



REAL ESTATE COMMISSION
 STATE OF HAWAII
 DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
 PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
 P. O. Box 3469
 Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

SIXTY-FIVE NAPILI WAY

FINAL PUBLIC REPORT

Registration No. 1760

Issued: July 24, 1991
 Expires: August 24, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of July 3, 1991, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

PRELIMINARY: The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
(yellow)

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

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

SUPPLEMENTARY: Updates information contained in the _____
(pink)

Prelim. Public Report dated _____
 Final Public Report dated _____
 Supp. Public Report dated _____

And Supersedes all prior public reports
 Must be read together with _____

This report reactivates the _____
 public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the Commission.

Changes made are as follows:

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GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Condominium Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

- Fee simple interest in an apartment and an undivided feehold interest in the common elements.
- Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
- Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

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

2. Residential Commercial Ohana
 Mixed Residential and Commercial Agricultural
 Other _____

3. High Rise (5 stories or more) Low Rise

4. Single or Multiple Buildings

5. Apartment Description

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
A	4	3/2	1316	158
B	2	3/2	1306	158
A-1	2	3/2	1316	158
B-1	2	3/2	1323	158
AR	2	3/2	1316	158
AR-1	2	3/2	1316	158

Total Apartments: 14

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

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

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>14</u>
Guest Stalls	<u>6</u>
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>20</u>

7. Recreational amenities: Jacuzzi, pool and gas barbeque

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: HSC Associates, a Hawaii limited partnership **Phone:** 669-5523
Name (Business)
104 Woodrose Place
Business Address
Kapalua, Hawaii 96761

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

Tales, Inc., General Partner

Leslie K. Harris, President, Tales, Inc.

Real Estate Broker: Coldwell Banker McCormack Real Estate **Phone:** 661-3607
Name (Business)
181-A Lahainaluna Road Attn: Bill Woods
Business Address
Lahaina, Hawaii 96761 Hawaii License No. 14019-11

Escrow: Standard Title & Escrow **Phone:** 871-7924
Name (Business)
33 Lono Avenue, Suite 240 Attn: Diane Wanner
Business Address
Kahului, Hawaii 96732

General Contractor: Na Pali Construction, Inc. **Phone:** 669-0050
Name (Business)
5027 Lower Honoapiilani Road Attn: Monty Carpenter
Business Address
Lahaina, Hawaii 96761

Condominium Managing Agent: Management Consultants of Hawaii, Inc. **Phone:** 661-8795
Name (Business)
727 Wainee Street Attn: Herb Nikola
P. O. Box 10039
Business Address
Lahaina, Hawaii 96761 CMA #12

Attorney for Developer: Case & Lynch **Phone:** 871-8351
Name (Business)
33 Lono Avenue, Suite 470 Attn: R. Clay Sutherland
Business Address
Kahului, Hawaii 96732

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

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. Declaration of Condominium Property Regime contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances - Document No. _____
Book 19442 Page 033
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

March 20, 1991
Document No. 91-35494

- B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyance Condo Map No. 1001
 Filed - Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances - Document No. _____
Book 19442 Page 052
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

March 20, 1991
Document No. 91-35495

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

- D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>Majority</u>

The percentages for individual condominium projects may be more than the minimum set by law.

2. **Developer:**

- No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.
- Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules

For Subleaseholds:

- Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
 Cancelled Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

B. Underlying Land:

Address: 5355 Lower Honoapiilani Highway Tax Map Key: 4-03-2-49
Napili, Maui, Hawaii 96761 (TMK)

Address TMK is expected to change because _____

Land Area: 41,287 square feet acre(s) Zoning: _____

Fee Owner: HSC Associates
Name
104 Woodrose Place
Address
Kapalua, Hawaii 96761

Sublessor: _____
Name

Address

C Buildings and Other Improvements:

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

2. Buildings: 3 Floors Per Building 2

Exhibit A contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>		<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>
<input type="checkbox"/> Commercial	_____	_____	<input type="checkbox"/> Industrial	_____	_____
<input checked="" type="checkbox"/> Residential	14	_____	<input type="checkbox"/> Agricultural	_____	_____
<input type="checkbox"/> Timeshare/Hotel	_____	_____	<input type="checkbox"/> Recreational	_____	_____
<input type="checkbox"/> Other: _____				_____	_____

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

Yes No

5. Special Use Restrictions:

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

Pets: _____

Number of Occupants: _____

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators N/A Stairways 7 Trash Chutes N/A

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
A	4	3/2	1316	158
B	2	3/2	1306	158
A-1	2	3/2	1316	158
B-1	2	3/2	1323	158
AR	2	3/2	1316	158
AR-1	2	3/2	1316	158

Total Apartments: 14

**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:

Interior walls.

Permitted Alterations to Apartments:

7. Parking Stalls:

Total Parking Stalls: 20

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)		<u>14</u>					<u>14</u>
Guest		<u>6</u>					<u>6</u>
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open	<u>20</u>		<u>N/A</u>		<u>N/A</u>		

Each apartment will have the exclusive use of at least _____ 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 B 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: Jacuzzi, pool, gas barbeque

9. Present Condition of Improvements

(For conversions of residential apartments in existence for at least five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

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

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u> x </u>	<u> </u>	<u> </u>
Structures	<u> x </u>	<u> </u>	<u> </u>
Lot	<u> x </u>	<u> </u>	<u> </u>

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. **Common Elements:** Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit C describes the common elements.

As follows:

2. **Limited Common Elements:** Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

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

described in Exhibit D

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 often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

Exhibit E describes the common interests for each apartment.

As follows: Each apartment has a 7.1428% interest in the common elements.

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property.

Exhibit F describes the encumbrances against the title contained in the title report dated _____ and issued by _____.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

There are no blanket liens affecting title to the individual apartments.

There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

Type of Lien

**Effect on Buyer's Interest
If Developer Defaults**

Construction mortgage loan

None after conveyance of
apartment to Buyer

F. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

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

The initial managing agent for this condominium is:

not affiliated with the Developer.

the Developer or the Developer's affiliate.

self-managed by the Association of Apartment Owners.

other _____

G. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit G contains a schedule of maintenance fees and maintenance fee disbursements.

H. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

Not applicable

Electricity (common elements only)

Television Cable

Gas

Water & Sewer

Other _____

I. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. **Building and Other Improvements:** There is a one-year warranty on labor and materials, except for manufactured items, which will carry only manufacturer's and dealer's warranties.

2. **Appliances:** Manufacturer's and dealer's warranties only.

J. Status of Construction and Estimated Completion Date:

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development:

L. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

Notice to Owner Occupants

Specimen Sales Contract

Exhibit H contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated _____

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

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding on the prospective buyer. Sales made by the Developer may be binding on the Developer unless the Developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

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

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Condominium Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other _____

If these documents are not in final form, the buyer should ask to see the most recent draft.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is a part of Registration No. 1760 filed with the Real Estate Commission on
May 2, 1986.

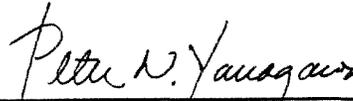
Reproduction of Report. When reproduced, this report must be on:

yellow paper stock

white paper stock

pink paper stock

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.



PETER N. YANAGAWA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances
Department of Finance, County of Maui
Planning Department, County of Maui
Federal Housing Administration

1842s

EXHIBIT "A"

DESCRIPTION OF BUILDINGS

The Project shall contain three (3) two story buildings, with Building No. 1 containing six (6) residential apartments and Building No. 2 containing four (4) residential apartments and Building No. 3 containing four (4) residential apartments, for a total of fourteen (14) residential apartments. Twenty (20) noncovered parking stalls are located within the Project. The buildings will be constructed principally of concrete, masonry, plaster, wood, vinyl/wood siding, Monier tile roofs, glass and related materials.

EXHIBIT "B"

PARKING STALLS

Each apartment shall have appurtenant to it the exclusive right to use one parking stall designated below. The Developer hereby reserves the right for itself, its successors and assigns, by way of an amendment to the Declaration of Condominium Property Regime, to convey or otherwise designate any parking stall not specifically designated herein to be appurtenant to and for the exclusive use of any other apartment in the project.

<u>Apartment No.</u>	<u>Parking Stall Nos.</u>
101	1
102	3
103	5
104	7
105	9
106	11
107	13
201	2
202	4
203	6
204	8
205	10
206	12
207	14

EXHIBIT "C"

COMMON ELEMENTS

The common elements of the Project shall specifically include, but are not limited to, the following:

1. The land described in Exhibit "A" attached to the Declaration of Condominium Property Regime.

2. All structural components, such as foundations, girders, columns, beams, floor slabs, supports, perimeter walls, load-bearing walls, retaining walls, floors, ceilings (except the inner or decorated surfaces of the perimeter walls, load-bearing walls, floors and ceilings), roofs, stairs and entry areas to the buildings.

3. All yards, grounds, gardens, planters, plants, landscaping, refuse facilities, roads, driveways, walkways, and parking areas.

4. All ducts, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution, if any.

5. Any and all apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

EXHIBIT "D"

LIMITED COMMON ELEMENTS

Certain apartments shall have appurtenant thereto easements for the use of certain limited common elements as follows:

1. Entranceways. Entranceways to each apartment shall be limited to common elements for the exclusive use of the apartments they serve.

2. Parking Stalls. Each apartment shall have appurtenant to it the exclusive right to use the parking stall designated in Exhibit "B" attached hereto, located as shown on the Condominium File Plan.

EXHIBIT "E"

COMMON INTERESTS

<u>APARTMENT</u>	<u>PERCENTAGE OWNERSHIP OF COMMON INTEREST</u>
101	7.0909
102	7.1831
103	7.1452
104	7.1452
105	7.1452
106	7.1452
107	7.1452
201	7.0909
202	7.1831
203	7.1452
204	7.1452
205	7.1452
206	7.1452
207	7.1452

EXHIBIT "F"

ENCUMBRANCES AGAINST TITLE

1. "Reserving to the State of Hawaii, its successors and assigns, in perpetuity, all rights to clay, minerals, mineral substance, oils and natural gases of every sort and description that may be upon the surface or in/or under the land hereinbefore described, together with the right to enter upon said land for purposes of mining, drilling or otherwise capturing, collecting or extracting the same and of transporting such raw or processed materials of said land."; as reserved in Land Patent Grant Number S-13,702, dated June 8, 1960, and S-13,675, dated March 31, 1960.

2. The covenants, agreements, obligations, conditions, easements and other provisions as contained in Declaration of Horizontal Property Regime of "Napili Beach Lots" (Sixty-Five Napili Way) dated April 2, 1986, and recorded April 22, 1986 in the said Bureau of Conveyances in Liber 19442 on Page 33.

Condominium Map No. 1001, as amended, and the By-Laws attached thereto, to which reference is hereby made.

The foregoing Declaration of Horizontal Property Regime was amended by instrument dated July 3, 1986, and recorded July 10, 1986 in the said Bureau of Conveyances in Liber 19655 on Page 590.

3. The terms, provisions, agreements, covenants and conditions of that certain Section VII(C) Agreement for West Maui Area dated May 6, 1986, and recorded May 14, 1986 in the said Bureau of Conveyances in Liber 19502 on Page 445.

4. That certain Mortgage, Security Agreement and Financing Statement made by HSC Associates, a Hawaii limited partnership, as Mortgagor, in favor of First Interstate Bank of Hawaii, a Hawaii corporation, as Mortgagee, dated October 31, 1989, and recorded November 14, 1989 in the said Bureau of Conveyances in Liber 23874 on Page 40.

5. That certain Financing Statement made by HSC Associates, a Hawaii limited partnership, as Debtor, in favor of First Interstate Bank of Hawaii, a Hawaii corporation, as Secured Party, recorded November 14, 1989 in the said Bureau of Conveyances in Liber 23874 on Page 69.

EXHIBIT "G"

SCHEDULE OF MAINTENANCE FEES AND DISBURSEMENTS

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

**Air Conditioning
Electricity**

common elements only
 common elements
and apartments

\$300.00 x 12 = \$3,600.00

Gas

Refuse Collection

200.00 x 12 = 2,400.00

Telephone

50.00 x 12 = 600.00

Water and Sewer

375.00 x 12 = 4,500.00

Maintenance, Repairs and Supplies

**Building
Grounds**

700.00 x 12 = 8,400.00

450.00 x 12 = 5,400.00

Management

Management Fee

520.00 x 12 = 6,240.00

Payroll and Payroll Taxes

250.00 x 12 = 3,000.00

Office Expenses

100.00 x 12 = 1,200.00

Insurance

575.00 x 12 = 6,900.00

Reserves

300.00 x 12 = 3,600.00

Taxes and Government Assessments

10.00 x 12 = 120.00

Audit Fees

85.00 x 12 = 1,020.00

Other Cable TV

145.00 x 12 = 1,740.00

\$4,060.00 x 12 = \$48,720.00

TOTAL

Ww. Mangement Consultants of Hawaii, Inc.

managing agents for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

 , President

EXHIBIT "H"

SUMMARY OF RESERVATION, DEPOSIT RECEIPT AND SALES CONTRACT

The Reservation, Deposit Receipt and Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Reservation, Deposit Receipt and Sales Contract states:

(a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of an apartment.

(b) That the purchaser acknowledges having received and read a public report (either preliminary or final) for the Project prior to signing the Reservation, Deposit Receipt and Sales Contract.

(c) That the Developer makes no representations concerning rental of an apartment, income or profit from an apartment, or any other economic benefit to be derived from the purchase of an apartment.

(d) That the Sales Contract may be subordinate to the lien of a construction lender.

(e) That the purchaser's money will be held in escrow. under the terms of the Escrow Agreement.

(f) Requirements relating to the purchaser's financing of the purchase of an apartment.

(g) That the apartment and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.

(h) That the Developer makes no warranties regarding the apartment, the Project or anything installed or contained in the apartment or the Project.

(i) That the Project will be subject to ongoing construction and sales activities which may result in certain annoyances to the purchaser.

(j) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

The Reservation, Deposit Receipt and Sales Contract contains various other important provisions relating to the purchase of an apartment in the Project. It is incumbent upon purchasers and prospective purchasers to read with care the specimen Reservation, Deposit Receipt and Sales Contract on file with the Real Estate Commission.

EXHIBIT "I"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits a purchaser makes pursuant to a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement, these things will or may happen:

- (a) Escrow will let the purchaser know when payments are due.
- (b) Escrow will arrange for the purchaser to sign all necessary documents.
- (c) The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Contract.

The Escrow Agreement also establishes the procedures for the retention and disbursement of a purchaser's funds and says what will happen to the funds upon a default under the Sales Contract. The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. It is incumbent upon purchasers and prospective purchasers to read with care the executed Escrow Agreement on file with the Real Estate Commission.

EXHIBIT "J"

SIXTY-FIVE NAPILI WAY

DISCLOSURE ABSTRACT

1. NAME OF PROJECT: SIXTY-FIVE NAPILI WAY
5355 Lower Honoapiilani Road
Lahaina, Hawaii 96761
2. DEVELOPER: HSC ASSOCIATES, a Hawaii
limited partnership
104 Woodrose Place
Lahaina, Hawaii 96761
3. MANAGING AGENT: Management Consultants of Hawaii
P.O. Box 10039
Lahaina, Hawaii 96761

4. USE OF APARTMENTS:

The fourteen (14) apartments in the Project may be occupied and used only for residential purposes. No apartment may be used for commercial purposes. The apartments are subject to additional restrictions on their use as set forth in (i) the Declaration of Condominium Property Regime of Sixty-Five Napili Way, (ii) the Bylaws of the Association of Apartment Owners of Sixty-Five Napili Way, (iii) the Apartment Deed for the individual apartments, (iv) the Reservation, Deposit Receipt and Sales Contract for the individual apartments, and (v) the Project Rules. Copies of the foregoing documents are on file with the Real Estate Commission of the State of Hawaii.

5. WARRANTIES:

THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, COMMON ELEMENTS, APPLIANCES, FURNISHINGS OR OTHER PRODUCTS, OR ANYTHING INSTALLED IN OR UPON THE PREMISES OR USED IN CONNECTION WITH THE PROJECT IN ANY MANNER, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR PURPOSE OR USE.

As set forth in the Reservation, Deposit Receipt and Sales Contract, the Developer shall require from the general contractor for the project a written warranty with respect to any defects in the Buyer's apartment and the common elements due to faulty materials and/or workmanship which are discovered and reported within one (1) year from the "Date of Substantial Completion" as defined in the construction contract. The Developer makes no warranties itself; however, the execution, delivery and recordation of the Buyer's Apartment Deed shall constitute the assignment by the Developer to the

Buyer of any and all warranties given the Developer by the general contractor for the project, and by any subcontractors or materialmen, and the benefit of such warranties shall accrue to the Buyer on closing without further instruments or documents. The Developer agrees to cooperate with the Buyer during the effective period of any such warranties in asserting any claims based on such warranties. The Buyer shall also have the direct benefit of any manufacturer's or dealer's warranties covering the appliances in the apartment. The Developer does not adopt the contractor's or manufacturer's warranties, if any, and the Developer is not acting as co-warrantor, but is merely attempting to pass to the Buyer the benefit of such warranties, if any, and the Buyer expressly acknowledges and agrees to this. The Buyer acknowledges that the Developer has made no other warranties, express or implied, with respect to the property or any common element or anything installed therein.

6. ESTIMATED MAINTENANCE FEES:

See attached Exhibit A.

The breakdown of estimated initial maintenance fees and maintenance fee disbursements for Kihei View Apartments has been prepared for the Developer by Management Consultants of Hawaii, Inc. as of _____, and is subject to revision based on actual cost for the items enumerated. The Developer can make no assurances regarding the estimated maintenance fees and maintenance fee disbursements. Variables such as inflation, uninsured casualty loss or damages, increased or decreased services from those contemplated by the Developer, apartment owner delinquencies and other factors may cause the actual maintenance fees to be greater or lesser than the estimated maintenance fees.

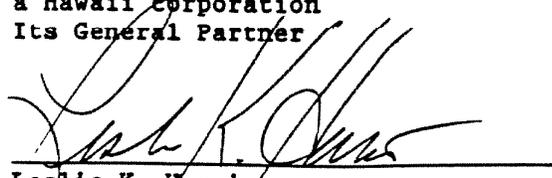
*
* NOTE: THE DEVELOPER ADVISES THAT COSTS AND EXPENSES OF MAINTENANCE AND *
* OPERATION OF A CONDOMINIUM PROJECT ARE DIFFICULT TO ESTIMATE INITIALLY *
* AND EVEN IF THE MAINTENANCE FEES ARE ACCURATELY ESTIMATED, SUCH FEES *
* WILL TEND TO INCREASE IN AN INFLATIONARY ECONOMY AND AS THE IMPROVEMENTS *
* AGE. MAINTENANCE FEES CAN VARY DEPENDING ON SERVICES DESIRED BY APART- *
* MENT OWNERS. THE BUYERS SHOULD CHECK THE ATTACHED MAINTENANCE FEE *
* SCHEDULE TO SEE WHAT SERVICES ARE INCLUDED THEREIN. THE INITIAL *
* ESTIMATES HAVE BEEN MADE WELL IN ADVANCE OF THE COMPLETION OF THE *
* PROJECT AND MAY BE SUBJECT TO SUBSTANTIAL REVISION PRIOR TO OR UPON *
* COMPLETION. *
*

IN WITNESS WHEREOF, the undersigned has executed these presents the day and year first above written.

HSC ASSOCIATES,
a Hawaii limited partnership

By TALES, INC.,
a Hawaii corporation
Its General Partner

By



Leslie K. Harris
Its President

1840s

EXHIBIT A

**ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months</u>	<u>= Yearly Total</u>
101	\$290 x 12	= \$3,480
102	\$290 x 12	= \$3,480
103	\$290 x 12	= \$3,480
104	\$290 x 12	= \$3,480
105	\$290 x 12	= \$3,480
106	\$290 x 12	= \$3,480
107	\$290 x 12	= \$3,480
201	\$290 x 12	= \$3,480
202	\$290 x 12	= \$3,480
203	\$290 x 12	= \$3,480
204	\$290 x 12	= \$3,480
205	\$290 x 12	= \$3,480
206	\$290 x 12	= \$3,480
207	\$290 x 12	= <u>\$3,480</u>
		\$48,720

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