

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer Napilihau Villages Joint Venture
Address 900 Fort Street, #1560, Honolulu, HI 96813

Project Name(*): Napilihau Villages I
Address: Hanawai & Napilihau Streets, Lahaina, HI 96761

Registration No. 3388

Effective date: August 31, 1995
Expiration date: September 30, 1996

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: 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 by the developer when complete information is filed.
(yellow)

FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
(white)
[] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with _____

SUPPLEMENTARY: This report updates information contained in the:
(pink)
[] Preliminary Public Report dated: _____
[] Final Public Report dated: _____
[] Supplementary Public Report dated: _____

And [] Supersedes all prior public reports
[] Must be read together with _____
[] This report reactivates the _____
public report(s) which expired on _____

(*) Exactly as named in the Declaration

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: N/A

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:

Note: See attached summary of lawsuits.

Napilihau Villages

The Kahana Sunset Owners Association (KSOA), an adjacent property owner, has filed three separate lawsuits against the developer of Napilihau Villages.

The first, The Kahana Sunset Owners Association v. The County of Maui, et al., Civil No. 95-0122(2), is a complaint by KSOA alleging that the County of Maui improperly issued a grading permit and a minor shoreline management area (SMA) permit. Under these permits, the developer stockpiled fill material on the project site. While the County of Maui may have misapplied the law in issuing these two permits, any impropriety was corrected when, after a contested hearing, the County of Maui issued an SMA permit for the entire project. The outcome of this litigation will not affect the project.

KSOA initiated its second lawsuit, The Kahana Sunset Owners Association, et al. v. The Maui County Council, et al., Civil No. 94-0504(3), against the developer and the County of Maui alleging that the County had improperly approved a change in zoning ordinance. The circuit court has denied any impropriety in the granting of the change in zoning ordinance. An appeal from the Circuit Court decision has been taken by the Kahana Sunset Owners Association.

In order to develop the project site, the developer had to obtain an SMA permit which was contested by KSOA. After a protracted hearing, the hearing officer recommended approval of the permit. His recommendations were adopted by Maui County Council

and the SMA permit was issued in February 1995. In the third lawsuit, KSOA appealed this matter to the circuit court (The Kahana Sunset Owners Association v. County of Maui, et al., Civil No. 93-1001(2)). Briefing has commenced and a decision by the circuit court is expected before the end of 1995.

The first lawsuit has no impact on purchasers. The second lawsuit, if the zoning decision is reversed, or the third lawsuit, if the SMA permit is set aside, will prevent the project from being built as presently planned.

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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 the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

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 owners/tenants) 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 at the lessee's expense. 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 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 project's 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 the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the 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 important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Napili Hau Villages Joint Venture Phone: (808) 524-4065
Name (Business)
900 Fort Street, Suite 1560
Business Address
Honolulu, Hawaii 96813

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

James G. Lee (President-Napili Hau Corporation)
Wayne Tanigawa (President-BRJ Napili Inc.)

Real Estate Broker: Heneliaka Realty, Inc. Century 21 Pacific Properties Phone: Heneliaka-(808) 524-4065
Name (Business)
900 Fort Street, #1560 (FPP Ltd., Broker) Century 21-(808) 669-1400
Business Address 5095 Napili Hau St., #205
Honolulu, HI 96813 Napili Hau, Lahaina, Maui 96761

Escrow: First American Title Co. of Hawaii Phone: (808) 524-4050
Name (Business)
923 Nuuanu Avenue
Business Address
Honolulu, HI 96813

General Contractor: Albert C. Kobayashi, Inc. Phone: (808) 671-6460
Name (Business)
94-535 Ukee Street
Business Address
Waipahu, HI 96797

Condominium Managing Agent: Chaney, Brooks & Company (proposed) Phone: (808) 667-9547
Name (Business)
666 Front Street, Suite 129
Business Address
Lahaina, Maui 96761

Attorney for Developer: Chun, Kerr, Dodd, Beaman & Wong Phone: (808) 528-8200
Name (Business)
Kyong-su Im, Esq.
745 Fort Street, 9th Floor
Business Address
Honolulu, HI 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. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and 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.

- 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. _____
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: N/A

- 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 Conveyances Condo Map No. _____
 Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: N/A

- 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 manner in which meetings will be conducted, whether pets are prohibited or allowed 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. _____
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]: N/A

D. **House Rules.** The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. 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>65%</u>

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

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:

Under Paragraph 18 of the proposed Declaration, Developer has the right to merge Napilihau Villages I, Napilihau Villages II and Napilihau Villages III into one project. It is very important that a purchaser read Paragraph 18 of the proposed Declaration.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.

Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per Month Year

For Subleaseholds:

Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
 Canceled 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 canceled or foreclosed.

Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per Month Year

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: Hanawai & Napilihau Streets Tax Map Key: (2)4-3-03:108
District of Lanaina, Maui 96761 (TMK)

Address TMK is expected to change because County has not yet assigned street numbers

Land Area: 3.892 [] square feet [X] acre(s) Zoning: A-1 Apartment
(Phase I only)

Fee Owner : Napilihau Village Joint Venture
Name
900 Fort Street, Suite 1560
Address
Honolulu, HI 96813

Sublessor: N/A
Name
Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: 9 Floors Per Building 2

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses by Zoning:

	<u>No. of</u>	<u>Use Permitted</u>		<u>No. of</u>	<u>Use Determined</u>
	<u>Apts.</u>	<u>By Zoning</u>		<u>Apts.</u>	<u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>76</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: _____	___	<input type="checkbox"/> Yes <input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
 Yes No

5. **Special Use Restrictions:**

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

- [] Pets: _____
- [X] Number of Occupants: reasonable number
- [X] Other: See Article V, Section 7 of proposed Bylaws and Section 9 of proposed Declaration
- [] There are no special use restrictions.

6. **Interior** (fill in appropriate numbers):

Elevators: No Stairways: Depends on the Building (See Condo Map) Trash Chutes: No

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>A-1</u>	<u>6</u>	<u>2/1.5</u>	<u>767</u>	<u>130</u>
<u>A-2</u>	<u>6</u>	<u>2/1.5</u>	<u>767</u>	<u>134</u>
<u>B-1</u>	<u>2</u>	<u>2/2</u>	<u>751</u>	<u>112</u>
<u>B-2</u>	<u>2</u>	<u>2/2</u>	<u>751</u>	<u>134</u>
<u>C-1</u>	<u>30</u>	<u>2/1</u>	<u>646</u>	<u>154</u>
<u>C-2</u>	<u>30</u>	<u>2/1</u>	<u>646</u>	<u>0</u>
Total Apartments:		<u>76</u>		

*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

All walls, ceilings, floors, slabs, foundations, doors and door frames, windows and window frames, supporting beams and fixtures and all ducts and pumps, pipes, conduits, wires and other utility lines running through such apartments which do not serve or are not utilized by any other apartment.

Permitted Alterations to Apartments:

With the consent of the Board, all apartment owners may make alterations to their respective apartments at their sole cost and expense. See Section 17 of the proposed Declaration.

7. Parking Stalls:

Total Parking Stalls: 166

	<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 each unit)	_____	<u>152</u>	_____	_____	_____	_____	<u>152</u>
Guest Unassigned	_____	<u>14</u>	_____	_____	_____	_____	<u>14</u>
Extra for Purchase	_____	_____	_____	_____	_____	_____	_____
Other:	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open	<u>166</u>		<u>0</u>		<u>0</u>		

Each apartment will have the exclusive use of at least 2 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

- Commercial parking garage permitted in condominium project.
- Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

- There are no recreational or common facilities.
- Swimming pool Storage Area Recreation Area
- Laundry Area Tennis Court Trash Chute
- Other: Barbeque areas

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

- There are no violations. Violations will not be cured.
- Violations and cost to cure are listed below. Violations will be cured by _____

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations
(For conversions of residential apartments in existence for at least five years):

N/A

11. 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	X	_____	_____
Structures	X	_____	_____
Lot	X	_____	_____

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 other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit A .

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 use them, as described in the Declaration, are:

described in Exhibit A.

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 used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit A.

as follows:

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit B describes the encumbrances against the title contained in the title report dated July 12, 199 and issued by First American Title Company of Hawaii, Inc.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien 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. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage for \$2.4 million	Buyer's interest may be terminated, but if so, Buyer's deposits (less cancellation fee) shall be refunded. Buyer's interest is specifically made subject and subordinate to such lien.

F. 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:

The execution, delivery and recordation of the Apartment Deed shall constitute the assignment by Developer to Buyer of any and all warranties given Developer by the general contractor for the Project and by any subcontractors or materialmen, including but not limited to said contractor's guarantee of materials and workmanship against faulty or deficient materials and installation for a period of one (1) year after "substantial completion" of the Apartment, as that term is defined in the construction contract for the Project, and the benefit of such warranties shall accrue to Buyer on closing without further instruments or documents.

2. Appliances:

Buyer shall also have the direct benefit of any manufacturer's or dealer's warranties covering the appliances in the Apartment.

G. Status of Construction and Estimated Completion Date:

Construction will start in December 1995 and, barring unforeseen events, is expected to be completed by December 1997

H. Project Phases:

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

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

The project will consist of three phases. Phase I is on a subdivided lot of 3.892 acres. Phases II & III, if built, will be on a separate parcel of 13.215 acres. See Exhibit C for further details as to phasing and administration.

V. MISCELLANEOUS

A. 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 E contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated July 2, 1994
Exhibit F contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

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 or Supplementary Report to a Final Report: Sales made by the developer are binding if:

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

- 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 given an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime.
 - C) Bylaws of the Association of Apartment Owners.
 - D) House Rules.
 - E) Condominium Map.
 - 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 and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 3388 filed with the Real Estate Commission on 8/2/95.

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C. Additional Information Not Covered Above

1. AFFORDABLE HOUSING. The project will be sold subject to certain affordable housing requirements established by Maui County. Certain units are being designated for purchase by "Moderate Income Purchasers" and "Low-Moderate Income Purchasers" based on income limits. To this extent the definition of "owner-occupant" as defined in the Condominium law shall be further limited by Maui County's restrictions. Purchasers are urged to inquire further on this matter.

EXHIBIT A

Description of Common Elements, Limited Common Elements, Common Interest & Parking Assignment

Common Elements.

All portions of the Project other than the apartments and all other common elements mentioned in the Condominium Property Regime Act which are actually included in the Project, including specifically without limitation:

- a. The Land in fee simple.
- b. The driveways and areas located within the Project as outlined on Sheet No. A-1 of the Condominium Map.
- c. Recreational or barbecue areas, if any, located within the Project as outlined on Sheet No. A-1 of the Condominium Map.
- d. Walls, fences and landscaping not located on limited common areas.
- e. All sewer lines, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities and installations on, over, under and across the Project which serve more than one apartment for services such as, but not limited to, electricity, water, gas, sewer, telephone, radio, television and cable television signal distribution.
- f. All areas, structures or facilities of the Project, within or outside of each building, which are for common use or which serve more than one apartment, such as electrical, machine, mechanical and equipment rooms and the equipment and facilities therein, surveillance system and facilities, if any, walkways and common ways, planters, landscaping, yards, fences, retaining walls, refuse collection areas, parking structure and the guest and employee parking stalls therein.
- g. Any and all other apparatus and installations of common use and all other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use.
- h. The limited common elements described below.

Limited Common Elements.

a. Common elements of the Project which are rationally related to less than all of the apartments shall be limited to the use of such apartments.

b. The mailbox corresponding to the apartment number of each apartment.

c. Parking stalls appurtenant to each apartment as set forth in Exhibit B to the Declaration.

d. The yard appurtenant to each ground floor apartment as shown on the plot plan of the proposed Condominium Map is a limited common area for the ground floor apartment to which the respective yard is appurtenant.

Percentage of Undivided Interest. Each apartment shall have appurtenant thereto an undivided interest in the common elements of the Project as shown in the following pages from Exhibit B of the proposed Declaration.

NAPILIHAI VILLAGES I

Buildings 1-9

Bldg./ Apt. No.	Parking Stall Nos.	Apt. Type	Bedroom/ Bath Count	Net Living Area	Lanai/ Storage Area	Total Square Footage	% of Common Interest
1-101	7	A-1	2/1.5	767	130	897	0.015607
	8						
1-102	11	A-1	2/1.5	767	130	897	0.015607
	12						
1-103	3	B-1	2/2	751	112	863	0.015341
	4						
1-104	35	B-1	2/2	751	112	863	0.015341
	36						
1-105	24	C-1	2/1	646	154	800	0.013352
	25						
1-106	31	C-1	2/1	646	154	800	0.013352
	32						
1-201	5	A-2	2/1.5	767	145	912	0.015607
	6						
1-202	9	A-2	2/1.5	767	145	912	0.015607
	10						
1-203	1	B-2	2/2	751	142	893	0.015252
	2						
1-204	33	B-2	2/2	751	142	893	0.015252
	34						
1-205	23	C-2	2/1	646	13	659	0.011701
	30						
1-206	28	C-2	2/1	646	13	659	0.011701
	29						
2-101	41	C-1	2/1	646	154	800	0.013352
	42						
2-102	45	C-1	2/1	646	154	800	0.013352
	46						
2-103	49	C-1	2/1	646	154	800	0.013352
	50						
2-104	26	C-1	2/1	646	154	800	0.013352
	37						
2-201	39	C-2	2/1	646	13	659	0.011701
	40						
2-202	43	C-2	2/1	646	13	659	0.011701
	44						
2-203	47	C-2	2/1	646	13	659	0.011701
	48						
2-204	27	C-2	2/1	646	13	659	0.011701
	38						
3-101	51	C-1	2/1	646	154	800	0.013352
	69						
3-102	55	C-1	2/1	646	154	800	0.013352
	66						
3-103	57	C-1	2/1	646	154	800	0.013352
	64						

3-104	54 67	C-1	2/1	646	154	800	0.013352
3-201	52 70	C-2	2/1	646	13	659	0.011701
3-202	56 65	C-2	2/1	646	13	659	0.011701
3-203	58 63	C-2	2/1	646	13	659	0.011701
3-204	53 68	C-2	2/1	646	13	659	0.011701
4-101	74 75	C-1	2/1	646	154	800	0.013352
4-102	18 78	C-1	2/1	646	154	800	0.013352
4-103	59 62	C-1	2/1	646	154	800	0.013352
4-104	71 72	C-1	2/1	646	154	800	0.013352
4-201	76 77	C-2	2/1	646	13	659	0.011701
4-202	79 80	C-2	2/1	646	13	659	0.011701
4-203	60 61	C-2	2/1	646	13	659	0.011701
4-204	22 73	C-2	2/1	646	13	659	0.011701
5-101	84 85	C-1	2/1	646	154	800	0.013352
5-102	88 89	C-1	2/1	646	154	800	0.013352
5-103	16 81	C-1	2/1	646	154	800	0.013352
5-104	17 83	C-1	2/1	646	154	800	0.013352
5-201	86 87	C-2	2/1	646	13	659	0.011701
5-202	90 91	C-2	2/1	646	13	659	0.011701
5-203	15 82	C-2	2/1	646	13	659	0.011701
5-204	13 14	C-2	2/1	646	13	659	0.011701
6-101	100 105	C-1	2/1	646	154	800	0.013352
6-102	102 107	C-1	2/1	646	154	800	0.013352
6-103	94 95	C-1	2/1	646	154	800	0.013352
6-104	98 99	C-1	2/1	646	154	800	0.013352

6-201	101 106	C-2	2/1	646	13	659	0.011701
6-202	103 104	C-2	2/1	646	13	659	0.011701
6-203	92 93	C-2	2/1	646	13	659	0.011701
6-204	96 97	C-2	2/1	646	13	659	0.011701
7-101	116 117	C-1	2/1	646	154	800	0.013352
7-102	118 140	C-1	2/1	646	154	800	0.013352
7-103	108 165	C-1	2/1	646	154	800	0.013352
7-104	110 111	C-1	2/1	646	154	800	0.013352
7-201	120 139	C-2	2/1	646	13	659	0.011701
7-202	114 115	C-2	2/1	646	13	659	0.011701
7-203	109 166	C-2	2/1	646	13	659	0.011701
7-204	112 113	C-2	2/1	646	13	659	0.011701
8-101	149 150	A-1	2/1.5	767	130	897	0.015607
8-102	153 164	A-1	2/1.5	767	130	897	0.015607
8-103	154 155	A-1	2/1.5	767	130	897	0.015607
8-104	146 147	A-1	2/1.5	767	130	897	0.015607
8-201	151 152	A-2	2/1.5	767	145	912	0.015607
8-202	156 157	A-2	2/1.5	767	145	912	0.015607
8-203	158 159	A-2	2/1.5	767	145	912	0.015607
8-204	145 148	A-2	2/1.5	767	145	912	0.015607
9-101	124 125	C-1	2/1	646	154	800	0.013352
9-102	128 129	C-1	2/1	646	154	800	0.013352
9-103	123 142	C-1	2/1	646	154	800	0.013352
9-104	119 141	C-1	2/1	646	154	800	0.013352
9-201	126 131	C-2	2/1	646	13	659	0.011701

9-202	127 130	C-2	2/1	646	13	659	0.011701
9-203	122 144	C-2	2/1	646	13	659	0.011701
9-204	121 143	C-2	2/1	646	13	659	0.011701

76 Total number of units

PARKING:

152 Total number of assigned stalls; 2 stalls for each unit-all uncovered

148 standard assigned stalls(#'s 1-18,22-117,120-131,139-152,155-159,164-166)

4 handicapped assigned stalls(#'s 118,119,153,154)

14 Total number of standard guest stalls

_____ 14 uncovered (stall numbers 19-21,132-138,160-163)

166 Total number of stalls

EXHIBIT B

Encumbrances Against Title

1. Real property taxes as may be due and owing. For further information, check with the county tax assessor.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Rights of Native Tenants as contained in Royal Patent No. 1663.
4. Any failure to comply with the terms and provisions of:

LEASE

Lessee: Maui Electric Company, Limited and Hawaiian Trust Company, now known as GTE Hawaiian Telephone Company Incorporated

Dated: October 9, 1961

Liber: 4162

Page: 301

Term: for a term of 35 years from the date hereof, and thereafter from year to year until terminated by either Lessor or Lessee

Re: Easement for utility purposes over, under, across and through a portion of the land herein described

5. Terms and provisions of that certain Subdivision Agreement (Three Lots or Less) made by and between Max Isaac, husband of Harriet Isaac, "Isaac", and Maui Land and Pineapple Company, Inc., a Hawaii corporation, "ML&P", "Owner", and the County of Maui, "County" dated February 18, 1981, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 15530 Page 477, to which reference is hereby made.
6. Terms and provisions of that certain Subdivision Agreement (Three Lots or Less) made by and between Maui Land & Pineapple Co., Inc., a Hawaii corporation, "Owner", and the County of Maui, "County", dated February 5, 1981, recorded in said Bureau in Liber 15957 Page 113, to which reference is hereby made.
7. Terms and provisions of that certain Subdivision Agreement (Large Lots) made by and between Maui Land & Pineapple Co., Inc., a Hawaii corporation, "Owner", and the County of Maui, "County", dated February 5, 1981, recorded in said Bureau in Liber 15960 Page 622, to which reference is hereby made.

8. Terms and provisions of that certain Section VII(c) Agreement For West Maui Areas made by and between Maui Land & Pineapple Company, a Hawaii corporation, "Applicant", and the County of Maui and the Department of Water Supply, County of Maui, "County", dated January 23, 1984, recorded in said Bureau in Liber 17676 Page 285, to which reference is hereby made.
9. Terms and provisions of that certain Subdivision Agreement (Large Lots) made by and between Maui Land & Pineapple Co., Inc., a Hawaii corporation, "Owner" and the County of Maui, "County", dated June 19, 1984, recorded in said Bureau in Liber 17992 Page 535, to which reference is hereby made.
10. Terms and provisions of that certain Subdivision Agreement (Three Lots or Less) made by and between Maui Land & Pineapple Co., Inc., a Hawaii corporation, "Owner", and the County of Maui, "County", dated June 19, 1984, recorded in said Bureau in Liber 17992 Page 545, to which reference is hereby made.
11. Terms, provisions, agreements, restrictions, covenants and conditions as contained in:

NOTICE OF AIRPORT AND AIRCRAFT OPERATIONS

Dated: November 26, 1984
Liber: 18291
Page: 140
to which reference is hereby made, but deleting restrictions, if any, based on race, color, religion or national origin

12. Restrictions, covenants and conditions as contained in:

AFFORDABLE HOUSING COVENANT

Dated: ---
Document No. 92-138862
to which reference is hereby made, but deleting restrictions, if any, based on race, color, religion or national origin

13.

a. FIRST MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

Mortgagor: James G. Lee and Henrietta Lee, husband and wife

Borrower: James G. Lee and Henrietta Lee, husband and wife, and J.G.L. Enterprises, Inc.

Mortgagee: First Hawaiian Creditcorp, Inc., a Hawaii corporation

Dated: December 9, 1992

Document No. 92-202438

To Secure: \$1,300,000.00
and any other amounts and/or obligations secured thereby

MODIFICATION AGREEMENT

Dated: March 8, 1994

Document No. 94-057614

14. INTENTIONALLY OMITTED - applicable to another parcel

15. REAL PROPERTY MORTGAGE AND FINANCING STATEMENT

Mortgagor: Napili Hau Villages Joint Venture, a joint venture registered as a Hawaii general partnership, the general partners of which are BRJ Napili Inc., a Hawaii corporation, and Napili Hau Corporation, a Hawaii corporation

Mortgagee: First Hawaiian Bank, a Hawaii corporation

Dated: February 25, 1994

Document No. 94-038926

To Secure: \$2,400,000.00
and any other amounts and/or obligations secured thereby

16. Financing Statement in favor of First Hawaiian Bank recorded on March 4, 1994, Document No. 94-038927.

EXHIBIT C

Project Phase Summary

Napilihau Villages is a residential townhome community on 17.154 acres of fee simple land located in Napili, Maui. The project is planned to be broken into 3 phases as follows:

PROJECT TIMING

	# Townhomes	Estimated Ground Breaking	Estimated Completion of Buildout
Phase I	76	4th Quarter 1995	4th Quarter 1996
Phase II	120	2nd Quarter 1996	2nd Quarter 1997
Phase III	<u>100</u>	4th Quarter 1996	4th Quarter 1997
Total	296		

This is a tentative timetable and will be adjusted accordingly for market conditions.

Common usages between the phases may include roads, recreational areas, sidewalks and guest stalls.

The following is a summary of Section 18 of the proposed Declaration:

A. Reservation to Add Apartments or Merge Phases.

1. Declarant shall have the right at its sole discretion, at any time prior to ten (10) years from the date of recordation of this Declaration, to develop, construct and add to the Project approximately two hundred twenty (220) additional apartments, together with supporting and servicing common elements, in the area designated as "Napilihau Villages II" and "Napilihau Villages III" on the site plan of the Condominium Map (which apartments and common elements are hereinafter referred to as the "Additional Apartments"). Declarant is the owner of the land upon which the Additional Apartments will be developed.

2. Declarant reserves the right to merge Napilihau Villages II and/or Napilihau Villages III into the Project.

3. Declarant may obtain from the Real Estate Commission of the State of Hawaii a Supplementary Public Report and/or a Certificate of Merger describing the changes made in the Project.

4. Upon completion of the merger, all of the apartments shall have the right to use the common elements in all of the projects as they exist at the time of merger to the same extent as though the merged projects had been developed as one project.

5. In connection with, and to the extent necessary for the creation of the Additional Apartments and common elements, Declarant shall have the right to remove, amend or add common elements and parking stalls, except those stalls already conveyed to an apartment owner; to enter upon the Project premises with employees, agents and contractors for purposes of constructing and completing the Additional Apartments and common elements according to plans and specifications approved by the County of Maui; to connect the Additional Apartments and common elements to utilities; to file amendments to the Declaration; to amend any instruments of conveyance of an apartment to conform to the Declaration, as amended; and to sell Additional Apartments.

6. Subject to the prior written consent of any mortgagee and lienholder who may have an interest in the Project, Declarant shall have the right to execute, acknowledge and deliver instruments necessary or appropriate to carry out the provisions and exercise the rights, powers and privileges granted under this paragraph. By accepting or acquiring any right, title or interest in the Project, each apartment owner agrees to join in, consent to, or execute all instruments or documents necessary or desirable to effect the purpose and intent of this paragraph.

7. The rights reserved to Declarant are subject to the following terms and conditions:

a. Construction shall be in accordance with the complete plans and specifications prepared by a licensed architect;

b. The design and exterior finishes of the structures shall be generally consistent with the design and exterior finishes of the existing apartments.

c. No plans and specifications shall require the alteration or demolition of any existing apartments or limited common elements, except that Declarant shall have the right to utilize, relocate and realign existing, and/or to develop additional, central and appurtenant installations for services to the Additional Apartments for electricity, water, air conditioning and other utilities and services and to add, delete, relocate, realign, designate and grant easements and rights-of-way over, under and on the common elements as necessary or desirable; provided that the same shall not cause any interruption, other than a temporary interruption in the service of such utilities to any other part of the Project.

d. Construction shall be at Declarant's expense and shall be completed within three (3) years of commencement, subject to delays beyond the control of Declarant;

e. The offering and sale of any such Additional Apartments shall be in compliance with applicable provisions of the Condominium Property Act; and

f. Declarant shall not encumber the Project as a whole or the individual apartments no longer owned by Declarant in connection with the financing of such construction, provided that Declarant may assign, by way of security, its interest in said Additional Apartments.

Please ask to see Section 18 of the Declaration if you wish more information.

EXHIBIT D

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

NAPILIHAI VILLAGES I

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months =</u>	<u>Yearly Total</u>
TYPE A-1 (6 units)	\$228.54 per unit	\$2,742.48
TYPE A-2 (6 units)	\$228.54 per unit	\$2,742.48
TYPE B-1 (2 units)	\$224.35 per unit	\$2,692.20
TYPE B-2 (2 units)	\$223.05 per unit	\$2,676.60
TYPE C-1 (30 units)	\$195.26 per unit	\$2,343.12
TYPE C-2 (30 units)	\$171.11 per unit	\$2,053.32

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

7/26/95

Estimate of Maintenance Fee Disbursements:

Utilities and Services:

Electricity		
Common Elements Only	450	5,400
Common Elements and Apartments	0	0
Gas	0	0
Refuse Collection	660	7,920
Telephone	50	600
Water & Sewer	2,453	29,436

Maintenance, Repair & Supplies

Buildings	425	5,100
Grounds	1,800	21,600

Management

Management Fee	875	10,500
Payroll & Payroll Taxes	2,270	27,240
Office Expenses	50	600

Insurance

Fire/Liability	2,912	34,944
TDI / Workers Compensation	264	3,168
Health Insurance	210	2,520

Reserves	1,855	22,260
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Taxes & Government Assessments

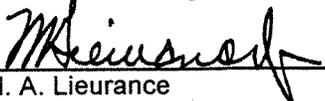
Audit Fees	100	1,200
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Other

Managers apartment	0	0
Legal	100	1,200
Miscellaneous	150	1,800

Total Expenses	14,624	175,488
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I N. A. Lieurance, Vice President, Chaney Brooks & Company as Manageing Agent for the Condominium project certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



 N. A. Lieurance

7/26/95

 Date

EXHIBIT E

Summary of Sales Contract

The form of the Sales Contract, filed with the Commission, provides for, among other things, a description of the apartment to be sold, the purchase price, the time, manner and place of payment, the Purchaser's obligations regarding mortgage financing, Developer's warranties and disclaimers regarding the construction, fixtures and appliances, and the remedies of Seller and of Purchaser in the event of a default under the Contract.

Among other provisions, the specimen Sales Contract provides:

1. The Sales Contract contains restrictions on selling or assigning the Sales Contract.

2. Seller has made no representations and has not authorized any representations to be made by any sales agent concerning any services or arrangements relating to the rental or sale or management of the Purchaser's apartment.

3. The Sales Contract is subject to the provisions of the Declaration, Bylaws, and other condominium documents.

4. The purchase of the apartment in the Project is subject to ongoing sales activity by the Developer with respect to completing the sales of the Project.

5. Estimated Project completion date is December 1998, and the Project under the Sales Contract means not only Napili Hau Villages I but also Napili Hau Villages II and III as shown on the Condominium Map.

IF A FINAL PUBLIC REPORT HAS NOT BEEN ISSUED, THE SALES CONTRACT WILL OPERATE AS A RESERVATION IN FAVOR OF PURCHASER TO PURCHASE ITS APARTMENT ON THE TERMS AND CONDITIONS CONTAINED IN THE SALES CONTRACT, BUT WILL NOT CONSTITUTE EITHER AN OBLIGATION OF PURCHASER TO PURCHASE OR AN OBLIGATION OF SELLER TO SELL.

It is incumbent on the Purchaser that he read the full text of the Sales Contract.

EXHIBIT F

Summary of Executed Escrow Agreement

A copy of the executed Escrow Agreement between First American Title Company of Hawaii, Inc., as Escrow, and the Developer, dated July 2, 1994 has been filed with the Commission. The Escrow Agreement provides for the deposit of Purchaser's funds pursuant to the Sales Contract and also provides for the retention or disbursement of the funds. The Escrow Agreement provides in part that any interest earned on money on deposit belongs to the Developer. In the event that the Sales Contract or Chapter 514A, Hawaii Revised Statutes, as amended, entitles a Purchaser to a refund of Purchaser's deposits held by Escrow, then Escrow, upon instruction from the Developer, will refund Purchaser's deposits, without interest earned and less certain cancellation fees and costs (e.g., escrow cancellation fees, loan processing fees, cost of credit reports, etc.) as provided in the Sales Contract and Chapter 514A, Hawaii Revised Statutes, as amended.

Under the Escrow Agreement, no disbursement of funds can be made to the Developer until the Sales Contract becomes effective under the provisions of Chapter 514A, Hawaii Revised Statutes, as amended.

It is incumbent upon a prospective Purchaser to read the executed Escrow Agreement with care. Please ask to see a copy.