REAL ESTATE COMMISSION
STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
1010 Richards Street
P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

SIXTY-FIVE NAPILI WAY
5355 Lower Honoapiilani Hwy.
Lahaina, Hi. 96761

Registration No. 1760

Issued: August 8, 1988
Expires: February 8, 1989

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of July 22, 19 88 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: (yellow) 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.

____ FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
[ ] Supersedes all prior public reports
[ ] Must be read together with _____

_x_ SUPPLEMENTARY: (pink) Updates information contained in the
[x] Prelim. Public Report dated August 29, 1986
[ ] Final Public Report dated _____
[ ] Supp. Public Report dated _____

And [x] 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 [x] Not Required -- disclosures covered in this report.

FORM: RECO-30 286/986-350W, 150Y, 50P

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.

The following changes have been made to the Preliminary Report issued for Sixty-Five Napili Way Project Registration No. 1760 dated August 29, 1986:

1) Page 13 Paragraph 10
   Variance was granted regarding setback and underground electrical conduit. See Exhibit "G".

2) Page 15 Paragraph E
   A $36,000 mortgage to American Savings and Loan Assoc. was deleted and a $220,000.00 mortgage was added in it's place.

3) Page 17 Paragraph J
   The estimated start of construction was changed to December 31, 1988 and the estimated completion of construction was changed to December 31, 1989.

4) Exhibit "C" Encumbrances Against Title
   Item #3 and #4 were deleted and replaced with:
   #3 - $220,000.00 to American Savings Bank
   #4 - Agreement for West Maui Areas Section VII (c)

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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 "Horizontal Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

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.

Some condominium projects are leasehold. This means that the land or the land, 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.

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

(cite to appropriate pages
in text of report)

Interest to be Conveyed to Buyer:

A fee simple apartment and an undivided interest in the common elements of the project.

Type of Project:

1. [x] New Building(s) [ ] Conversion
   [ ] Both New Building(s) and Conversion

2. [x] Residential [ ] Commercial
   [ ] Mixed Residential and Commercial
   [x] Other Vacation rental

3. [ ] High Rise (5 stories or more) [x] Low Rise

4. [ ] Single or [x] Multiple Buildings

5. Apartment Description

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
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:

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

7. Recreational amenities: Swimming Pool

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: SIXTY-FIVE NAPILI WAY LAND COMPANY
Name
West Maui Center, Suite 12
Business Address
Lahaina, Hawaii 96761

Phone: (808) 661-8731
(Business)

Names of officers or general partners of developers who are corporations or partnerships:
DALE W. McGOWAN, Managing General Partner
West Maui Center, Suite 12
Lahaina, Hawaii 96761

Real Estate Sales Agent: WEST MAUI REALTY
Name
West Maui Center, Suite 12
Business Address
Lahaina, Hawaii

Phone: (808) 661-8731
(Business)

Escrow: STANDARD TITLE AND ESCROW, INC.
Name
P.O. Box 10159
Business Address
Lahaina, Hawaii 96761

Phone: (808) 661-4891
(Business)

Managing Agent: None
Name

Business Address

Phone:
(Business)

Attorney for Developer: NELSON CHRISTENSEN
EVERETT WALTON
Name
West Maui Center, Suite 12
Business Address
Lahaina, Hawaii 96761

Phone: 661-5444

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 Horizontal Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

A. **Declaration of Horizontal 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
[x] Recorded — Bureau of Conveyances — Book 19442 Page 033
[ ] Filed — Land Court — Document Number _____

Amendment date(s) and recording/filing information:

Amendment dated July 3, 1986, recorded in Book 19655, Page 590.

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
[x] 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
[x] Recorded — Bureau of Conveyances — Book 19442 Page 052
[ ] Filed — Land Court — Document Number _____

Amendment date(s) and recording/filing information:

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

[x] 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 apartment owners who must vote for or give written consent to changes:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%	75%
Bylaws	65%	65%
House Rules	–	NA

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

2. Developer: The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:
(a) By filing an "as built" verified statement pursuant to Sect. 514A-12, Hawaii Revised Statutes, (i) certified by a registered architect that the final plans theretofore filed fully and accurately depict elevations of buildings, layout, location, apartment numbers, and dimensions of the apartments as built, or (ii) so long as the plans filed therewith involve only immaterial changes of the apartments as built; (b) To effect any changes or amendments required by an administrative agency of any state, territory, possession or foreign country or other foreign jurisdiction as a condition to marketing the project therein.

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.

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

[x] Fee Simple: Individual apartments and the underlying land will be in fee simple.

[ ] Leasehold or Subleasehold: Individual apartments and the underlying land will be leasehold.

The leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (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.

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.

[ ] Individual Apartments in Fee Simple, Underlying Land in Leasehold or Subleasehold:

The 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; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations.

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:

For Subleaseholds: NOT APPLICABLE

[ ] 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 Hwy
Lahaina, Maui, Hi. 96761

Tax Map Key: 4-3-02:49
(TMK)

[ ] Address [ ] TMK is expected to change because _____

Land Area: 41,287 [x] square feet [ ] acre(s)

Zoning: H-1

Fee Owner: SIXTY-FIVE NAPILI WAY LAND COMPANY
name
West Maui Center, Suite 12
address
Lahaina, Hi. 96761

Sublessor: _____
name
_____
address
_____

C. **Buildings and Other Improvements:**

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

2. Buildings: 3 Floors Per Building: 2

   [ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

   [x] Concrete [ ] Hollow Tile [x] Wood

   [ ] Other _____

4. Permitted Uses:

	No. of Apts.		No. of Apts.
[ ] Commercial		[ ] Industrial	
[x] Residential	14	[ ] Agricultural	
[ ] Timeshare/Hotel		[ ] Recreational	
[x] Other: vacation rental			

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: _____

[x] Other: None

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 14

Elevators 0 Stairways 7 Trash Chutes 0

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
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

*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 floor area may have been used.

Boundaries of Each Apartment: Interior walls

Permitted Alterations to Apartments: No owner shall make any addition or alteration in or to his Apartment which may affect the common elements or change the exterior appearance of the buildings without the prior written consent thereto by the Board. The owner of two or more adjacent apartments separated only by a common element which is a wall or floor (including a common element which constitutes a floor of one of the apartments and a ceiling of the other) acting alone without the prior approval of any apartment owner but with the prior written approval of the Board and upon such terms and conditions as may be imposed by the Board, may alter or remove all or portions of the intervening wall or floor, if the structural integrity of the building and the pipes, ducts, cables, wires, conduits, and other common elements are not thereby affected (or, if affected, are suitably taken care of as required by the Board) and if the finish of the wall or floor then remaining is restored to a condition substantially comparable to that of the wall or floor prior to such alternation. The owner of such adjacent apartments may install in and attach to such opening or openings in such common elements evevators, lifts, tubes and other service devices and may remove and retain ownership of the installed equipment. The owner of any such apartments may with prior written consent of the Board and upon such terms and conditions as may be imposed by the Board, restore such intervening wall or floor to substantially the same condtion theretofore existing.

7. Parking Stalls:

Total Parking Stalls: 20

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)		14					14
Guest		6		6			12
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open	20		6				

Each apartment will have the exclusive use of at least 1 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.

[x] Swimming pool

[ ] Storage Area

[ ] Recreation Area

[ ] Laundry Area

[ ] Tennis Court

[ ] Trash Chute

[ ] Other: _____

9. Present Condition of Improvements
(For conversions of residential apartments in existence for 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.

[X] Variance(s) to zoning code was/were granted as follows: Variance was granted for setback and underground electrical conduit.

See Exhibit "G"

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.

	Conforming	Non-Conforming	Illegal
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 intended to be used by all apartment owners. They are owned jointly by all apartment owners.

   Exhibit A describes the common elements.

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.

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

   [x] described in Exhibit B

   [ ] 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 _____ describes the common interests for each apartment.

   [x] 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 C describes the encumbrances against the title contained in the title report dated June 22, 1988.

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.

[X] 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
Anticipated construction mortgage loan	None after conveyance of apartment to Buyer
Mortgage to American Savings Bank: $220,000	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.

[X] other The Developer is not employing a manging agent.

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 D 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:

[ ] Electricity [ ] Television Cable

[ ] Gas [x] 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:

   Manu facturer's and dealer's warranties only.

J. **Status of Construction and Estimated Completion Date:**

Estimated date of Beginning: December 31, 1988

Estimated date of completion: December 31, 1989

K. **Project Phases:**

The developer [ ] has [x] 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

[x] Specimen Sales Contract

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

[x] Escrow Agreement dated March 7, 1986

Exhibit F contains a summary of the pertinent provisions of the escrow agreement.

[ ] 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. 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 Horizontal 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.

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 [X] 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.

Supplementary Public Reports expire on the expiration date given on the front of the report.

GLORIA DAMRON, 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
Escrow Agent

EXHIBIT "A"

COMMON ELEMENTS

The Common Elements of the project include all of the Limited Common Elements, all other portions of the project other than the apart-apartments, and all other Common Elements mentioned in the Horizontal Property Act which are actually included in the project, including specifically, but not limited to:

(a) The land in fee simple;

(b) All foundations, floor slabs, beams, columns, supports, girders, unfinished perimeter and load bearing walls, walkways, ramps, fences, railings and roofs;

(c) All driveways, roadways, pavements, unassigned parking areas, walkways, grounds, landscaping and other recreational areas, including swimming pool, refuse facilities and mailboxes;

(d) All common laundry facilities and storage rooms;

(e) 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, sewer, telephone and radio and television signal distribution;

(f) Any and all other 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 use.

EXHIBIT "B"

LIMITED COMMON ELEMENTS

Certain parts of the Common Elements (the "Limited Common Elements") are designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the use of such Limited Common Elements as follows: (a) Entranceways to each apartment are Limited Common Elements for the exclusive use of the apartments they serve; (b) One parking space is assigned to each apartment for the exclusive use of that apartment, as follows:

Space No.	Apartment No.
1	101
2	201
3	102
4	202
5	103
6	203
11	104
12	204
15	105
16	205
17	106
18	206
19	107
20	207

EXHIBIT "C"

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes due and owing. Reference is made to the County of Maui Tax Assessors Office.

2. Reservation to the State of Hawaii of all mining and mineral rights.

3. Mortgage
   Mortgator: Sixty-Five Napili Way Land Company, a Hawaii limited partnership
   Mortgagee: American Savings Bank, F.S.B., a federal savings bank
   Dated: February 9, 1987 Recorded: February 11, 1987
   Liber 20357, Page 189
   Consideration: $220,000.00

4. The terms, provisions, agreements, convenants and conditions of that certain Section VIII (c) Agreement of West Maui areas
   Dated: May 6, 1986
   Recorded: May 14, 1986
   Liber 19502, Page 445

5. Declaration of Horizontal Property Regime dated 4/2/86, recorded on 4/22/86 in Book 9441, Page 33.

6. Amendment to Declaration of Horizontal Property Regime dated 7/3/86, recorded on 7/10/86 in Book 19655, Page 590.

7. Bylaws of the Association of Apartment Owners recorded in Book 19442, Page 52.

8. Condominium Project shown on Condominium Map. No. 1001.

EXHIBIT D

ESTIMATE OF INITIAL MAINTENANCE FEES AND ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee x 12 months =	Yearly Total
Each apartment	$196.00	$2,352.00
Breakdown:		
Maintenance and Repairs		$4,800.00
Insurance		8,400.00
Management and Accounting		6,000.00
Supplies		1,200.00
Utilities for Common Elements		7,200.00
Refuse Collection		1,800.00
Pest Control		1,680.00
Legal		600.00
Contingencies		1,200.00
Annual total for entire project:		$32,880.00

[ ] Revised on _____

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

Estimate of Maintenance Fee Disbursements:

	Monthly	x 12 months =	Yearly Total
Utilities and Services			
Air Conditioning			
Electricity			
[X] common elements only	$300.00		$3,600.00
[ ] common elements and apartments			
Gas			
Refuse Collection	$150.00		$1,800.00
Telephone			
Water and Sewer	$300.00		$3,600.00
Maintenance, Repairs and Supplies			
Building			
Grounds	$400.00		$4,800.00
Management	$500.00		$6,000.00
Management Fee			
Payroll and Payroll Taxes			
Office Expenses			
Insurance	$700.00		$8,400.00
Reserves	$100.00		$1,200.00
Taxes and Government Assessments			
Other			
Supplies	$100.00		$1,200.00
Pest Control	$140.00		$1,680.00
Legal			
TOTAL	$2,740.00		$32,880.00

I/We, SIXTY-FIVE NAPILI WAY LAND COMPANY, as ~~xxxxxxxxxx~~ Developer for the condominium, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

SIXTY-FIVE NAPILI WAY LAND COMPANY

By: Dale W. McGowan

DALE W. McGOWAN, Managing G.P.

Date: 6-20-88

EXHIBIT "E"

SUMMARY OF SALES CONTRACT

The form of Sales Contract intended to be used by the Developer in the sale of apartments in the project has been filed with the Commission. The Sales Contract includes the following provisions:

1. A down payment is to be paid upon execution of the Sales Contract.
2. The balance of the purchase price, closing costs, and certain reserves are to be paid upon the close of escrow.
3. If a purchaser is to obtain a mortgage for the purchase, he must apply to one or more established lending institutions of the purchaser's choice within 10 days of acceptance of the Sales Contract by the Developer. If a mortgage commitment is not obtained within 45 days of execution of the Sales contract, the Developer shall have the option of termination of the agreement.
4. A purchaser shall recieve a recorded deed to the apartment at the close of escrow.
5. Possession of the apartment shall be delivered to the purchaser immediately upon the close of escrow.

THE SALES CONTRACT CONTAINS MANY PROVISIONS WHICH ARE NOT DISCUSSED IN THIS SUMMARY. FOR A FULL AND COMPLETE UNDERSTANDING OF THE SALES CONTRACT, THE ENTIRE DOCUMENT SHOULD BE READ CAREFULLY.

EXHIBIT "F"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement dated March 7, 1986 between the Developer and Standard Title and Escrow, Inc. provides that all funds received from any purchaser of an apartment in the project must be deposited in escrow, and cannot be released from escrow to the Developer until all underlying mortgages on the project have been satisfied and the purchaser's deed to the purchased apartment has been filed in the Bureau of Conveyances of the State of Hawaii. Provided, however, that a purchaser's funds in escrow may be expended to satisfy any such mortgage pursuant to escrow instructions executed by the Developer and the purchaser.

THE ESCROW AGREEMENT CONTAINS MANY PROVISIONS WHICH ARE NOT DISCUSSED IN THIS SUMMARY. FOR A FULL AND COMPLETE UNDERSTANDING OF THE ESCROW AGREEMENT, THE ENTIRE DOCUMENT SHOULD BE READ CAREFULLY.

EXHIBIT "G"

HANNIBAL TAVARES
Mayor

ALVIN K. FUKUNAGA
Director of Public Works

BRIAN HASHIRO, P.E
Deputy Director of Public Works

MELVIN HIPOLITO
Acting Superintendent of Highways

FRED ARAKI, P.E
Engineering Chief

EDWIN KAGEHIRO, P.E
Waste Management Chief

AARON SHINMOTO, P.E
Land Use Administrator

COUNTY OF MAUI
DEPARTMENT OF PUBLIC WORKS
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793

August 13, 1986

Mr. Dale W. McGowan
General Partner
Sixty-Five Napili Way Land Company
#12 West Maui Center
Lahaina, Hawaii 96761

Dear Mr. McGowan:

Re: Variance Application
TMK:4-3-02:49

The Maui County Board of Variances and Appeals, on July 8, 1986, approved your request for variance from Sections 18.20.140B and 19.14.070 with the following condition:

> THAT AN UNDERGROUND CONDUIT SYSTEM BE INSTALLED FOR FUTURE CONVERSION OF THE EXISTING OVERHEAD SYSTEM TO AN UNDERGROUND SYSTEM. THE SYSTEM SHALL BE IN CONFORMANCE TO THE REQUIREMENTS OF THE ELECTRIC, TELEPHONE AND CABLE TELEVISION UTILITY COMPANIES

for property located at 5355 Lower Honoapiilani Highway, Lahaina, Hawaii; TMK:4-3-02:49.

You will find enclosed the Board's Findings of Fact, Conclusions of Law, and Decision and Order on the request.

Very truly yours,

Brian Hashiro
for ALVIN K. FUKUNAGA
Director of Public Works

ng

enclosure

BOARD OF VARIANCES AND APPEALS
COUNTY OF MAUI
STATE OF HAWAII

SUBJECT: Request by DALE W. MCGOWAN for approval of a variance from Sections 18.20.140B and 19.14.070 of the Maui County Code in order to maintain overhead utility lines and 9'-0" front yard setback for property located at 5355 Honoapiilani Highway, Napili, Lahaina, Hawaii; TMK:4-3-02:49.

FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND
DECISION AND ORDER

The matter of a request by DALE W. MCGOWAN having duly come on for hearing on July 8, 1986, and the Board being fully advised thereon, now makes the following Findings of Fact, Conclusions of Law, and Decision and Order.

FINDINGS OF FACT

1. That the subject parcel is located at 5355 Lower Honoapiilani Highway, Lahaina, Maui, Hawaii; TMK:4-3-02:49.

2. That the subject parcel is located within the State Land Use Urban District and the County's Napili Bay Civic Improvement District (NBCID). The County's General Plan map includes the parcel within a General Multiple-family District.

3. That the applicant is requesting approval of a variance from Section 18.20.140(B) and 19.14.070 of the Maui County Code in order to maintain overhead utility lines and 9'-0" front yard setback whereby underground utility lines and 15'-0" front yard setback are required; respectively.

4. That Section 8-5.4.1 of the Maui County Charter grants the Board of Variances and Appeals authority to hear and determine the request.

5. That Section 18.20.140(B) states in part that "utility lines...shall be installed underground in all subdivisions laid out within the industrial, business, hotel, apartment...areas..."

6. That Section 19.14.070 states in part that the front yard shall be 1/2 the height of the building with a minimum of 15'-0".

7. That the applicant proposes to construct a 14-unit condominium complex. A 6'-0" road widening lot will be dedicated to the County thereby reducing the front yard setback of 15'-0" to 9'-0". In addition, the existing overhead utility lines would have to be relocated underground.

8. That the applicant has stated that "the landowner subdivided the land to convey a road widening strip to the County in order to provide a roadway that would be 44 feet wide. Thereafter, LUCA determined that the roadway should be 56 feet wide, requiring the landowner to convey an additional strip of land 6 feet wide to the County. This conveyance will place a portion of a building within the front yard setback of 15 feet. If the landowner places the utility lines underground, the landowner will have to trench Lower Honoapiilani Road to connect to an existing utility pole and trench the roadway north of the subject property to provide electrical service to the single family residences on the Kapalua side of the roadway."

9. That notices of the Request for Variance were sent by certified mail to the adjacent property owners. Twenty-seven letters in support of the area variance and five letters in support of the utility line variance were received. One letter of protest relating to the utility line was received.

CONCLUSIONS OF LAW

1. That the above Findings of Fact support the granting of the variances with the following conditions:

   THAT AN UNDERGROUND CONDUIT SYSTEM BE INSTALLED FOR FUTURE CONVERSION OF THE EXISTING OVERHEAD SYSTEM TO AN UNDERGROUND SYSTEM. THE SYSTEM SHALL BE IN CONFORMANCE TO THE REQUIREMENTS OF THE ELECTRIC, TELEPHONE AND CABLE TELEVISION UTILITY COMPANIES.

2. That strict compliance with the provisions of the ordinance will result in extraordinary hardship to the owner.

3. That the conditions affecting the property was not the result of previous actions by the owner.

4. That the granting of the request will not be detrimental to the public's health, safety, or welfare, or injurious to other property in the vicinity.

DECISION AND ORDER

It is the decision of the Maui County Board of Variances and Appeals that the above Findings of Fact and Conclusions of Law be made

AND FURTHER ORDERED

That the request made by DALE MCGOWAN for approval of a variance from Sections 18.20.140B and 19.14.070 be granted with the following condition:

> THAT AN UNDERGROUND CONDUIT SYSTEM BE INSTALLED FOR FUTURE CONVERSION OF THE EXISTING OVERHEAD SYSTEM TO AN UNDERGROUND SYSTEM. THE SYSTEM SHALL BE IN CONFORMANCE TO THE REQUIREMENTS OF THE ELECTRIC, TELEPHONE AND CABLE TELEVISION UTILITY COMPANIES.

for property located at 5355 Lower Honoapiilani Highway, Lahaina, Hawaii; TMK:4-3-02:49.

HERBERT A. GRIES, JR., CHAIRMAN
BOARD OF VARIANCES AND APPEALS