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:

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:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>majority of the Board of Directors</u>

The percentages for individual condominium projects may be more than the minimum set by law.

2. Developer:

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

See Exhibit B

4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>		<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>
[] Commercial	_____	_____	[] Industrial	_____	_____
[X] Residential	<u>24</u>	<u>Yes</u>	[] Agricultural	_____	_____
[] Timeshare/Hotel	_____	_____	[] Recreational	_____	_____
[] Other: _____	_____	_____		_____	_____

Is/Are this/these use(s) specifically permitted by the project's declaration or bylaws?

[X] Yes [] No

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: Common household pets permitted in reasonable numbers. See House Rules.
- [] Number of Occupants: _____
- [X] Other: Residential use only. No time interval ownership permitted. Also See Exhibit C.
- [] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators 0 Stairways Interior Trash Chutes 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>See Exhibit A</u>	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 24

**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 apartments include the entire structure and other improvements located and constructed on the land area constituting the limited common element land appurtenant to the apartment unit. The respective apartment units shall not be deemed to include any pipes, wires, conduits or other utility lines running over, under, or through any apartment or its limited common elements which are utilized for or serve more than one apartment.

Permitted Alterations to Apartments:

An apartment owner may make additions, alterations or improvements solely within his or her apartment or within a limited common element appurtenant to his or her apartment at his or her sole cost and expense, provided that all such work shall be performed by a licensed contractor pursuant to a building permit if required by the County.

7. Parking Stalls:

Total Parking Stalls: 48

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)							
Guest							
Unassigned							
Extra Available for Purchase							
Other:	48						
Total							
Covered & Open	48 (24 attached two (2) car enclosed garages)						

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.

*One (1) attached two (2) car enclosed garage

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

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: Common Roadway

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

N/A

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

N/A

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 _____ describes the common elements.

As follows:

Common roadway, the land in fee simple, yards, grounds, landscaping, fences, and refuse areas and facilities, all sidewalks, pathways and roads within the Condominium; all ducts, electrical equipment, transformers, wiring and other central and appurtenant installations for power, light, water, sewer, cable television and telephone, and all pipes, plumbing, wires, conduits or utility or service lines which are utilized by or serve more than one apartment including any lines which run through any apartment.

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 D

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:

Each apartment has 1/24th (4.167%) interest.

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

Exhibit E describes the encumbrances against the title contained in the title report dated August 18, 1992 and issued by Island Title Corporation.

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	Buyer's interest may be terminated, but Buyer would be entitled to a refund of deposit.
Financing Statement	
Security Assignment of Promissory Note	

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 F 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:

- Not applicable
- Electricity for common areas
- Gas
- Other Refuse collection
- 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:

Seller will give a limited warranty that it will use its best efforts to have defects corrected by the contractor, but only if Buyer complies with the provisions of the Sales Contract. Prior to closing Buyer will be given the opportunity to inspect the Apartment and note any defects or damages on Seller's inspection sheet. Seller will use its best efforts to have the contractor correct the defects or damages within a reasonable time, but does not guarantee that they will be corrected. The Seller's limited warranty continues after closing. Buyer will lose the Seller's limited warranty if he or she fails to inspect the Apartment on the specified date and time. Seller will give no warranties regarding construction, but will pass on the contractor's warranties. Seller will disclaim all other warranties.

2. Appliances:

Seller will not give any warranties regarding appliances, but will pass on manufacturer's warranties covering appliances installed in the Apartments.

J. Status of Construction and Estimated Completion Date:

Developer estimates that construction will commence in September 1992 and the project will be completed in April 1993.

K. Project Phases:

The developer has 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

Specimen Sales Contract

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

Escrow Agreement dated May 13, 1992

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

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

The developer has granted and obtained the following easements:

1. Easement made in favor of MAUI ELECTRIC COMPANY, LIMITED, a Hawaii corporation, and GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED, a Hawaii corporation granting a perpetual right and easement to build, construst, reconstruct, rebuild, repair, maintain and operate pole and wire lines, etc., for transmission of electricity, together with the right to trim and keep trimmed any trees over, across, through and under the property upon which the Project is to be constructed.

2. Drainage Easement made in favor of the Developer by SPORTS SHINKO (PUKALANI) CO. LTD., a Hawaii corporation, permitting the drainage of surface and runoff water from the property upon which the Project is to be constructed, over adjacent property.

3. Agreement Regarding Easement made by the Developer and said SPORTS SHINKO (PUKALANI) CO. LTD. ("SSP") in which the Developer guarantees that its construction in the drainage easement area described in Paragraph 2 above, will not damage the property of SSP, and agrees that it will repair any damage. Upon completion of construction in the easement area and approval by SSP of the construction, and that there has been no damage, SSP agrees to release this Agreement, and Developer anticipates that it will be released prior to any deeds of apartment units in the Project.

The above easements are to be executed and recorded.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

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, 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.

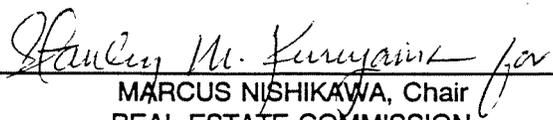
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is part of Registration No. 2711 filed with the Real Estate Commission on August 26, 1992.

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.



MARCUS NISHIKAWA, Chair
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Department of Finance, County of Maui
Planning Department, County of Maui
Federal Housing Administration

EXHIBIT A

<u>UNITS</u>	<u>TYPE</u>	<u>DESCRIPTION</u>	<u>COMMON INT.</u>
1, 5, 6, 7, 8 and 9	AR	Separate two-story wood-frame structures, without basement, containing 3 bedrooms and 2 1/2 baths, covering a net interior living area of 1,700 square feet and a lanai/patio area of 207 square feet and an attached 2 car enclosed garage.	1/24th per unit
2 - 4 10 - 24	A	Separate two-story wood-frame structures, without basement, containing 3 bedrooms and 2 1/2 baths, covering a net interior living area of 1,700 square feet and a lanai/patio area of 207 square feet and an attached 2 car enclosed garage.	1/24th per unit

END OF EXHIBIT A

EXHIBIT B

RIGHTS RESERVED BY DEVELOPER

1. The right to file "as built" plans, thereby amending the Condominium Map.
2. The right to grant an easement over and upon the Condominium as may be reasonably necessary for the completion of improvements to and correction of defects in the Condominium.
3. The non-exclusive right to grant easements within the common elements and limited common elements for public utility purposes.
4. The right to amend the Declaration and other Condominium Documents to comply with the requirements of any law, mortgage lender or government agency.
5. The right to change the use of the common elements upon approval of the owners.
6. The right to enact, amend, and repeal rules and regulations reasonably restricting and regulating the use of the common elements.
7. The right to conduct sales activities in the Condominium until all apartments have been sold and transferred to owners.

END OF EXHIBIT B

EXHIBIT C

SPECIAL USE RESTRICTIONS

1. Subject to the rights reserved to the Developer in other parts of the Declaration or in the By-laws, each of the apartments is intended for and shall be restricted to the following uses, which, together with the restrictions stated in the By-laws and in the Rules and Regulations, are intended and shall be deemed to be cumulative.

a. An apartment shall be occupied and used only for residential purposes and no apartment shall be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. An apartment may be rented but not in any manner by which the occupants of the apartment are provided customary hotel or like services, such as room service for food and beverage, maid service, laundry and linen service, or bellboy service. Every lease or rental agreement with respect to an apartment must be made and shall be subject to the provisions of this Declaration, the By-laws and the Rules and Regulations referred to in the By-laws.

b. Neither the apartments in the project, nor any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership", or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or

arrangement under which the right to use, occupy, own or possess an apartment or apartments in the project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise.

2. Subject to the rights reserved to the Developer in the Declaration or By-laws, each Owner may use the common elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Owners, provided, however, that the Board of Directors of the Association of Apartment Owners shall have the right:

a. To change the use of the common elements upon the approval of 75% of the Owners;

b. On behalf of the Association, to lease or otherwise use for the benefit of the Association those parts of the common elements which are not actually used by any of the Owners for the originally intended special purpose, as determined by the Board, provided that, unless the approval of 75% of the Owners is obtained, any such lease or use agreement shall not have a term exceeding 5 years and shall contain a provision that the lease or use agreement may be terminated by any party thereto on not more than 60 days' written notice; and

c. To lease or otherwise use for the benefit of the Association those parts of the common elements not falling within subparagraph (b) above, upon obtaining the approval of 75% of the Owners, including all directly affected Owners and in the

case of limited common elements, all Owners of the apartments to which such limited common elements are appurtenant, and the approval of all mortgagees of record on apartments with respect to which Owner approval is required, if such lease or use would be in derogation of the interest of such mortgagees.

d. To enact, amend and repeal, rules and regulations reasonably restricting and regulating the use of the common elements, provided that such rules shall be enacted, amended, or repealed in accordance with and shall be regulations consistent with the terms of the Declaration and the By-laws, and shall not be in derogation of the rights reserved to the Developer in the Declaration or in the By-laws.

END OF EXHIBIT C

EXHIBIT D

<u>UNIT</u>	<u>LIMITED COMMON ELEMENTS</u>
1	That certain land area of approximately 6,444 square feet upon which Unit 1 is situated, as delineated with dash lines on the Condominium Map.
2	That certain land area of approximately 5,378 square feet upon which Unit 2 is situated, as delineated with dash lines on the Condominium Map.
3	That certain land area of approximately 5,276 square feet upon which Unit 3 is situated, as delineated with dash lines on the Condominium Map.
4	That certain land area of approximately 6,615 square feet upon which Unit 4 is situated, as delineated with dash lines on the Condominium Map.
5	That certain land area of approximately 5,857 square feet upon which Unit 5 is situated, as delineated with dash lines on the Condominium Map.
6	That certain land area of approximately 5,310 square feet upon which Unit 6 is situated, as delineated with dash lines on the Condominium Map.
7	That certain land area of approximately 7,672 square feet upon which Unit 7 is situated, as delineated with dash lines on the Condominium Map.
8	That certain land area of approximately 6,818 square feet upon which Unit 8 is situated, as delineated with dash lines on the Condominium Map.
9	That certain land area of approximately 6,526 square feet upon which Unit 9 is situated, as delineated with dash lines on the Condominium Map.
10	That certain land area of approximately 7,228 square feet upon which Unit 10 is situated, as delineated with dash lines on the Condominium Map.
11	That certain land area of approximately 6,736 square feet upon which Unit 11 is situated, as delineated with dash lines on the Condominium Map.
12	That certain land area of approximately 7,343 square feet upon which Unit 12 is situated, as delineated with dash lines on the Condominium Map.
13	That certain land area of approximately 5,615 square feet upon which Unit 13 is situated, as

NOTE: Land areas herein described are not legally subdivided lots.

- delineated with dash lines on the Condominium Map.
- 14 That certain land area of approximately 6,265 square feet upon which Unit 14 is situated, as delineated with dash lines on the Condominium Map.
 - 15 That certain land area of approximately 7,889 square feet upon which Unit 15 is situated, as delineated with dash lines on the Condominium Map.
 - 16 That certain land area of approximately 7,031 square feet upon which Unit 16 is situated, as delineated with dash lines on the Condominium Map.
 - 17 That certain land area of approximately 5,758 square feet upon which Unit 17 is situated, as delineated with dash lines on the Condominium Map.
 - 18 That certain land area of approximately 5,349 square feet upon which Unit 18 is situated, as delineated with dash lines on the Condominium Map.
 - 19 That certain land area of approximately 5,741 square feet upon which Unit 19 is situated, as delineated with dash lines on the Condominium Map.
 - 20 That certain land area of approximately 6,665 square feet upon which Unit 20 is situated, as delineated with dash lines on the Condominium Map.
 - 21 That certain land area of approximately 6,630 square feet upon which Unit 21 is situated, as delineated with dash lines on the Condominium Map.
 - 22 That certain land area of approximately 6,171 square feet upon which Unit 22 is situated, as delineated with dash lines on the Condominium Map.
 - 23 That certain land area of approximately 6,032 square feet upon which Unit 23 is situated, as delineated with dash lines on the Condominium Map.
 - 24 That certain land area of approximately 7,153 square feet upon which Unit 24 is situated, as delineated with dash lines on the Condominium Map.

NOTE: Land areas herein described are not legally subdivided lots.

END OF EXHIBIT D

EXHIBIT E

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes as may be due and owing. For further information refer to the Director of Finance, County of Maui.

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

3. Easement "4" (5 feet wide), for sanitary sewer purposes, as shown on the map of File Plan No. 1778.

4. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in the Declaration, dated August 12, 1975, recorded in said Bureau in Liber 10846, Page 127, as amended.

5. The sewer treatment plant and sewer line maintenance fee assessments that shall be imposed and assessed by Frank Munoz, husband of Jessie Rego Munoz, and Donald Hayashi Tokunaga, husband of Alice Yaeko Tokunaga, when the sewer treatment plant and sewer lines are completed and in operation; as set forth in Deed dated July 18, 1983, recorded in said Bureau in Liber 17226, Page 31, and to the covenant contained therein.

6. Terms and conditions contained in that certain Access and Utility Easement dated October 14, 1987, recorded in said Bureau in Liber 21249, Page 1.

7. Mortgage made by and between PUKALANI FAIRWAY ASSOCIATES, a Hawaii registered general partnership, as Mortgagor, PUKALANI FAIRWAY ASSOCIATES, a Hawaii registered general partnership, NSI, Inc., a Hawaii corporation, NSI PUKALANI, INC., a Hawaii corporation, and STANFORD S. CARR DEVELOPMENT CORPORATION, a Hawaii corporation, as Borrower, and PFLUEGER PARTNERS, a Hawaii limited partnership, and MICHAEL HIROSHI NEKOBA, unmarried, as Mortgagee, dated April 16, 1992, recorded in said Bureau as Document No. 92-061547.

8. Financing Statement by and between PUKALANI FAIRWAY ASSOCIATES, a Hawaii general partnership, as Debtor, and PFLUEGER PARTNERS, a Hawaii limited partnership, and Nekoba, MICHAEL HIROSHI NEKOBA, as Secured Party, dated April 21, 1992, recorded in said Bureau as Document No. 92-061548.

9. Security Assignment of Promissory Note and Security Instruments by and between PFLUEGER PARTNERS, a Hawaii limited partnership, and Michael Hiroshi Nekoba, unmarried, as Assignor, JAMES H. PFLUEGER, as Guarantor, and FIRST HAWAIIAN CREDITCORP. INC., a Hawaii corporation, as Assignee, dated April 16, 1992, recorded in said Bureau as Document No. 92-061551.

10. Easement made in favor of MAUI ELECTRIC COMPANY, LIMITED, a Hawaii corporation, and GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED, a Hawaii corporation granting a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines, etc., for transmission of electricity, together with the right to trim and keep trimmed any trees over, across, through and under the property upon which the Project is to be constructed.

11. Drainage Easement made in favor of the Developer by SPORTS SHINKO (PUKALANI) CO. LTD., a Hawaii corporation, permitting the drainage of surface and runoff water from the property upon which the Project is to be constructed, over adjacent property.

12. Agreement Regarding Easement made by the Developer and said SPORTS SHINKO (PUKALANI) CO. LTD. ("SSP") in which the Developer guarantees that its construction in the drainage easement area described in Paragraph 11 above, will not damage the property of SSP, and agrees that it will repair any damage. Upon completion of construction in the easement area and approval by SSP of the construction, and that there has been no damage, SSP agrees to release this Agreement, and Developer anticipates that it will be released prior to any deeds of apartment units in the Project.

END OF EXHIBIT E

EXHIBIT F

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>
1	125.00 x 12 = 1,500.00
2	125.00 x 12 = 1,500.00
3	125.00 x 12 = 1,500.00
4	125.00 x 12 = 1,500.00
5	125.00 x 12 = 1,500.00
6	125.00 x 12 = 1,500.00
7	125.00 x 12 = 1,500.00
8	125.00 x 12 = 1,500.00
9	125.00 x 12 = 1,500.00
10	125.00 x 12 = 1,500.00
11	125.00 x 12 = 1,500.00
12	125.00 x 12 = 1,500.00
13	125.00 x 12 = 1,500.00
14	125.00 x 12 = 1,500.00
15	125.00 x 12 = 1,500.00
16	125.00 x 12 = 1,500.00
17	125.00 x 12 = 1,500.00
18	125.00 x 12 = 1,500.00
19	125.00 x 12 = 1,500.00
20	125.00 x 12 = 1,500.00
21	125.00 x 12 = 1,500.00
22	125.00 x 12 = 1,500.00
23	125.00 x 12 = 1,500.00
24	125.00 x 12 = 1,500.00

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 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

common elements only

250.00 x 12 = 3,000.00

common elements
and apartments

Gas

Refuse Collection

500.00 x 12 = 6,000.00

Telephone

Water and Sewer

350.00 x 12 = 4,200.00

Maintenance, Repairs and Supplies

Building

100.00 x 12 = 1,200.00

Grounds

500.00 x 12 = 6,000.00

Supplies and Equipment

50.00 x 12 = 600.00

Management

Management Fee

400.00 x 12 = 4,800.00

Payroll and Payroll Taxes

Office Expenses

35.00 x 12 = 420.00

Association Meeting Expenses

25.00 x 12 = 300.00

Insurance

Liability and Casualty

175.00 x 12 = 2,100.00

Reserves

Taxes and Government Assessments

Audit Fees/Tax Filing

50.00 x 12 = 600.00

Other

Professional Services

50.00 x 12 = 600.00

Transfer to Reserves

515.00 x 12 = 6,180.00

TOTAL

3,000.00 x 12 = 36,000.00

We, PUKALANI FAIRWAY ASSOCIATES, as
Developers 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.

PUKALANI FAIRWAY ASSOCIATES

By NSI PUKALANI INC., a Hawaii
corporation
Its General Partner

By STANFORD S. CARR DEVELOPMENT
CORPORATION, a Hawaii corporation
Its General Partner

By [Signature]
Its

By [Signature] 3/20/92
Its

EXHIBIT G

SUMMARY OF PROVISIONS OF
RESERVATION AGREEMENT
SALES CONTRACT AND RECEIPT

1. The Reservation Agreement provides that the Buyer is to make two deposits, one with execution of the Agreement, and the second within 90 days of issuance of the Final Public Report. Buyers will receive interest on their deposits if they close on time, at the same rate earned by Seller on such deposits.

2. If Buyer requires a loan, Buyer must apply for that loan within 5 days of executing the Reservation Agreement, and must provide Seller with evidence that they are qualified for the loan within 30 days. If Buyer is a prospective owner-occupant, and cannot obtain financing within 55 days of issuance of the Preliminary Public Report, then Buyer can cancel the Reservation Agreement and obtain a refund of their deposit.

3. If Buyer does not make deposits on time, or does not apply for a loan on time, obtains a loan commitment but fails to do something required to keep the commitment in existence or does not close on time, then Seller is entitled to retain Buyer's deposit(s) as liquidated damages.

4. The Reservation Agreement will not become a binding sales contract until issuance of a Final Public Report by the Real Estate Commission. Seller will send Buyer a copy of the Final Public Report when it is issued, and Buyer will have 30 days in which to decide whether to accept the Final Public Report or cancel the Reservation Agreement. Buyer has the right to cancel the Reservation Agreement, and get his or her deposits returned, minus Escrow's, the Seller's and his or her Lender's cancellation fees, but if Buyer does not return the receipt for the Final Public Report (which will include a right to cancel) within 30 days of receipt, Buyer will be deemed to have accepted it, and the Reservation Agreement will automatically become a binding sales contract.

END OF EXHIBIT G

EXHIBIT H

SUMMARY OF PROVISIONS OF ESCROW AGREEMENT
AND LETTER TO THE REAL ESTATE COMMISSION

1. The Escrow Agreement dated May 13, 1992, identified Island Title Corporation as the escrow agent.

2. All payments and deposits made under the Escrow Agreement are to be made to, and held by the escrow agent.

3. No disbursements made by a Purchaser are to be made by the escrow agent unless the Real Estate Commission of the State of Hawaii has issued a Final Public Report for the Project, a copy of the Final Public Report has been provided to the Purchaser, and the Purchaser has given Seller a receipt therefor, two full working days have passed since Escrow's notification by Seller of such receipt, Seller notifies Escrow in writing of compliance with all relevant sections of Hawaii Revised Statutes Sections 514A-39 and 514A-63 and Escrow has been notified by Seller in writing that the Sales Contract has become a binding contract and the rights of cancellation have lapsed or become void.

4. Purchasers shall be entitled to a refund of their deposits in escrow if the Purchaser so requests in writing, and if

a. The Developer has requested the escrow agent to return the deposit, or

b. Developer has exercised a right to cancel in the sales contract; or

c. With respect to a purchaser whose funds were obtained prior to the issuance of the Final Public Report, the purchaser has exercised his right to cancel the contract pursuant to §514A-62, Hawaii Revised Statutes, as amended; or

d. A purchaser has exercised his right to rescind the contract pursuant to §514A-63, Hawaii Revised Statutes, as amended; or

e. If

(i) no sales contract is offered to a purchaser who was placed on the Developer's reservation list of owner-occupant applicants; or,

(ii) the purchaser has been unable to obtain adequate financing, or a commitment for adequate financing, for his unit within thirty (30) calendar days following the end of the ten (10) calendar-day period during which the Developer is limited to selling to owner-occupants; or,

(iii) the purchaser desires to cancel the contract

on account of hardship circumstances such as those set forth in §514A-104(1), Hawaii Revised Statutes; or,

(iv) the purchaser indicates an intent not to become an owner-occupant of such unit.

Except for cancellation under subparagraph (e)(i) above, the escrow agent may deduct from any refund made to a Purchaser a cancellation fee of not less than \$26.00 and not more than the escrow fee set forth in the Escrow Agreement, together with the cost of any credit reports, long-distance phone charges and other similar incidental expenses reasonably incurred on behalf of purchaser, the exact amount to be commensurate with the amount of work completed at the time of cancellation. Except for the cancellation fee, the amount of any such charges to be so deducted shall be given to Escrow by Seller in writing within a reasonable time after the same have been incurred.

Notwithstanding any provisions of the Escrow Agreement to the contrary, Island Title has agreed in its letter dated July 28, 1992, to the Real Estate Commission that:

Purchasers' funds deposited pursuant to the Escrow Agreement will not be released until the forty-five (45) day period following publication of the Notice of Completion by Pukalani Fairway Associates has expired, unless the Developer

a. provides the purchaser with an owners' title insurance policy with a mechanics' lien endorsement, protecting the purchaser against all future mechanics' and materialmen's liens, and

b. provides the Real Estate Commission with a release by the general contractor of the contractors' lien rights.

END OF EXHIBIT H

EXHIBIT I

Summary of Declaration of Restrictive Covenants

The property upon which the Project is to be constructed is a portion of a larger subdivision called "Pukalani Terrace and Country Club Subdivision". All lots in the subdivision are subject to restrictive covenants. The Project is and will be in compliance with all requirements of the Declaration of Restrictive Covenants which apply to the property. This is a summary of relevant provisions of the Declaration of Restrictive Covenants:

1. The property can be used only for private residences, and no other structures or uses are permitted, nor may any vehicle or other structure of a temporary nature be used as a residence whether temporarily or permanently.

2. All structures must be set back 15 feet from the front lot line and 6 feet from the rear and side lot lines. (This restriction does not apply to the limited common element land areas within the project as they do not constitute subdivided lots. The restriction imposes set-backs as to the lot lines of the entire lot upon which the Project is to be constructed).

3. All dwellings must contain at least 1,250 square feet and have a two-car garage, and must be constructed of new materials.

4. By accepting a Deed of a Unit in the Project, purchasers are accepting the requirements of the Declaration of Restrictive Covenants.

END OF EXHIBIT I