



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

THE MASTERS AT KAAPALI HILLSIDE, PHASE F

50 Puu Anoano Street, Kaanapali Hillside
 Kaanapali, Maui, Hawaii

Registration No. 2507

Issued: October 2, 1991
 Expires: November 2, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of OCTOBER 1, 1991, 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: 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.
 (*yellow*)

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

No prior reports have been issued
 Supersedes all prior public reports
 Must be read together with _____

 SUPPLEMENTARY: Updates information contained in the
 (*pink*)

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.

No prior reports have been issued by the Commission.

Changes made are as follows:

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*****
*
*                SPECIAL ATTENTION:
*
* Merger. This is the sixth and last phase of the condominium project. Four
* prior phases have been merged to date. The Developer intends to merge all
* six phases whenever possible. The prospective purchaser is cautioned to
* carefully review the documents for information concerning the Developer's
* right to merge this phase into the prior phases. (See Exhibit H)
*
* Warranties. The Developer makes no warranties, expressed or implied, with
* respect to the apartment, the Property or consumer products or other things
* installed or contained in the apartment, the Property or the project including,
* but not limited to, warranties of merchantability, habitability, workmanlike
* construction or fitness for a particular use. (See Exhibit G)
*
* The prospective purchaser is cautioned to carefully review the documents with
* regard to the information on 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 ATTACHED EXHIBIT A.

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Apartments:	35			

**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)	40
Guest Stalls	20
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	60

7. Recreational amenities: If Phase F is merged with the prior Phases, then the recreation building and facilities in Phases A and/or D will be available for use by owners of Phase F and the owners of merged Phases. The recreation building will also be available for use as a sales office or for sales purposes by Developer.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Obayashi Hawaii Corporation Phone: 524-5163
Name (Business)
Pacific Tower, 1001 Bishop St., Suite 2680
Business Address
Honolulu, Hawaii 96813

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

Toshiharu Hino, President Eiji Tani, Vice President/Development
Al Itamoto, Vice President/Secretary Takashi Kauchi, Vice President/Construction
Mitsuru Kawasaki, Treasurer

Real Estate Broker: ERA Chaney Brooks, Inc., Realtors Phone: 544-1680
dba ERA Chaney Brooks, Realtors (Business)
Name P. O. Box 212, Honolulu, HI 96810
606 Coral Street, First Floor
Business Address
Honolulu, Hawaii 96810

Escrow: Bank of Hawaii Phone: 537-8111
Name (Business)
Financial Plaza of the Pacific
Business Address
Honolulu, Hawaii 96813

General Contractor: JDH Construction Ltd. Phone: 871-7333
Name (Business)
360 Hoozana Street, Suite 200
Business Address
Kahului, Hawaii 96732

Condominium Managing Agent: Chaney, Brooks & Company Phone: 544-1600
Name (Business)
P. O. Box 212, Honolulu, HI 96810
606 Coral Street
Business Address
Honolulu, Hawaii 96810

Attorney for Developer: Tanaka & Kawata, Attorneys At Law Phone: 523-7581
A Law Corporation (Business)
Name
Suite 1100, Pacific Tower, 1001 Bishop Street
Business Address
Honolulu, Hawaii 96813

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of 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. 91-118127
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. 1548
 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. 91-118128
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 vote of 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

Developer reserves the right to amend the Declaration (including any Exhibits attached to the Declaration), the By-Laws and Condominium Map in any manner for any apartment which has not yet been conveyed. Developer also reserves the right to file the "as-built" certificate required by Section 514A-12, Hawaii Revised Statutes, including a verified statement of a registered architect or professional engineer and also to make any changes to the documents necessary in connection with the merger of this project as set forth in Exhibit H.

See also Exhibit I for other Developer's easements and reservations.

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: 50 Puu Anoano Street Tax Map Key: (2) 4-4-06-34 (portion)
Kaanapali, Maui, Hawaii (TMK)

Address TMK is expected to change because property is being subdivided

Land Area: 5.479 square feet acre(s) Zoning: Residential (Planned Development)

Fee Owner: Obayashi Hawaii Corporation
Name
Pacific Tower, Suite 2680, 1001 Bishop St.
Address
Honolulu, Hawaii 96813

Sublessor: _____
Name

Address

C Buildings and Other Improvements:

- New Building(s) Conversion of Existing Building(s)
 Both New Building(s) and Conversion
- Buildings: 6 Floors Per Building 2
 Exhibit B contains further explanations.
- Principal Construction Material:
 Concrete Hollow Tile Wood
 Other ceramic tile, glass, concrete, wood, aluminum and gypsum board.

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>
<input type="checkbox"/> Commercial	_____	_____	<input type="checkbox"/> Industrial	_____	_____
<input checked="" type="checkbox"/> Residential	<u>35</u>	<u>yes</u>	<input type="checkbox"/> Agricultural	_____	_____
<input type="checkbox"/> Timeshare/Hotel	_____	_____	<input type="checkbox"/> Recreational	_____	_____
Developer reserves the right to conduct extensive sales activities on the project, and has other special rights. See Exhibit I.					
<input checked="" type="checkbox"/> Other:	<u>_____</u>			_____	_____

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

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:

One dog (not to exceed 25 lbs. in weight), or one cat or one other household pet as

Pets: allowed by the Board

Number of Occupants: Not more than two persons per bedroom contained in each apartment, excluding children under age 5, except that in no event shall the number of

Other: occupants per bedroom contained in each apartment exceed three per bedroom, inclusive of children under age 5. For purposes of this paragraph, "bedrooms" includes rooms/spaces designated as "loft" or "family room" in

There are no special use restrictions. Exhibit C to the Declaration or in the Condominium Map.

6. Interior (fill in appropriate numbers):

Elevators _____ Stairways _____ Trash Chutes _____

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

Total Apartments: 35

**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 perimeter or party walls or the inside undecorated or unfinished surfaces thereof; or the exterior decorated or finished surfaces of all doors, door frames, windows and window frames; or the undecorated or unfinished surfaces of any interior load-bearing walls; or the floor and ceiling surrounding each apartment; or any pipes, wires, conduits or other utility or service lines which are utilized for or serve more than one apartment; all of the foregoing being common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls; the inner decorated or finished surfaces of all walls, floors and ceilings; all doors, door frames, windows and window frames, except the exterior decorated or finished surface thereof; the lanai air space; and all fixtures originally installed in the apartment.

Permitted Alterations to Apartments: Additions, alterations, repairs or improvements solely within an apartment or within a limited common element appurtenant to and for the exclusive use of the apartment may be made by the apartment owner with only the approval of the Board of Directors and the agencies or departments of the County of Maui and by the holders of liens affecting the apartment (if the lien holders require such approval), and any other apartment owner directly affected.

7. Parking Stalls:

Total Parking Stalls: 60

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)		20*					40
Guest Unassigned		20					20
Extra Available for Purchase							
Other:							
Total Covered & Open		60					

*with trellis

Each apartment will have the exclusive use of at least one (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.

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: trash enclosure areas

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 C 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.

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

described in Exhibit

as follows:

Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows: Each apartment shall have for its exclusive use (a) the parking stall or stalls designated on the Condominium Map as appurtenant to such apartment; (b) the mailbox bearing the same number as such apartment, subject to the right of Developer in its discretion and at its expense, to relocate all mailboxes to another location (there are no parcel-sized mailboxes); (c) ground floor apartments only shall the exclusive use of and maintenance responsibility for the unpaved space between the concrete slab lanai area and the rock wall that will be built on two sides of the lanai.

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 D describes the common interests for each apartment.

As follows:

Upon merger of this project with The Masters At Kaanapali Hillside Phases A, B, C, D and E, or any one of them, as more fully set forth in Exhibit H, the effective percentage common interest of all apartment owners shall be calculated and determined according to the ratio of each apartment's net living area, including lanai, compared to the total net living area of all apartments in the project, as merged. However, the legal percentage common interest may remain the same or be revised depending on the type of merger procedure that is used.

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 July 9, 1991 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.

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.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
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F. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

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

The initial managing agent for this condominium is:

not affiliated with the Developer.

the Developer or the Developer's affiliate.

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 area only) Television Cable**

Gas

Water & Sewer

Other trash removal

**for basic services, excluding specialty channels such as HBO, Disney Channel, or Playboy, which are billed separately.

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 G.

2. Appliances:

See Exhibit G.

J. Status of Construction and Estimated Completion Date:

Construction of the residential apartment buildings commenced on September 18, 1990, and the estimated completion date is November 30, 1991.

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:

See Exhibit H.

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 I contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated July 30, 1990

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

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

GOLF HAZARD AREA

The condominium map shows a golf hazard area along a portion of the project along the adjoining golf course. No person except maintenance personnel shall sit, stand, picnic, sunbathe, lie or remain in any golf hazard area for more than five minutes nor shall any person place any furniture, appliance or similar item in the golf hazard area.

Purchasers and prospective purchasers of units in the project should be made cognizant of the existence of such golf hazard potential in the project, and future owners of units in the project should apprise their respective lessees, tenants, invitees and/or other persons entering into the project the existence of such hazard in the project.

PENDING LITIGATION

1. Joseph, et al. v. Obayashi, et al., Civil No. 90-0318(1), is a lawsuit filed in the Circuit Court of the Second Circuit, State of Hawaii, on July 5, 1990. The Complaint was filed on behalf of 13 homeowners of properties in the Kaanapali Hillside Subdivision located on the opposite side of Puu Anoano Road from the project. The Plaintiffs allege their views have been or will be blocked by the development of The Masters at Kaanapali Hillside Condominium. The Plaintiffs have asserted claims against the developer and its sales agent for the Kaanapali Hillside Subdivision for fraud and misrepresentation based on alleged representations to the Plaintiffs by the developer and/or its sales agents, namely, that Plaintiffs' view would be unrestricted and unobstructed and the Masters Project would be constructed at existing grade. Plaintiffs seek injunctive relief or, in the alternative, an unspecified amount of damages.

The court, after hearing extensive evidence, denied Plaintiffs' motion for preliminary injunction to stop construction of three buildings (Buildings 32, 33 and 34 in Phase F of the Masters Project). The court's denial of the motion for preliminary injunction means that the litigation will in all likelihood be limited to damages. The developer will pay any and all damages for which it is if found to be responsible.

2. The Association of Apartment Owners of The Masters at Kaanapali Hillside v. Obayashi Hawaii Corporation, et al., Civil No. 91-0124(3), was filed in the Second Circuit, State of Hawaii, on March 7, 1991. The Complaint by the Association of Apartment Owners of The Masters at Kaanapali Hillside (Phases A to D, respectively) alleges various construction defects and deficiencies relating to the development, planning, design and construction of The Masters at Kaanapali Hillside Condominium. At this point, the lawsuit involves only the completed phases which were merged together - Phases A to D - in particular Phase A. The Complaint prays for repair of the defects and deficiencies and/or an unspecified amount of damages.

The developer has reviewed the alleged defects and deficiencies with its consultants and general contractor. To the extent steps can be taken without prejudicing or damaging its defense of the lawsuit, developer has taken steps to avoid the occurrence of similar complaints in subsequent phases. The lawsuit may affect Phases E and F if, and only if, (1) Phases E and F are merged into Phases A to D, and (2) there are construction defects or deficiencies in Phases E and F.

Prospective purchasers are advised to seek legal assistance and advice regarding the possible impact that either lawsuit may have on the purchaser of an apartment in Phase F of The Masters at Kaanapali Hillside condominium project.

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 Apartment Deed

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 a part of Registration No. 2507 filed with the Real Estate Commr
AUGUST 29, 1991.

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

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



PETER YANAGAWA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances

Department of Finance, COUNTY OF MAUI

Planning Department, COUNTY OF MAUI

Federal Housing Administration

EXHIBIT A

Apartment Description

There shall be 17 types of apartments in this Phase F, designated as Types "A8", "A9", "A12", "A16", "B", "B1", "C", "CR-H", "C1", "C2", "C2-H", "C3", "D", "D1", "E", "F" and "F1". An "R" in the designation indicates the reverse of the apartment type designated by the letter preceding the "R".

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Family Room/Loft</u>	<u>Net Living Area** (Sq. ft.)</u>	<u>Lanai Area** (Sq. ft.)</u>
A8	2	1/1.5	0/1	1,087	195
A9	4	1/1	0/0	901	195
A12	1	1/1	0/0	943	195
A16	1	1/1	0/0	923	195
B	3	2/2	0/0	1,269	182
B1	3	2/2	0/0	1,269	168
C	3	2/2	0/0	1,512	221
CR-H	1	2/2	0/0	1,512	221
C1	4	2/2	0/0	1,512	206
C2	1	1/2	1/0	1,544	221
C2-H	1	1/2	1/0	1,544	221
C3	2	1/2	1/0	1,544	206
D	2	2/2	0/0	1,516	201
D1	2	2/2	0/0	1,728	187
E	2	2/3	1/1	2,156	260
F	2	2/2.5	0/0	1,850	376
F1	<u>1</u>	2/2.5	0/0	1,917	376

Total Apartments: 35

** In accordance with local architectural practice, the net living area of each apartment as set forth above includes all of the inner decorated or finished surfaces of all perimeter walls, including any party walls; floors and ceilings; all doors, door frames, windows and window frames, except the exterior decorated or finished surface thereof; and the lanai air space. THE AREAS SHOWN ABOVE ARE APPROXIMATE ONLY, AND THE DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE AREAS OF ANY PARTICULAR APARTMENT.

DESCRIPTION OF APARTMENT TYPES:

Type "A8". One bedroom, one and one-half bath apartment located on the ground floor of a two-story building and consisting of a living/dining room, a loft, a kitchen, utility room, one bedroom, and one and one-half bathrooms. All Type "A8" apartments contain 1,087 square feet of NET LIVING AREA and a lanai area of 195 square feet, and additionally, a limited common element of approximately 39.0 square feet adjacent to the lanai.

Type "A9". One bedroom, one bath apartment located on the ground floor of a two-story building and consisting of a living/dining room, a kitchen, utility room, one bedroom, and one bathroom. All

Type "A9" apartments contain 901 square feet of NET LIVING AREA and a lanai area of 195 square feet, and additionally, a limited common element of approximately 17.0 square feet adjacent to the lanai.

Type "A12". One bedroom, one bath apartment located on the ground floor of a two-story building and consisting of a living/dining room, a kitchen, utility room, one bedroom, and one bathroom. All Type "A12" apartments contain 943 square feet of NET LIVING AREA and a lanai area of 195 square feet, and additionally, a limited common element of approximately 24.0 square feet adjacent to the lanai.

Type "A16". One bedroom, one bath apartment located on the ground floor of a two-story building and consisting of a living/dining room, a kitchen, utility room, one bedroom, and one bathroom. All Type "A16" apartments contain 923 square feet of NET LIVING AREA and a lanai area of 195 square feet, and additionally, a limited common element of approximately 24.0 square feet adjacent to the lanai.

Type "B". Two bedroom, two bath apartment located on the ground floor of a two-story building and consisting of a living/dining room, a kitchen, two bedrooms, and two bathrooms. All Type "B" apartments contain 1,269 square feet of NET LIVING AREA and a lanai area of 182 square feet, and additionally, a limited common element of approximately 25.0 square feet adjacent to the lanai.

Type "B1". Two bedroom, two bath apartment located on the second floor of a two-story building and consisting of a living/dining room, a kitchen, two bedrooms, and two bathrooms. All Type "B1" apartments contain 1,269 square feet of NET LIVING AREA and a lanai of 168 square feet.

Type "C". Two bedroom, two bath apartment located on the ground floor of a two-story building and consisting of a living/dining room, a kitchen, two bedrooms, and two bathrooms. All Type "C" apartments contain 1,512 square feet of NET LIVING AREA and a lanai area of 221 square feet, and additionally, a limited common element of approximately 19.0 square feet adjacent to the lanai.

Type "CR-H". Two bedroom, two bath apartment located on the ground floor of a two-story building and consisting of a living/dining room, a kitchen, two bedrooms, and two bathrooms. All Type "CR-H" apartments contain 1,512 square feet of NET LIVING AREA and a lanai area of 221 square feet, and additionally, a limited common element of approximately 19.0 square feet adjacent to the lanai.

Type "C1". Two bedroom, two bath apartment located on the second floor of a two-story building and consisting of a living/dining room, a kitchen, two bedrooms, and two bathrooms. All Type "C1" apartments contain 1,512 square feet of NET LIVING AREA and a lanai of 206 square feet.

Type "C2". One bedroom, two bath apartment located on the ground floor of a two-story building and consisting of a living/dining room, a kitchen, one bedroom, family room, and two bathrooms. All Type "C2" apartments contain 1,544 square feet of NET LIVING AREA and a lanai area of 221 square feet, and additionally, a limited common element of approximately 27.0 square feet adjacent to the lanai.

Type "C2-H". One bedroom, two bath apartment located on the ground floor of a two-story building and consisting of a living/dining room, a kitchen, one bedroom, family room, and two bathrooms. All Type "C2-H" apartments contain 1,544 square feet of NET LIVING AREA and a lanai area of 221 square feet, and additionally, a limited common element of approximately 27.0 square feet adjacent to the lanai.

Type "C3". One bedroom, two bath apartment located on the second floor of a two-story building and consisting of a living/dining room, a kitchen, one bedroom, family room, and two bathrooms. All Type "C3" apartments contain 1,544 square feet of NET LIVING AREA and a lanai of 206 square feet.

Type "D". Two bedroom, two bath apartment located on the ground floor of a two-story building and consisting of a living/dining room, a kitchen, two bedrooms, and two bathrooms. All Type "D" apartments contain 1,516 square feet of NET LIVING AREA and a lanai area of 201 square feet, and additionally, a limited common element of approximately 27.0 square feet adjacent to the lanai.

Type "D1". Two bedroom, two bath apartment located on the second floor of a two-story building and consisting of a living/dining room, a kitchen, two bedrooms, and two bathrooms. All Type "D1" apartments contain 1,728 square feet of NET LIVING AREA and a lanai of 187 square feet.

Type "E". Two bedroom, three bath apartment with family room, located on the ground floor of a two-story building and consisting of a living room, dining room, a kitchen, two bedrooms, family room, a loft, and three bathrooms. All Type "E" apartments contain 2,156 square feet of NET LIVING AREA and a lanai area of 260 square feet, and additionally, a limited common element of approximately 158.0 square feet adjacent to the lanai.

Type "F". Two bedroom, two and one-half bath apartment, located on the second floor of a two-story building and consisting of a living/dining room, a kitchen, utility room, two bedrooms and two and one-half bathrooms. All Type "F" apartments contain 1,850 square feet of NET LIVING AREA and a lanai area of 376 square feet.

Type "F1". Two bedroom, two and one-half bath apartment, located on the second floor of a two-story building and consisting of a living/dining room, a kitchen, utility room, two bedrooms and two and one-half bathrooms. All Type "F1" apartments contain 1,917 square feet of NET LIVING AREA and a lanai area of 376 square feet.

An "R" in the designation indicates the reverse of the apartment type designated by the letter preceding the "R".

EXHIBIT B

Description of Buildings (Phase F)

Phase F of the project shall consist of six (6) separate apartment buildings, constructed principally of wood, ceramic tile, glass, concrete, aluminium, and gypsum board. The buildings are designed and constructed without gutters and downspouts. The six (6) different and distinct apartment buildings are designated as Buildings 30, 31, 32, 33, 34, and 35. Buildings 30, 31, 32, 33 and 34 shall each contain six (6) apartments and Building 35 shall contain five (5) apartments. No building contains a basement.

The apartment buildings are numbered as shown on the Condominium Map.

EXHIBIT C

Common Elements

One freehold estate is hereby designated in all of the remaining portions of the Project, herein called the "common elements", including specifically but not limited to:

- (a) the Land described in Exhibit "A" attached to the Declaration;
- (b) All structural components, such as foundations, beams, supports, main walls, roofs, halls, corridors, exterior stairs and stairways, entrances, exits, floor slabs, unfinished perimeter, party and load-bearing walls, walkways and balconies of said buildings;
- (c) All common spaces such as yards, gardens, planting areas, trash collection areas, all parking areas, driveways, access lanes and all signs;
- (d) All common premises for the use of maintenance personnel or other persons employed for operation of the Project, if any;
- (e) Installations for services such as pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under, or across the Project which serve more than one apartment for services such as power, light, gas, hot water, cold water, sewage, telephone, radio and television signal distribution, if any; provided, however, that ownership of any common element by the Association shall start from but exclude any meter box or other measuring device that is installed or if no meter box or other measuring device is installed, then from the point of connection onto the trunk line in case of sewer or drainage improvements or as provided in the laws, rules or regulations applicable to the company providing such services in the case of telephone and television signal improvements;
- (f) Any apparatus and installations existing for common use, such as tanks, pumps, motors, fans, compressors, ducts, vents, and other such installations and apparatus;
- (g) All other parts of the Project necessary or convenient to its existence, maintenance, and safety or normally in common use.

See also Exhibit H below summarizing the Developer's reserved rights to later merge Phases A, B, C, D, E and F.

EXHIBIT D

PERCENTAGE OF COMMON INTEREST

<u>Apartment Number</u>	<u>Apartment Type</u>	<u>Percentage Common Interest</u>
3001	C2-R	3.0673
3002	C3-R	3.0412
3003	C	3.0117
3004	C1	2.9856
3005	D	2.9839
3006	D1	3.3279
3101	E-R	4.1986
3103	C-R	3.0117
3104	C1-R	2.9856
3105	C	3.0117
3106	C1	2.9856
3107	E	4.1986
3201	D-R	2.9839
3202	D1-R	3.3279
3203	CR-H	3.0117
3204	C1-R	2.9856
3205	C2-H	3.0673
3206	C3	3.0412
3301	B-R	2.5216
3302	B1-R	2.4973
3303	A9-R	1.9047
3304	F	3.8684
3305	A9	1.9047
3307	A8	2.2279
3401	A8-R	2.2279
3403	A9-R	1.9047
3404	F	3.8684
3405	A9	1.9047
3407	B	2.5216
3408	B1	2.4973
3501	A12-R	1.9777
3503	A16	1.9429
3504	F1	3.9848
3505	B	2.5216
3506	B1	<u>2.4973</u>
	TOTAL	100.00%

EXHIBIT E

Encumbrances Against Title

The Preliminary Report by Title Guaranty of Hawaii, Incorporated, dated July 9, 1991, reflects that fee simple title to the land is held by Ohbayashi Hawaii Corporation, a Hawaii corporation (now known as Obayashi Hawaii Corporation).

Said Preliminary Report shows title to the property to be subject to the following encumbrances:

AS TO proposed LOT B-3-A-1-C only:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Easement "1" (10 feet wide, area 3,366 square feet) for irrigation waterline purposes, as set forth in Deed dated June 4, 1980, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 14798, Page 751.
3. Portion of Easement "2" (area 14,829 square feet) for irrigation waterline purposes, as set forth in Amendment of Deed dated August 6, 1982, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 16514, Page 754.
4. Portion of Easement "4" for sewer and drain purposes, as shown on survey map prepared by Harold Zane, Registered Professional Surveyor, dated October 22, 1990.
5. Portion of Easement "5" for access and utility purposes, as shown on survey map prepared by Harold Zane, Registered Professional Surveyor, dated October 22, 1990.
6. Proposed waterline easement, as shown on survey map prepared by Harold Zane, Registered Professional Surveyor, dated October 22, 1990.
7. Lease in favor of Maui Electric Company, Limited, and Hawaiian Telephone Company dated October 13, 1967, recorded in said Bureau of Conveyances in Liber 5893, Page 226; leasing and demising rights-of-way, each twenty-five (25) feet in width, over, across and under the land described herein, besides other land, for a term of 35 years commencing October 13, 1967, and thereafter from year to year until terminated.
8. Covenants, conditions and restrictions set forth in Declaration dated June 18, 1980, recorded in said Bureau of Conveyances in Liber 14798, Page 729, as amended by instrument dated July 15, 1982, recorded in said Bureau of Conveyances in Liber 16467, Page 703, as amended by instrument dated July 15, 1982, recorded in said Bureau of Conveyances in Liber 16467, Page 703.
9. The exception and reservation unto the Grantor, its successors and assigns, forever, of the following easements, including the right to grant to the United States of America, the State of Hawaii, the County of Maui, or any other appropriate governmental agency, or to any public utility or other corporation, easements for the purposes described below as Grantor may desire or require:
 - "(A) Such future easements and rights of way over, across, under and through the granted premises for access, sewer, drainage, utility and other purposes as Grantor may reasonably require for operation of the Kaanapali Beach Resort as a first class destination resort, the operation of the residential areas of Kaanapali, and for the

destination resort, the operation of the residential areas of Kaanapali, and for the future development of Grantor's surrounding lands; provided, that such easements shall not unreasonably interfere with the use of the granted premises by Grantee.

- "(B) A reservation as appurtenant to the lands of the Grantor, located in the District of Lahaina, now owned and used or hereafter acquired and used by the Grantor in its sugar plantation operations, the perpetual right and easement over and upon the granted premises to discharge, emit, or transmit surface water runoff, noise, smoke, soot, dust, lights, vapors, odors and other substances and phenomena of every description created by and resulting from (1) the reasonable operations of the Grantor in burning sugar cane and bagasse, milling, generating power, trucking, hauling and all other activities incidental to the operation of a sugar cane plantation, and (2) the operations of the Grantor, its lessees and licensees in constructing, operating and maintaining a railroad, a portion of which may be located adjacent to or near the granted premises; and the Grantee does hereby waive any and all claims under any law whatsoever against the Grantor arising therefrom.";

as excepted and reserved in Deed dated June 4, 1980, recorded in said Bureau of Conveyances in Liber 14798, Page 751.

10. Private Water System Agreement dated September 30, 1981, recorded in said Bureau of Conveyances in Liber 15930, Page 777, by and between Ohbayashi Hawaii Corporation, a Hawaii corporation, "Ohbayashi", and the Department of Water Supply, County of Maui, "Department".
11. Private Water System Agreement dated September 30, 1981, recorded in said Bureau of Conveyances in Liber 15930, Page 778, by and between Ohbayashi Hawaii Corporation, a Hawaii corporation, "Ohbayashi", and the Department of Water Supply, County of Maui, "Department".
12. Private Water System Agreement dated December 30, 1981, recorded in said Bureau of Conveyances in Liber 16106, Page 234, by and between Ohbayashi Hawaii Corporation, a Hawaii corporation, "Applicant", and the Department of Water Supply, County of Maui, "Department".
13. Subdivision Agreement (Large Lots) dated May 5, 1982, recorded in said Bureau of Conveyances in Liber 16348, Page 324, by and between Ohbayashi Hawaii Corporation, a Hawaii corporation, "Owner", and the County of Maui, a body politic and corporate, and a political subdivision of the State of Hawaii, "County".
14. Subdivision Agreement (Three Lots or Less) dated May 3, 1982, recorded in said Bureau of Conveyances in Liber 16348, Page 331, by and between Ohbayashi Hawaii Corporation, a Hawaii corporation, "Owner", and the County of Maui, a body politic and corporate, and a political subdivision of the State of Hawaii, "County".
15. Private Water System Agreement dated September 29, 1986, recorded in said Bureau of Conveyances in Liber 19998, Page 43, by and between Ohbayashi Hawaii Corporation, a Hawaii corporation, "Developer", and the Department of Water Supply, County of Maui, "County". Said Private Water System Agreement was amended by instrument dated March 3, 1989, recorded in said Bureau of Conveyances in Liber 23130, Page 198.

16. Subdivision Agreement (Large Lots) dated April 7, 1989, recorded in said Bureau of Conveyances in Liber 23049, Page 723 by and between Ohbayashi Hawaii Corporation, a Hawaii corporation, "Owner", and the County of Maui, "County".
17. Subdivision Agreement (Three Lots or Less) dated April 7, 1989, recorded in said Bureau of Conveyances in Liber 23049, Page 740, by and between Ohbayashi Hawaii Corporation, a Hawaii corporation, "Owner", and the County of Maui, "County".
18. Grant dated June 28, 1990, in favor of Maui Electric Company, Limited and GTE Hawaiian Telephone Company Incorporated, recorded in said Bureau of Conveyances as Document No. 90-121969; granting a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines and underground power lines, etc., for the transmission of electricity, etc.
19. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Condominium Property Regime dated August 22, 1991, recorded in said Bureau of Conveyances as Document No. 91-118127, as the same are or may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1548).
20. By-Laws of the Association of Apartment Owners of the condominium project known as "THE MASTERS AT KAA NAPALI HILLSIDE", dated August 22, 1991, recorded in said Bureau of Conveyances as Document No. 91-118128, as the same may hereafter be amended.
21. Subdivision approval by the Planning Commission of the County of Maui.
22. Real property taxes due and payable, refer to Director of Finance, County of Maui.

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees

Apartment	Monthly Fee X 12 months =	Yearly Total
3001	\$543.61	\$6,523.35
3002	538.99	6,467.91
3003	533.76	6,405.08
3004	529.14	6,349.64
3005	528.83	6,345.94
3006	589.81	7,077.74
3101	744.12	8,929.41
3103	533.76	6,405.08
3104	529.14	6,349.64
3105	533.76	6,405.08
3106	529.14	6,349.64
3107	744.12	8,929.41
3201	528.83	6,345.94
3202	589.81	7,077.74
3203	533.76	6,405.08
3204	529.14	6,349.64
3205	543.61	6,523.35
3206	538.99	6,467.91
3301	446.90	5,362.82
3302	442.59	5,311.08
3303	337.56	4,050.76
3304	685.60	8,227.18
3305	337.56	4,050.76
3307	394.85	4,738.21
3401	394.85	4,738.21
3403	337.56	4,050.76
3404	685.60	8,227.18
3405	337.56	4,050.76
3407	446.90	5,362.82
3408	442.59	5,311.08
3501	350.50	4,205.99
3503	344.34	4,132.07
3504	706.23	8,474.81
3505	446.90	5,362.82
3506	442.59	5,311.08

[] Revised on

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

EXHIBIT F

Masters at Kaanapali Hillside
Phase F - Distribution of Maintenance Fee
JULY 5, 1991

Apartment Number	Maintenance Fee	Square Footage	Common Interest
3001	543.61	1,765	3.0673%
3002	538.99	1,750	3.0412%
3003	533.76	1,733	3.0117%
3004	529.14	1,718	2.9856%
3005	528.83	1,717	2.9839%
3006	589.81	1,915	3.3279%
3101	744.12	2,416	4.1986%
3103	533.76	1,733	3.0117%
3104	529.14	1,718	2.9856%
3105	533.76	1,733	3.0117%
3106	529.14	1,718	2.9856%
3107	744.12	2,416	4.1986%
3201	528.83	1,717	2.9839%
3202	589.81	1,915	3.3279%
3203	533.76	1,733	3.0117%
3204	529.14	1,718	2.9856%
3205	543.61	1,765	3.0673%
3206	538.99	1,750	3.0412%
3301	446.90	1,451	2.5216%
3302	442.59	1,437	2.4973%
3303	337.56	1,096	1.9047%
3304	685.60	2,226	3.8684%
3305	337.56	1,096	1.9047%
3307	394.85	1,282	2.2279%
3401	394.85	1,282	2.2279%
3403	337.56	1,096	1.9047%
3404	685.60	2,226	3.8684%
3405	337.56	1,096	1.9047%
3407	446.90	1,451	2.5216%
3408	442.59	1,437	2.4973%
3501	350.50	1,138	1.9777%
3503	344.34	1,118	1.9429%
3504	706.23	2,293	3.9848%
3505	446.90	1,451	2.5216%
3506	442.59	1,437	2.4973%
TOTAL	\$17,723.00	57,543	100.0000%

MASTERS AT KAAPALI HILLSIDE PHASE F
 ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS:

	MONTHLY X 12 MONTHS = YEARLY	
UTILITIES AND SERVICES		
ELECTRICITY		
(X) COMMON ELEMENTS ONLY	600	720
() COMMON ELEMENTS AND APARTMENTS		
REFUSE COLLECTION	330	396
TELEPHONE	55	66
WATER AND SEWER	2100	2520
TV SIGNAL	875	1050
MAINTENANCE, REPAIR AND SUPPLIES		
BUILDING	465	558
GROUNDS	5690	6828
MANAGEMENT	1085	1302
MANAGEMENT FEES	1822	2186
PAYROLL AND PAYROLL TAXES	125	150
OFFICE EXPENSES	0	
RESIDENT MANAGER'S LODGING		
INSURANCE	2141	2569
RESERVES	1800	2160
TAXES AND GOVERNMENT ASSESSMENTS	35	42
AUDIT FEES	225	270
OTHER	375	450
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TOTAL	\$17,723	\$212,67

I/WE CHANEY, BROOKS & COMPANY, AS MANAGING AGENT 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.

CHANEY, BROOKS & COMPANY

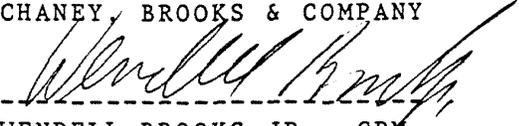

 WENDELL BROOKS JR., CPA
 PRESIDENT & C.E.O. 7/5/91

EXHIBIT G

Construction Warranties

The developer shall require that the construction contract with the contractor for the project shall contain a warranty clause similar to Section 13.2.2 of AIA Document A201 which generally provides as follows:

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 Owner of designated equipment or within such longer period of time as may be prescribed by law or by the terms of any applicable special warranty required by the Contract Documents, 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 Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. This obligation shall survive termination of the Contract. The Owner shall give such notice promptly after discovery of the condition.

Developer agrees that if the purchaser shall give developer written notice of any such condition promptly after discovery thereof during the unexpired term of such contractor's warranty, developer shall forward such notice together with a written notice to the contractor to correct such condition. Developer shall assign to purchaser the unexpired term of the general contractor's warranty and of any manufacturer's or dealer's warranties (which may by their terms be so assigned) covering the apartment, any furnishings, fixtures, appliances or consumer products in the apartment. Purchaser acknowledges and agrees that developer is not acting as co-warrantor, but is agreeing to pass through to the purchaser the benefit of any such warranties. The terms of the manufacturer's or dealer's written warranties will be available for purchaser's inspection at the developer's sales office. THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROPERTY, THE PROJECT, OR CONSUMER PRODUCTS OR OTHER THINGS INSTALLED OR CONTAINED IN THE APARTMENT, THE PROPERTY OR THE PROJECT, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR USE.

THE ATTENTION OF THE PURCHASER IS DIRECTED TO ARTICLE IV OF THE RESERVATION AND SALES AGREEMENT (INCORPORATED HEREIN BY THIS REFERENCE) PERTAINING TO THE ABSENCE OF REPRESENTATIONS AND WARRANTIES CONCERNING THE APARTMENT, THE PROPERTY, THE PROJECT, ESTIMATED MAINTENANCE FEES AND RENTAL OF THE APARTMENT.

EXHIBIT H

Project Phases

DEVELOPER'S RIGHT TO MERGE PROPERTY WITH ANY OTHER PHASE OR PHASES: The Masters At Kaanapali Hillside, Phase F, is the sixth and final phase of The Masters At Kaanapali Hillside Condominium. If any other phase is developed, the Developer reserves the right to alter and modify the boundaries of any phase or the improvements to be constructed in any phase, except that the floor plans and building elevations shall not be materially different from those in the respective Condominium Maps, it being understood that changes in building elevations will occur when different floor plans are used. Developer has floor plans for approximately 20 types of apartments. Developer also reserves the right from time to time to cause either legal merger of any existing phase with this phase or any future phase or project in accordance with Section 17 of the Declaration or to cause an administrative merger as provided in Section 18 of the Declaration. Developer also reserves all rights to develop any phase as a separate condominium project or other type of real estate project.

If a legal merger occurs, then the percentage common interest of all apartment owners shall be calculated and determined according to the ratio of each apartment's net living area, including lanai, compared to the total net living area of all apartments in the project, as merged. All instruments of ownership, including mortgages will have to be amended to reflect the new percentage common interests.

If an administrative merger occurs, then the net result is that all apartment owners shall share common expenses of the project, as merged, on the basis of the ratio of each apartment's net living area, including lanai, compared to the total net living area, including lanai, of all apartments in the project, as merged. Instruments of ownership, including mortgages, will not be amended.

The merged projects will be operated as one project with all owners being entitled to utilize all common areas of the merged project. Administration of the merged project will be under the direction and control of one Board of Directors elected by vote of the apartment owners in the merged project.

It is difficult to predict what effect a merger will have on the maintenance fee of an apartment. A variety of factors will impact upon the maintenance fees, e.g., area of land in each phase to be merged; the aggregate floor area in each phase to be merged, the extent of the common elements in each phase to be merged. However, the maintenance fee of an apartment after a legal or administrative merger is likely to increase rather than decrease.

This is a summary of the legal and administrative merger provisions contained in Sections 17 and 18 of the Declaration. Interested persons are urged to read Sections 17 and 18 of the Declaration for complete information.

EXHIBIT I

Summary of Pertinent Provisions of Sales Contract

The Sales Contract sets forth the terms and conditions concerning the sale of an apartment in the project for the stated purchase price.

Some of the salient areas of the Sales Contract are:

1. The purchase price is paid in increments as various parts of the apartment and the building in which the apartment is located are constructed. The purchase price may be increased due to unexpected events such as delays due to governmental actions or strike or labor disturbance, but the Buyer is given fifteen (15) days to affirm the price increase or terminate the Sales Contract and receive a refund of all sums paid toward the purchase price.

2. Developer retains certain reserved rights:

a. Developer may cancel any Sales Contract and refund Buyer's funds (without interest) if by August 1, 1992, not more than seventeen (17) apartments have been sold;

b. Developer's construction and sales activities in the Project may continue after Buyer has occupied the apartment so Developer and its construction and sales representatives and customers may use on-street parking and a portion of the guest stalls and the common elements for sales purposes;

c. Developer may cancel the Sales Contract if a Buyer does not have the resources to pay the purchase price or does not diligently follow through with an application to finance the purchase price.

3. Information concerning any contractor's warranties and dealer's or manufacturer's warranties.

4. Seller shall provide at least ten (10) days' notice of the estimated closing date. The closing date shall be sixty (60) days from the effective date (which is when the Seller signs the Sales Contract) or if the architect has not certified the substantial completion of the apartment, then the closing date shall be three (3) days after the date on which the architect has issued the certificate.

This is a summary of selected portions of the Sales Contract and may be incomplete or inadvertently incorrect. The Buyer is requested to read and understand the terms and conditions of the Sales Contract before executing the Sales Contract.

EXHIBIT J

Summary of Pertinent Provisions of Escrow Agreement

The executed escrow agreement dated July 30, 1990, identifies Bank of Hawaii as the "Escrow" and provides that a purchaser shall be entitled to a return of his funds, if any one of the following has occurred:

(a) Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held under the Escrow Agreement by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final 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.

Upon the occurrence of the event described in (a) or (b) above or upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in (c) above together with evidence satisfactory to Escrow confirming that the event described in (c) above has occurred, Escrow shall pay said funds to said purchaser with any earned interest (less a cancellation fee of Escrow and other costs associated with the purchase up to a maximum of \$250.00); or

Upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in (d) above together with evidence satisfactory to Escrow confirming that the event described in (d) above has occurred, Escrow shall pay said funds to said purchaser with any earned interest. Thereupon said sales contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held under the Escrow Agreement; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.

(e) Notwithstanding any other provision in the Escrow Agreement to the contrary, Escrow further agrees to make refunds to purchasers, in accordance with Part VI, Chapter 514A, Hawaii Revised Statutes, out of the funds then on deposit with Escrow, if the Developer and purchaser shall so request in writing and any one of the following events has occurred:

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

(ii) 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-occupant; or

(iii) the purchaser desires to cancel the contract on account of hardship 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 cancellations under subparagraph (i) above, Escrow may deduct from any such refund made to a purchaser a cancellation fee and a reasonable amount representing expenses incurred by the Developer to process the sales contract.

The Escrow Agreement has been amended to not allow the escrow agent to disburse any of the purchasers' funds to anyone until the project improvements have been completed and the statutory mechanic's and materialmen's lien period has expired.