REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES
STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
NAPILI SHORES
Napili, Maui, Hawaii

REGISTRATION NO. 365

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 but may only take reservations therefore after

(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: March 5, 1971
Expires: April 5, 1972

SPECIAL ATTENTION

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

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED FEBRUARY 3, 1971 AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS LATE AS MARCH 1, 1971. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME LAW, Hawaii Revised Statutes, Chapter 514.

1. The NAPILI SHORES is a proposed leasehold condominium project consisting of 150 studio apartments (one of which is reserved for a manager), 2 one-bedroom apartments and 4 commercial apartments located in 10 separate two-story buildings. There will be a total of 152 parking stalls.

2. A Final Public Report issued for this project on December 31, 1964, has expired, and there have been some significant changes to the project and, therefore, the developer has reapplied for this Preliminary Public Report on the same basis as if it were filing for the first time.

3. The developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and the issuance of this Preliminary Public Report.

4. The developer reports that the Declaration of Horizontal Property Regime, the By-Laws and the Condominium Map will be filed in the Bureau of Conveyances of the State of Hawaii immediately prior to the application for a Final Public Report.

5. Advertising and promotional matters have been submitted to the Commission pursuant to its rules and regulations.

6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Hawaii Revised Statutes, Chapter 514, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.

7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, March 5, 1971, unless a Final Public Report or a Supplementary Public Report issues, or the Commission, upon review of registration, issues an order extending the effective date of this report.

8. This Preliminary Public Report is made a part of the registration of the Napili Shores condominium project. The developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers. Securing a signed copy of the receipt for the Preliminary Public Report from each purchaser when it is issued is also the responsibility of the developer.

NAME OF PROJECT: NAPILI SHORES

LOCATION: The project is located in the Napili area, District of Lahaina, on the Island of Maui and consists of approximately 6.3 acres of land.

TAX KEY: Second Division 4-3-02-61

ZONING: H-1

DEVELOPER: Shelter Corporation, a Hawaii corporation, with its principal place of business and post office address at Suite 1910, Financial Plaza of the Pacific, Honolulu, Hawaii, is the developer of the project. The officers of the corporation are as follows:

R. H. Walter, Chairman of the Board
Ernest C. Hickson, President
John B. Halverson, Executive Vice President
James K. Schuler, Vice President
Richard G. Abbott, Vice President
David G. Leaverton, Secretary
Charles H. Dietz, Treasurer
Mrs. Helyn R. Arthur, Assistant Secretary

ATTORNEY REPRESENTING DEVELOPER: Cades Schutte Fleming & Wright (Attention: Douglas E. Prior), 17th Floor, First Hawaiian Bank Building, P. O. Box 939, Honolulu, Hawaii 96808, telephone: 531-7232.

DESCRIPTION: The project consists of ten 2-story buildings, containing a total of 152 residential apartments and four commercial apartments, as follows:

Building A	12 studio apartments
Building B	2 one-bedroom apartments and 10 studio apartments
Building C	16 studio apartments
Building D	24 studio apartments

Building E	20 studio apartments
Building F	20 studio apartments
Building G	16 studio apartments
Building H	16 studio apartments
Building I	16 studio apartments
Main Building	4 commercial apartments

The 2 one-bedroom apartments each contain 528 square feet and include a bathroom, a kitchen and a living-dining room area, and all studio apartments in each building are typical and contain 520 square feet, including a bathroom, a kitchen area, a lanai and a living-dining-bedroom area. These residential apartments are numbered consecutively from 101-176 on the ground floor and 201-276 on the second floor.

The main building has a basement consisting of a 3,000 square foot commercial apartment and 5,000 square feet of storage area included as a common element of the project. The ground floor contains one commercial apartment consisting of 3,000 square feet to be used as retail shops, a commercial apartment containing 6,950 feet, consisting of a restaurant, cocktail lounge, lanai and a kitchen and common elements consisting of a lobby, office and restrooms occupying 3,400 square feet. The upper floor of the main building consists of one commercial apartment containing 2,280 square feet.

Each residential apartment will be fully furnished with twin beds, a 4-drawer dresser, a round dining table, a rattan lounge chair, and 1 rattan coffee table, and will include carpeting and drapes. Each apartment will also have an air conditioner, a refrigerator, a range with oven and a garbage disposal.

COMMON ELEMENTS: The common elements will include all of the project except the apartments, specifically, but not limited to the following: (a) the land in fee simple; (b) all foundations, supports, bearing walls, corridors, entry halls, stairs and walkways, entrances and exits; (c) the roof; (d) all yards and refuse area; (e) two swimming pools; (f) all ducts, electrical equipment, wiring and other central and appurtenant installations for services, including power, light, cold and hot water, refuse and telephone; (g) a studio apartment for use of the manager; (h) the lobby, restrooms and office in the main building; (i) all 152 parking stalls which will not be specifically assigned to any apartments; and (j) all other devices or installations upon the land existing for or rationally of common use to all the owners of apartments within the project.

LIMITED COMMON ELEMENTS: There will be no limited common elements.

PERCENTAGE OF UNDIVIDED OWNERSHIP TO BE CONVEYED: The percentage of undivided interest in all of the common elements appertaining to each apartment and its owner for all purposes shall be as follows:

Studio apartments	.63%
One-Bedroom Apartments	.75%
Retail Shop Area	1.2%
Basement Storage Apartment	.4%
Restaurant, kitchen, cocktail lounge & patio area	2.40%

The undivided interest established and to be leased with the respective apartments can not be changed and the developer covenants and agrees that the undivided interest in the common areas and facilities and the title to the respective apartments to be leased shall not be separated or separately leased and each said undivided interest shall be deemed to be leased or encumbered with its respective apartment even though the description in the instrument of conveyance may refer only to one or other of the interests. The voting rights of apartment owners, as well as his share of the common expenses shall also be in proportion to this common interest.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The residential apartments hereinabove described shall at all times be used as permanent or temporary residences or hotel rooms and for no other purpose, and the commercial apartments

shall be used for such business purposes as are permitted by the zoning laws in effect from time to time and as are normally found in a hotel apartment complex.

OWNERSHIP OF TITLE: The Developer has filed with the Commission a Certificate of Title executed November 18, 1970 by Title Guaranty of Hawaii, Inc. which shows that fee simple title to the land is vested in August Reimann, Jr.

ENCUMBRANCES AGAINST TITLE: The Certificate of Title of November 18, 1970, and Continuation of Certificate of Title of February 24, 1971, by Title Guaranty of Hawaii, Inc. certifies that title to the land is subject to the following encumbrances:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent No. 1663.

2. Location of the seaward boundary as affected by the law of the State of Hawaii.

3. Lease dated November 3, 1959 by and between August Reimann, Jr. (lessor) and Napili Hotel, Inc. (lessee) for a term of 75 years from January 1, 1960, and recorded in the Bureau of Conveyances in Liber 3739, Page 106.

4. Sublease dated September 28, 1964 by and between Napili Hotel, Inc. (sublessor) and Harry K. Meyer, Robert A. Clarkin, Philip Ching (sublessees) for a term ending December 31, 1994, recorded in Liber 4886, Page 568.

5. Assignment of Lease (sublease) dated November 2, 1967 by and between Harry K. Meyer and Philip Ching (assignors) and Robert A. Clarkin (assignee) recorded in Liber 5856, Page 5.

6. Assignment of Lease dated January 31, 1969 by and between Napili Hotel, Inc. (assignor) and Kepoikai Ululi and Yoshiho Ogami (assignees), recorded in Liber 6399, Page 202.

7. Memorandum of Agreement dated November 19, 1970 by and between Robert A. Clarkin (sublessor) and Shelter Corporation (sublessee), recorded in Liber 7284, Page 459. Said Agreement transfer and assigns the development rights to Shelter Corporation.

8. Amendment to Sublease dated January 11, 1971, from Kepoikai C. Aluli and Yoshiho Ogami to Robert A. Clarkin, recorded in Liber 7383, Page 133.

9. State Tax Lien on August H. and Elvin H. Reimann, Jr., dated August 13, 1970, recorded in Liber 7134, Page 144, for total tax of $1,853.05.

10. Taxes that may be due and owing and a lien on the land under search.

PURCHASE MONEY HANDLING: A copy of the specimen sales contract and the executed escrow agreement has been submitted as part of the registration. The escrow agreement dated February 2, 1971 identifies Bank of Hawaii as the "escrow" and discloses that under the terms of the agreement, down payment funds may be released by escrow for payment of certain development costs of the project. Upon examination, the specimen sales contract and the executed escrow agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly with Section 514-35 and Section 514-36 through Section 514-40, Hawaii Revised Statutes.

A prospective purchaser should carefully examine the form of sales contract, apartment lease and escrow agreement to determine the time for and the amount of installment payments on the purchase price, the ground lease rent, the estimated common monthly expenses and the sharing of the closing costs and escrow fee.

NOTE: The developer has advised the Commission that if less than 150 apartments are sold before June 1, 1972 or developer is unable to obtain financing satisfactory for development of the project, the developer may cancel Sales Contract.

If construction of the project does not begin within one year of date of Sales Contract, obligations by both developer and buyers shall terminate and all sums paid by buyer shall be refunded without interest.

MANAGEMENT AND OPERATION: Article III, section 3, of the revised By-Laws states that the Board of Directors shall at all times employ a responsible managing agent to manage and control the property, subject at all times to direction by the Board of Directors.

STATUS OF PROJECT: The property is presently improved with a two-story building containing two studios and two 1-bedroom apartments, to which will be added eight more studio apartments and will be designated as Building B on the Condominium Map. Building A, containing 12 studio apartments, is presently under construction and it is estimated that it will be completed in December 31, 1972. The developer will not commence construction of any of the additional residential apartment buildings until it has obtained sufficient presales of apartments in these buildings to insure the successful financing of the construction costs.

The purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the developer in the required Notice of Intention submitted February 3, 1971 and additional information subsequently filed as late as March 1, 1971.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 365, filed with the Commission on February 3, 1971.

The Report when reproduced shall be a true copy of the Commission's Public Report. Paper stock used in making facsimiles must be yellow.

for DOUGLAS R. SODETANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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BUREAU OF CONVEYANCES
PLANNING DEPARTMENT, COUNTY OF MAUI
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ESCROW AGENT

Registration No. 365
March 5, 1971