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

NAPILI SUNSET (PHASE I)
Napili, Lahaina, Maui, Hawaii

REGISTRATION NO. 658

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: July 16, 1974
Expires: August 16, 1975

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 FEBRUARY 7, 1974. 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 Napili Sunset (Phase I), Registration No. 658, dated February 19, 1974, the Developer has prepared and forwarded additional information to that filed in the February 7, 1974 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 is made a part of the registration on the Napili Sunset (Phase I), 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. The Developer of the project advises that the project has been divided into three (3) phases. This report covers only Phase I of the entire condominium project. Phase I includes the construction and sale of sixteen (16) apartments located in apartment building Keola (the sixteen (16) apartments to be sold in Phase I are shown on attached Exhibit A), and certain common elements shown on the Condominium Map. There will be eighteen (18) parking stalls in Phase I.

4. No 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 March 26, 1974, with the By-Laws attached, was recorded in the Bureau of Conveyances of the State of Hawaii in Liber 9826 on Page 452. The Registrar has designated Condominium Map No. 348 to the project.

6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, 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, July 16, 1974, 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 exceptions of ENCUMBRANCES AGAINST TITLE and STATUS OF PROJECT has not been disturbed. The topical heading of FINANCING OF PROJECT has been added.

ENCUMBRANCES AGAINST TITLE: A Preliminary Report, prepared June 18, 1974, by Security Title Corporation, certifies that there are no liens or encumbrances of whatever kind or nature of record against said title, save and except the following:

As to Tax Key 4-3-2-53:

Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Land Patent Grant No. 13,580.

Restrictive covenants as contained in Land Patent Grant No. 13,580, dated February 16, 1959.

As to Tax Key 4-3-2-54:

Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Land Patent Grant No. 13,612.

Restrictive covenants as contained in Land Patent Grant No. 13,612, dated May 1, 1959.

As to Tax Key 4-3-2-55:

Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Land Patent Grant No. 13,611.

Restrictive covenants as contained in Land Patent Grant No. 13,611, dated May 1, 1959.

Condominium Map No. 348, filed in the Bureau of Conveyances of the State of Hawaii on April 9, 1974.

Declaration of Horizontal Property Regime dated March 26, 1974, recorded in said Bureau of Conveyances in Liber 9826 on Page 452.

Mortgage dated April 15, 1974, recorded in said Bureau of Conveyances in Liber 9849 on Page 566, by Stolberg-Jens Napili Associates to First Hawaiian Bank.

Undated Financing Statement recorded in said Bureau of Conveyances in Liber 9849 on Page 574.

Taxes that may be due and owing and a lien on the land, reference is hereby made to the office of the Tax Assessor of the Second Division.

FINANCING OF PROJECT: In the Supplement to the Notice of Intention submitted June 25, 1974, the Developer gives an estimated total cost of $442,959.00 to complete the project. Fifteen (15) Napili Sunset, Phase I, apartments have been sold for the aggregate purchase price of $618,000. Security Title Corporation, the project escrow, holds on deposit under the Napili Sunset Phase I escrow agreement the aggregate amount of $91,000 of apartment purchase deposits, as of June 19, 1974.

The Napili Sunset, Phase I, apartment contracts of sale provide for the payment of the remaining aggregate amounts of purchase price as follows (estimated calendar dates for payments shown):

(a)	Completion of ground floor slab (August 1, 1974)	$ 77,000.00
(b)	Completion of roof (September 15, 1974)	$ 75,000.00
(c)	Substantial Completion (December 15, 1974)	$375,000.00

Under the Napili Sunset, Phase I, apartment contracts of sale the aggregate amount of $243,000 of the total purchase price for the fifteen apartments sold will be due and payable during the course of construction, and, after the issuance of a final public report for Napili Sunset, Phase I, by the Hawaii Real Estate Commission, and the receipt and acceptance of such final report by each apartment purchaser these funds can be used to pay for Napili Sunset, Phase I, construction costs.

The First Hawaiian Bank holds an irrevocable letter of credit issued by the Canadian Imperial Bank of Commerce in the amount of $500,000, which the First Hawaiian Bank can use to pay for the costs to construct the Napili Sunset Phase I project, and the Napili Sunset Phase II project.

John Stolberg, a general partner of Stolberg-Jens Napili Associates will advance the limited partnership the additional amount of $61,000 to pay for the costs to construct the Napili Sunset, Phase I project, and the Napili Sunset, Phase II project.

STATUS OF PROJECT: In the Supplement to the Notice of Intention submitted June 25, 1974, Developer discloses that it has entered upon a Contract for the construction of Phase I of the project with Service Contracting Company, a Hawaii partnership, dated April 22, 1974, at a total contract price of $368,459. Construction of Phase I commenced June 19, 1974. Approximately 15% of the project has been completed.

Pacific Insurance Company, Limited is surety for Service Contracting Company, the contractor, in respect of the construction contract for Phase I, dated April 22, 1974, under a performance bond, dated June 13, 1974, in the penal amount of $368,459. Stolberg-Jens Napili Associates and the First Hawaiian Bank are the obligees under the bond.

The general conditions of the construction contract provide as follows:

Section 4.5.1

"The Contractor warrants to the Owner and the Architect that all materials and equipment furnished under this Contract will be new unless otherwise specified, and that all Work will be of good quality, free from faults and defects

and in conformance with the Contract Documents. All Work no so conforming to these standards may be considered defective. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment."

Section 13.2.2

"If, within one year after the Date of Substantial Completion or within such longer period of time as may be prescribed by law or by the terms of any applicable special guarantee 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. The Owner shall give such notice promptly after discovery of the condition."

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 February 7, 1974, and the Supplement to the Notice of Intention submitted June 25, 1974. This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 658, filed with the Commission February 7, 1974.

This 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.

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

DISTRIBUTION:

Department of Taxation
Bureau of Conveyances
Planning Commission, County of Maui
Federal Housing Administration
Escrow Agent

July 16, 1974
Registration No. 658.

EXHIBIT A

Apartment No. 103
Apartment No. 104
Apartment No. 105
Apartment No. 106
Apartment No. 107
Apartment No. 108
Apartment No. 109

Apartment No. 201
Apartment No. 202
Apartment No. 203
Apartment No. 204
Apartment No. 205
Apartment No. 206
Apartment No. 207
Apartment No. 208
Apartment No. 209