

# REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII  
1010 RICHARDS STREET  
P. O. BOX 3469  
HONOLULU, HAWAII 96801

## FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on  
HALE NAPILI APARTMENTS  
Napili, Lahaina, Maui, Hawaii

REGISTRATION NO. 319

### IMPORTANT — Read This Report Before Buying

#### **This Report Is Not an Approval or Disapproval of This Condominium Project**

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project until

- (1) A copy of this Report has been given to the prospective purchaser,
- (2) The latter has been given an opportunity to read same, and,
- (3) His receipt taken therefor.

Issued: October 8, 1970  
Expires: November 8, 1971

#### SPECIAL ATTENTION

A comprehensive reading of the report is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser and prospective purchaser is particularly directed to the following:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JANUARY 16, 1970, AND SUPPLEMENT TO NOTICE OF INTENTION SUBMITTED SEPTEMBER 16, 1970, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED ON OCTOBER 2, 1970. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514 OF THE HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Preliminary Public Report on the HALE NAPILI APARTMENTS, Registration No. 319, dated March 23, 1970, the Developer has prepared and forwarded additional information to that filed in the January 16, 1970 submittal.
2. The Developer has submitted to the Commission all documents deemed necessary for the registration of the condominium project and the issuance of this Final Public Report prior to the completion of construction.

This Final Public Report supersedes the Preliminary Public Report of March 23, 1970 in its entirety. This Final Public Report is made a part of the registration on the HALE NAPILI APARTMENTS condominium

project. The Developer is responsible for placing this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers including those receiving the Preliminary Public Report. Securing a signed copy of the Receipt for the Final Horizontal Property Regime Public Report from each purchaser and prospective purchaser is also the responsibility of the Developer.

3. HALE NAPILI APARTMENTS is a leasehold condominium project consisting of eighteen (18) apartments arranged throughout a central "residential apartment building" of two (2) stories. The common elements include a separate "office and laundry building," and the washer and dryer therein, parking area, sewage disposal system and outdoor lighting.
4. Promotional material has been submitted pursuant to the rules and regulations promulgated by the Commission.
5. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners, and a copy of the approved Floor Plans) have been filed in the office of the recording officer.

The Declaration of Horizontal Property Regime executed on August 27, 1970, with the By-Laws attached, was recorded in the Bureau of Conveyances of the State of Hawaii in Liber 7183, page 219. The Registrar has designated Condominium Map No. 174 to the project.

6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514 of the Hawaii Revised Statutes and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.
7. This Final Public Report automatically expires thirteen (13) months after date of issuance, October 8, 1970, unless a Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

The information in the topical headings of the Preliminary Public Report with the exception of DESCRIPTION, LIMITED COMMON ELEMENTS, INTEREST TO BE CONVEYED PURCHASER, ENCUMBRANCES AGAINST TITLE, PURCHASE MONEY HANDLING, FINANCING OF PROJECT and STATUS OF PROJECT has not been disturbed.

NAME OF PROJECT: HALE NAPILI APARTMENTS

LOCATION: The approximate 0.4788 acre of land to be committed to the regime is situated at Napili, Lahaina, Island and County of Maui, State of Hawaii.

TAX KEY: SECOND DIVISION 4-3-02-24

ZONING: Napili Civic Improvement District

DEVELOPER: HALE NAPILI DEVELOPMENT COMPANY, a limited partnership organized under the laws of the State of Hawaii, consisting:

General Partners: Samuel V. Eastman, Napili, Lahaina, Hawaii  
Dale McGowan, Napili, Lahaina, Hawaii  
Charles Mathewson, Los Angeles, California

Limited Partners: Samuel V. Eastman  
Dale McGowan  
Charles Mathewson  
Howard Lee Matlow  
Kenfield Edward Kennedy

Business and post office address of developer is:

Napili, Lahaina, Maui, Hawaii  
Telephone 669-6323 or 661-0071

ATTORNEY REPRESENTING DEVELOPER: Crockett & Crockett (Attention: Mr. William F. Crockett), 38 S. Market Street, Wailuku, Maui, Hawaii. Telephone 244-3796.

DESCRIPTION: The specimen Declaration of Horizontal Property Regime and Developer's floor plans reflect that the proposed condominium submitted to the regime, situated on 0.4788 acre of land, will when complete consist of a central "residential apartment building" of two (2) stories, including the ground floor, and eighteen (18) apartments, and a separate "office and laundry" building.

The central residential apartment building consists of two integrated sections: an "existing" section, the construction of which is substantially complete, and a "new addition" section, to be constructed on the south side of the said parcel of land. The principal materials of which the said existing section of the central residential apartment building is constructed are as follows: the exterior walls are of reinforced concrete block; the exterior walls of the second story shall be covered with rough sawn redwood siding; the ground floor slab is of reinforced concrete; the floor of the second story is of wood; the existing asbestos shingle roof shall be covered with wood shakes; the interior walls are of concrete block.

The principal materials of which the said new addition section of the central residential apartment building shall be constructed are as follows: the exterior walls of the ground floor shall be of reinforced concrete block; the exterior walls of the second story shall be of wood studs covered with rough sawn redwood siding, on the exterior, and sheet rock and painted on the interior; the ground floor slab shall be of reinforced concrete covered with carpet; the floor of the second story shall be of wood frame with a plywood subfloor, covered with carpet; the roof shall be of wood frame with wood shakes over building paper; the interior walls between apartments shall be of concrete block covered with plywood veneer; the interior walls within each apartment shall be of wood studs covered with sheetrock and painted.

The principal materials of which the office and laundry building shall be constructed are as follows: the floor slab shall be of reinforced concrete; the walls shall be of single wall redwood construction; the ceiling shall be of drywall construction, painted, the roof shall be of wood frame with wood shakes.

There are nine (9) residential apartments located on each of the two stories of the central residential apartment building. Apartments 1 through 9 are located on the ground floor of the central residential apartment building, and apartments 10 through 18 are located on the second story of the central residential apartment building. (Apartments 1 through 5, and 10 through 14, and portions of apartments 6 and 15, are located in the existing section of the central residential apartment building. Apartments 7, 8, 9, 16, 17 and 18 and portions of apartments 6 and 15 are located in the new additional section of the central residential apartment building.)

The apartments are of two types: "One Bedroom Units" and "Studio Units." Apartments 1, 6, 10 and 15 are "One Bedroom Units." Apartments 2, 3, 4, 5, 7, 8, 9, 11, 12, 13, 14, 16, 17 and 18 are "Studio Units."

Each one-bedroom unit shall consist of a bedroom, living room, bath, and kitchen. The approximate enclosed floor space for each one bedroom unit is as shown below:

<u>Apartment</u>	<u>Floor Space</u>
1	572 square feet
6	484 " "
10	572 " "
15	498 " "

Apartments 1 and 10 shall each have a lanai of approximately 112 square feet; apartment 15 shall have a lanai of approximately 74 square feet. Apartment 6 shall not have a lanai.

Each studio unit shall consist of a living room, bath and kitchen. Apartments 7, 8, 9, 16, 17 and 18 shall also have a dressing room. The approximate enclosed floor space for each studio unit is as shown below:

<u>Apartment</u>	<u>Floor Space</u>
2	401 square feet
3	386 " "
4	401 " "
5	401 " "
7	381 " "
8	417 " "
9	417 " "
11	401 " "
12	386 " "
13	401 " "
14	401 " "
16	386 " "
17	422 " "
18	433 " "

Each of the following studio units shall have lanais with the approximate space as shown below:

<u>Apartment</u>	<u>Lanai Space</u>
2	112 square feet
3	108 " "
4	112 " "
5	112 " "
11	112 " "
12	108 " "
13	112 " "
14	112 " "
16	49 " "
17	40 " "
18	75 " "

Apartments 7, 8 and 9 shall not have a lanai.

Apartments 1 through 9 shall each have immediate access to the land heretofore described. All of the other apartments shall each have immediate access to the open corridor immediately adjacent to and connecting the apartments on the second story and the stairways.

Each apartment shall consist of the space measured horizontally by the distances between the interior surfaces of the perimeter walls of each apartment, and the space measured by the area of the lanais of each apartment with a lanai; and measured vertically by the distance between the topside surface of the floor and the underside surface of the ceiling.

COMMON ELEMENTS: According to the specimen Declaration, the common elements shall include: (a) the land heretofore described, except such portions hereinafter described as limited common elements, and the superadjacent airspace above the roof, and next to the exterior walls, of the said buildings; (b) all foundations, columns, beams and supports, girders, roof, walks, stairways, exterior walls, partition walls between each apartment, floors and ceiling of the central residential apartment building, and the open corridors immediately adjacent to and connecting the apartments on each story of the central residential apartment building; (c) the separate "office and laundry building," and washer and dryer installed therein, parking area, sewage disposal system and outdoor

lighting; (d) all central and appurtenant installations for services such as, power, light, telephone, gas, hot and cold water, refrigeration, television, sewage disposal, and other utilities (including all pipes, ducts, wires, cables, and conduits used in connection therewith, whether located in common area or in apartments), and all tanks, pumps, motors, fans, compressors, ducts and other apparatus and installations existing for common use; (e) all tangible personal property, accounts, general intangibles, instruments and money, and any apartment of the regime, acquired and held by the association of apartment owners or the board of directors of the horizontal property regime, or their agents, for the administration, maintenance, safety and operation of the common elements of the regime, or for the common use and benefit of the apartment owners; and (f) all other apparatus and installations existing in the said central residential apartment building or on the said land hereinbefore described existing for, or rationally of common use to, or necessary or convenient to the existence, maintenance or safety of all the apartments of the horizontal property regime hereby established.

LIMITED COMMON ELEMENTS: There shall be respectively appurtenant to apartments 6, 7, 8 and 9, as a limited common element, appertaining to, and reserved for the exclusive use of each such apartment, those several portions of the land heretofore described adjacent to the respective living rooms of apartments 6, 7, 8, and 9, and shown on the condominium map filed simultaneously herewith as "yard space," with the following approximate areas:

<u>Apartment</u>	<u>Yard Space</u>
6	74 square feet
7	62 " "
8	58 " "
9	93 " "

INTEREST TO BE CONVEYED PURCHASER: The specimen Declaration discloses that the percentage of undivided interest in the common elements appertaining to each apartment is as follows:

Apartments 1, 6, 10, and 15	6.8%
Apartments 2, 3, 4, 5, 7, 8, 9, 11, 12, 13, 14, 16, 17, and 18	5.2%

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The specimen Declaration reflects that the apartments shall be used as residential apartments.

OWNERSHIP TO TITLE: Developer has submitted a copy of the Certificate of Title executed September 15, 1970 by Security Title Corporation which certifies that legal title to the land committed to the project is vested in Samuel V. Eastman, Dale McGowan and Charles Mathewson, General Partners of Hale Napili Development Company, a limited partnership organized under the laws of the State of Hawaii, for and on behalf of the general and limited partners of such limited partnership.

ENCUMBRANCES AGAINST TITLE: Mortgage from Samuel V. Eastman, Dale McGowan and Charles Mathewson, general partners of Hale Napili Development Company, a limited partnership organized under the laws of the State of Hawaii, for and on behalf of the general and limited partners of such limited partnership to Joseph Paul Charpentier, et al., dated December 31, 1969, recorded in Liber 6842 on page 458; An undated Financing Statement recorded on May 8, 1970, in said Bureau of Conveyances in Book 6994 on page 187, with Hale Napili Development Company, as Debtor, and Bank of Hawaii, Lahaina Branch, as Secured Party; Reservation in favor of State of Hawaii of all mineral and metallic mines; and Taxes that may be due and owing and a lien on the land under search, reference is hereby made to the Office of the Tax Assessor of the Second Division.

NOTE: Developer discloses that the land is further encumbered by the Declaration of Horizontal Property Regime dated August 27, 1970, and recorded in Liber 7183, page 219, being known as Hale Napili Apartments, and Condominium Map No. 174.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated January 16, 1970, between Security Title Corporation, a Hawaii corporation, and HALE NAPILI DEVELOPMENT COMPANY, a limited partnership organized under the laws of the State of Hawaii, has been filed. On examination the specimen Contracts of Sale and the executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly Section 514-15(6).

Among other provisions, the Escrow Agreement provides that upon the approval of the lending institution for the project, or a financially disinterested person, Escrow shall from time to time disburse money from the escrow funds to pay for construction costs of the said project in proportion to the valuation of the work completed by the contractor as certified by a registered architect or professional engineer, and for architectural, engineering, finance and legal fees and for other incidental expenses of the project, including the remaining payments due JOSEPH PAUL CHARPENTIER, GORDON DONALD LOANE, JOHN EWART, KIRKPATRICK MANAGEMENT, LTD., OAKVILLE HOLDINGS, LTD., AND PEACOCK INVESTMENTS, LTD., for the purchase of the stock of KELOWNA MAUI, LTD., the same being secured by a mortgage of the property submitted to the horizontal property regime, and for the renovation of the existing building, as approved by such lending institution or financially disinterested person.

The Escrow Agreement further provides that after the completion of the said project, and after Escrow receives satisfactory evidence that all mechanic's and materialmen's liens arising as a result of the project have been satisfied, and forty-five (45) days after Developer shall file with the Circuit Court of the Second Circuit of the State of Hawaii a copy of an affidavit showing publication, as required by HRS, Section 507-43, of a notice of completion of the said project, and shall furnish a file-marked copy thereof to Escrow, Escrow shall disburse the remaining money held in escrow to Developer, or to whomsoever Developer shall appoint.

It is incumbent upon the purchaser and prospective purchaser that he reads with care the Contracts of Sale and the executed Escrow Agreement. The latter document, Escrow Agreement, establishes how the proceeds from the sale of apartments and all sums received from any source are placed in trust, as well as the retention and disbursement of said trust funds.

FINANCING OF PROJECT: In the Supplement to the Notice of Intention submitted September 16, 1970, the Developer gives an estimated total cost of \$552,547 to complete the project. The Bank of Hawaii has agreed to make an interim loan for the project to Developer for the renovation of the existing apartment building and for the construction of the additional section in the principal amount of \$190,000, to be secured by a mortgage of the property submitted to the horizontal property regime.

Maui Savings & Loan Association has agreed to make apartment loans to qualified apartment purchasers in a gross amount not to exceed \$300,000 upon terms and conditions more particularly set forth in the loan commitment letter, dated July 27, 1970, issued by Maui Savings & Loan Association.

Developer has expended from its funds (equity) the amount of \$312,000 for the project. Developer expects to receive a total of \$19,000 in rental income from the existing building. All of such rental income, which will continue to be earned and shall constitute property of the developer until the apartment leases have been executed and delivered, will be applied to pay project costs.

Seven (7) of the apartments in the existing building have been sold for the total purchase price of \$270,000. (The amount of \$43,500 has been deposited in escrow.) The apartment purchase money deposited in escrow will be disbursed during the course of construction to pay for the construction of the project.

MANAGEMENT AND OPERATIONS: The Declarant discloses that the administration of the project shall be vested in the Association of Apartment Owners. The Developer has not entered into any management contract as of the date of this Final Public Report.

STATUS OF PROJECT: In the Supplement to the Notice of Intention submitted September 16, 1970, the Developer discloses that the renovation of the "existing section" of the central residential apartment building has been completed.

The Developer has entered into a construction contract with Inter-Island Builders & Developers, Ltd., dated July 15, 1970, for the construction of the "new addition section" of the central residential apartment building.

Construction of the project commenced September 3, 1970, and must be completed on or before December 20, 1970. The contractor does not expressly "warrant" the building under the construction contract.

First Insurance Company of Hawaii, Ltd., is surety for Inter-Island Builders & Developers, Ltd., and under a "Performance Bond" and "Labor and Material Payment Bond," both dated August 18, 1970, for the mentioned construction contract. The Performance Bond is in the principal amount of \$135,145.00, which is equal to the construction contract sum. The Labor and Material Payment Bond is in the principal amount of \$67,572.50.

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The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted January 16, 1970, and the Supplement to the Notice of Intention submitted September 16, 1970, and additional information subsequently filed on October 2, 1970.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 319, filed with the Commission January 16, 1970.

The report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be white in color.

  
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HERBERT S. ISONAGA, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

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Distribution:  
DEPARTMENT OF TAXATION  
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ESCROW AGENT

October 3, 1970  
Registration No. 319

