

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer 17th FAIRWAY VILLAS AT WAIKOLOA LLC
Address 220 S. King Street, Suite 2170, Honolulu, Hawaii 96813
Project Name(*): 17th FAIRWAY VILLAS AT WAIKOLOA
Address: 68-3888 Lua Kula Street, Waikoloa, Hawaii 96738

Registration No. 5244

Effective date: April 19, 2004
Expiration date: October 13, 2004

Preparation of this Report:

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

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

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

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

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

Type of Report:

- PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report.
CONTINGENT FINAL: (green) The developer has legally created a condominium and has filed information with the Commission for this report which EXPIRES NINE (9) MONTHS after the above effective date.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
SECOND SUPPLEMENTARY: (pink) This report updates information contained in the:
[X] Preliminary Public Report dated:
[X] Contingent Final Public Report dated: January 13, 2004
[X] Supplementary Public Report dated: February 25, 2004
And [X] Supersedes Supplementary Public Report dated February 25, 2004.
[X] Must be read together with Contingent Final Public Report dated January 13, 2004
[] This report reactivates the public report(s) which expired on

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report 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 developer.

Changes made are as follows:

1. The developer has selected a managing agent, Triad Management, Inc., and has revised the estimate of initial maintenance fees and estimate of maintenance fee disbursements. See the Disclosure Abstract attached to this Supplementary Condominium Public Report. The estimate of initial maintenance fees and estimate of maintenance fee disbursements set forth in the Disclosure Abstract supersedes the information in Exhibit "I" to the Contingent Final Condominium Public Report.

2. This Supplementary Condominium Public Report supersedes the Supplementary Condominium Public Report dated February 25, 2004.

3. Addition of a Disclosure Abstract disclosing the following:

- (1) A decrease in the initial maintenance fees.
- (2) A decrease in the cost of building insurance.
- (3) A decrease in the total estimate of maintenance fee disbursements.
- (4) That the Declaration of Condominium Property Regime provides that the Apartments shall not

be rented for transient or hotel purposes, that no Apartment Owner may rent or lease less than the entire Apartment, and that any lease or rental agreement shall be in writing.

The initial maintenance fees and estimate of maintenance fee disbursements have been decreased because the cost of building insurance has been decreased. The cost of building insurance disclosed in the Supplementary Condominium Public Report dated February 25, 2004 was erroneous because the cost was miscalculated.

SPECIAL ATTENTION

This Contingent Final Public Report has been prepared by the Developer pursuant to §514A-39.5, HRS. The Real Estate Commission issued this report before the developer submitted certain documents and information as more fully set forth in the statutory notice below. Sales contract executed pursuant to this report **are binding on the buyer under those conditions specified immediately below** and in Part V. B. of this report found on pages 18 & 19 of this report. This report expires nine (9) months after the effective date of the report and may not be extended or renewed.

STATUTORY NOTICE

"The effective date for the Developer's Contingent Final Public Report was issued before the Developer submitted to the Real Estate Commission: the executed and recorded deed or master lease for the project site; the executed construction contract for the project; the building permit; satisfactory evidence of sufficient funds to cover the total project cost; or satisfactory evidence of a performance bond issued by a surety licensed in the State of not less than one hundred per cent of the cost of construction, or such other substantially equivalent or similar instrument or security approved by the Commission. Until the Developer submits each of the foregoing items to the Commission, all Purchaser deposits will be held by the escrow agent in a federally-insured, interest-bearing account at a bank, savings and loan association, or trust company authorized to do business in the State. If the Developer does not submit each of the foregoing items to the Commission and the Commission does not issue an effective date for the Final Public Report before the expiration of the Contingent Final Public Report, then:

- (1) The Developer will notify the Purchaser thereof by certified mail; and
- (2) Either the Developer or the Purchaser shall thereafter have the right under Hawaii law to rescind the Purchaser's sales contract. In the event of a rescission, the Developer shall return all of the Purchaser's deposits together with all interest earned thereon, reimbursement of any required escrow fees, and, if the Developer required the Purchaser to secure a financing commitment, reimburse any fees the Purchaser incurred to secure that financing commitment." (§514A-64.5, HRS)

The developer is not required to submit but has for this registration submitted the following documents and information:

I. PERSONS CONNECTED WITH THE PROJECT

Developer: 17th Fairway Villas at Waikoloa LLC Phone: (808) 537-5976
Name* (Business)
220 S. King Street, Suite 2170
Business Address
Honolulu, Hawaii 96813

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

Towne Development of Hawaii, Inc. - see attached page 5A for names of officers and
directors

Real Estate Broker*: Golden Triangle Real Estate Phone: (808) 329-1667
Name (Business)
75-5865 Waiolu Road #F-1
Business Address
Kailua-Kona, Hawaii 96740

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 521-0211
Name (Business)
235 Queen Street
Business Address
Honolulu, Hawaii 96813

General Contractor*: Larry R. Smith Construction, Inc. Phone: (808) 322-8820
Name (Business)
77-6500 Akai Street
Business Address
Kailua-Kona, Hawaii 96740

Condominium Managing Agent*: Triad Management Inc. Phone: (808) 329-6402
Name (Business)
P. O. Box 4466
Business Address
Kailua-Kona, Hawaii 96740

Attorney for Developer: Rush Moore Craven Sutton Morry & Beh Phone: (808) 521-0400
A Limited Liability Law Partnership, LLP (Business)
Name
737 Bishop Street, Suite 2400
Business Address
Honolulu, Hawaii 96813

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

Towne Development of Hawaii, Inc. (Member) - Officers and Directors

<u>Name</u>	<u>Title</u>
John K. Tsui	Chairman
Christopher L. Lau	President
Gerald Stein	Executive Vice President
Arthur W. Wigchers, Jr.	Executive Vice President
James F. Janz	Senior Vice President
Richard H. Lachmann	Senior Vice President
Alison Vasconcellos	Senior Vice President
James B. Young	Vice President and Secretary
Stephan J. Chevalier	Vice President and Treasurer
Robert Danley	Vice President and Director
Robert E. Braun	Vice President
Takeshi Matsukata	Vice President
Douglas M. Tonokawa	Vice President
Mark S. Madigan	Assistant Secretary
Sandra J. Delisle	Assistant Secretary
Joseph J. Zilber	Director

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

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

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

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

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

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs

Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 5244 filed with the Real Estate Commission on December 2, 2003.

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

YELLOW paper stock WHITE paper stock PINK paper stock GREEN paper stock

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

17th Fairway Villas at Waikoloa LLC
Printed Name of Developer

By:  3/15/04
Duly Authorized Signatory* Date

Douglas M. Tonokawa, Vice President of Towne Development of Hawaii, Inc.
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Hawaii

Planning Department, County of Hawaii

****Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner; Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.***

17th FAIRWAY VILLAS AT WAIKOLOA CONDOMINIUM PROJECT
REGISTRATION NO. 5244
DISCLOSURE ABSTRACT AS OF MARCH 15, 2004

1. Name and Address of Project:

17th Fairway Villas at Waikoloa
68-3888 Lua Kula Street,
Waikoloa, Hawaii 96738

2. Name, Address and Telephone Number of Developer (or Developer's Agent):

17th Fairway Villas at Waikoloa LLC
220 S. King Street, Suite 2170
Honolulu, Hawaii 96813
(808) 537-5976

3. Name, Address and Telephone Number of Managing Agent:

Triad Management Inc.
P.O. Box 4466
Kailua-Kona, Hawaii 96740
(808) 329-6402

4. Maintenance Fees:

Attached hereto as Exhibit "A" is a breakdown of the estimated annual maintenance fees and the estimated annual costs for the Project, which is hereby certified to be based on generally accepted accounting principles. The Developer advises that the maintenance fees of a condominium project are difficult to estimate prior to actual operation of the Project and even if the maintenance fees have been accurately estimated, the maintenance fees will tend to increase over time because of price increases and aging of the Project. The estimated maintenance fees and estimated costs are based on the latest information available to the Developer and the Managing Agent and are subject to revision based on actual costs and new information that may become available. Maintenance fees can vary depending upon the services desired by the apartment owners. Each buyer should review the attached Exhibit "A" to see what services are included.

5. Warranties:

The Developer will convey each apartment by an Apartment Deed with a warranty of title. The Developer will provide each buyer with a ten year Home Builder's Limited Warranty, PWC FORM NO. 117 Rev. 05/02, a copy of which will be provided to each buyer upon the execution of a sales contract for an apartment in the condominium project. Other than the foregoing, the Developer will make no other warranties, express or implied, about any apartment, the condominium project or anything installed or contained in them. This includes, but is not limited to, warranties of merchantability, habitability, workmanlike construction, fitness for a particular use or purpose or for sufficiency of design.

6. Number of Residential Apartments:

There are 27 residential apartments in the Project. The Declaration of Condominium Property Regime provides:

Except when an institutional holder of a mortgage on an Apartment has entered into possession of an Apartment following (i) a default under its mortgage, (ii) a foreclosure proceeding, or (iii) a conveyance in lieu of foreclosure, the Apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose. The Apartments shall not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than thirty (30) days, or (b) any rental in which the occupants of the Apartments are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen service, or bellboy service. Except for such transient or hotel purposes, the owners of the respective Apartments shall have the absolute right to rent or lease such Apartments subject to all provisions of this Declaration and the By-Laws; provided, however, that (i) no Apartment Owner may rent or lease less than the entire Apartment, and (ii) any lease or rental agreement shall be in writing.

7. Commercial or Non-Residential Development:

There are no commercial or commercial or non-residential apartments in the Project.

Dated: Honolulu, Hawaii, March 15, 2004.

17th FAIRWAY VILLAS AT WAIKOLOA LLC

By TOWNE DEVELOPMENT OF HAWAII, INC., a
Hawaii corporation
Its Member

By 
Douglas M. Tonokawa
Its Vice President

EXHIBIT "A"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment

Monthly Fee x 12 months = Yearly Total

1, 2, 3, 4, 5, 6, 7,
8, 9, 10, 11, 12, 13, 14,
15, 16, 17, 18, 19, 20, 21,
22, 23, 24, 25, 26 and 27

\$273.15 x 12 months = \$3,277.78

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 Fee x 12 months = Yearly Total

Utilities and Services

Electricity	
<input checked="" type="checkbox"/> common elements only	\$ 800.00 x 12 months = \$ 9,600.00
<input type="checkbox"/> common elements and apartments	
Refuse Collection	\$ 300.00 x 12 months = \$ 3,600.00
Water and Sewer	\$2,500.00 x 12 months = \$30,000.00
Telephone	\$ 40.00 x 12 months = \$ 480.00

Maintenance, Repairs and Supplies

Personnel	\$1,800.00 x 12 months = \$21,600.00
Building Maintenance and Repair	\$ 50.00 x 12 months = \$ 600.00
Grounds	\$ 50.00 x 12 months = \$ 600.00
Pest Control	\$ 200.00 x 12 months = \$ 2,400.00
Fire Equipment	\$ 10.00 x 12 months = \$ 120.00

Management

Management Fee	\$ 520.00 x 12 months = \$ 6,240.00
Office Expenses	\$ 10.00 x 12 months = \$ 120.00
Building Insurance	\$ 250.00 x 12 months = \$ 3,000.00
Officers Liability Insurance	\$ 100.00 x 12 months = \$ 1,200.00
Fidelity Bond	\$ 25.00 x 12 months = \$ 300.00
Reserves	\$ 585.00 x 12 months = \$ 7,020.00
Legal Fees	\$ 25.00 x 12 months = \$ 300.00
Accounting Fees	\$ 100.00 x 12 months = \$ 1,200.00
Bank Charges	\$ 10.00 x 12 months = \$ 120.00
TOTAL	\$7,375.00 x 12 months = \$88,500.00

The Developer has not conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.