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

MAALAEA SURF, PHASE III/IV
Kihei, Maui, Hawaii

REGISTRATION NO. 479

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: September 4, 1973
Expires: October 4, 1974

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 AUGUST 16, 1972. 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 MAALAEA SURF, PHASE III/IV, Registration No. 479, dated October 9, 1972, the Developer has prepared and forwarded additional information to that filed in the August 16, 1972 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 Maalaea Surf, Phase III/IV, 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 four (4) phases. This report covers only Phase III/IV of the entire condominium project (combination of two Phases). Phase III/IV includes the construction and sale of the twenty-seven (27) apartments located in Buildings E, F, G and H and certain common elements shown on the Condominium Map.

4. Promotional material has been submitted pursuant to the rules and regulations promulgated by the Commission.

5. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners, and a copy of the approved Floor Plans) have been filed in the office of the recording officer. The Declaration of Horizontal Property Regime executed on November 5, 1971, with the By-Laws attached, was recorded in the Bureau of Conveyances of the State of Hawaii in Liber 7939, page 102. The Registrar has designated Condominium Map No. 210 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, September 4, 1973, 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 DEVELOPER, ENCUMBRANCES AGAINST TITLE, MANAGEMENT AND OPERATIONS and STATUS OF PROJECT has not been disturbed. The topical heading of FINANCING OF PROJECT has been added.

DEVELOPER: PORTLAND ALII OREG. LTD., an Oregon limited partnership, with ROLPH B. FUHRMAN as the General Partner, whose post office address is P. O. Box 30, Oregon City, Oregon, and whose residence address is Portland, Oregon, General Partner. Address of Portland Alii Oreg. Ltd. in the State of Hawaii is 38 S. Market Street, Wailuku, Maui, Hawaii. Telephone 244-3796.

ENCUMBRANCES AGAINST TITLE: A Preliminary Report dated May 15, 1973, issued by Title Guaranty, Inc., provides that the following are encumbrances against title to the property:

Taxes that may be due and owing and a lien on the land under search, reference is hereby made to the Office of the Tax Assessor of the Second Division. The definitions and prohibitions of "SHORELINE SETBACK" (SEAWARD BOUNDARY) as enacted by Act 136, Session Laws of Hawaii 1970. Easement Agreement between Portland Alii Oreg. Ltd. and Maui Electric Company, Limited, dated May 31, 1972, recorded in Liber 8373 on pages 433-440. Mortgage from Portland Alii Oreg. Ltd., to Security Bank of Oregon dated May 31, 1972, recorded in Liber 8375 on page 398. Mortgage from Portland Alii Oreg. Ltd., to Security Bank of Oregon dated March 5, 1973, recorded in Liber 9006 on Pages 337-347. Mortgages the land under search, together with apartments nos. E-1, E-2, E-3, E-4, E-5, E-6, F-1, F-2, F-3, F-5, F-6, G-1, G-2, G-3, G-4, G-5, G-6, G-7, G-8, G-9, G-10, H-1, H-2, H-3, H-4, H-5 and H-6 of the MAALAEA SURF Horizontal Property Regime, together with the respective percentages of undivided interest in the common elements of the said horizontal property regime appertaining thereto, save and except apartments nos. A-1, A-2, A-3, A-4, A-5, A-6, B-1, B-2, B-3, B-4, B-5, B-6, C-1, C-2, C-3, C-4, C-5, C-6, C-7, C-8, C-9, C-10, D-1, D-2, D-3, D-4, D-5, D-6, D-7, D-8, D-9 and D-10 of the said MAALAEA SURF Horizontal Property Regime. Mortgage from Portland Alii Oreg. Ltd., to Security Bank of Oregon dated September 22, 1971, recorded in Liber 7877, Page 421. Various recorded apartment Deeds and Mortgages covering Phase I have been purposely omitted. Declaration of Horizontal Property Regime recorded in the Bureau of Conveyances in Liber 7939 on page 102. Condominium Map No. 210 filed in the Bureau of Conveyances. Deed dated October 5, 1971, and recorded in Liber 7877 at page 416, by and between Rolph B. Fuhrman and Robert G. Fitzgerald as "Grantors" and Maui-Alii Corporation as "Grantee".

MANAGEMENT AND OPERATIONS: The Maalaea Surf Association Of Apartment Owners has been constituted, a Board of Directors has been elected, and a common expense budget has been adopted. Acadia Management Corporation (Hawaii) Limited, a Hawaii corporation, whose principal place of business and post office address is 2480 South Kihei Road, Kihei, Maui, Hawaii, is the managing agent for Association. (Mr. Don Stockton, whose residence and post office address is 31 North Kihei Road, Kihei, Maui, Hawaii, is the resident manager for the Association.) Portland Alii Oreg. Ltd. will continue to be liable for and shall pay the share of the Association common expenses assessed against each Phase III/IV apartment until it delivers a deed for the apartment.

FINANCING OF PROJECT: In the Supplement to the Notice of Intention submitted May 31, 1973, the Developer gives an estimated total cost of $1,153,234 to complete the project. The Security Bank of Oregon has made a construction loan to Portland Alii Oreg. Ltd. in the principal amount of $800,000 for the project. Portland Alii Oreg. Ltd. has given the Security Bank of Oregon a mortgage of the Maalaea Surf Phase III/IV property to secure the repayment of the construction loan. The Phase III/IV construction mortgage does not include any of the Phase I or Phase II, Maalaea Surf, apartments. The Phase III/IV Maalaea Surf Contracts of Sale between Portland Alii Oreg. Ltd. and each apartment purchaser provides for the subordination of the interest and equity of each apartment purchaser in the Phase III/IV Maalaea Surf property to the lien created by the Phase III/IV construction mortgage held by the Security Bank of Oregon.

Portland Alii Oreg. Ltd. has available cash in the amount of $529,300 from the sale of apartments from Phases I and II, Maalaea Surf, to fund the construction of the Phase III/IV improvements.

Portland Alii Oreg. Ltd. has offered for sale, and has sold, seven (7) of the Phase III/IV apartments under non-binding contracts of sale for an aggregate purchase price of $512,175. (Portland Alii Oreg. Ltd. does not currently plan to offer the remaining Phase III/IV apartments for sale). Under the Phase III/IV apartment contracts of sale the aggregate amount of $102,435 of the total purchase price for these seven apartments will be due and payable during the course of construction, and, after the issuance of a final public report for Phase III/IV, Maalaea Surf, 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 Maalaea Surf, Phase III/IV, construction costs, architectural, engineering, finance and legal fees, and other incidental expenses of the project.

STATUS OF PROJECT: In the Supplement to the Notice of Intention submitted May 31, 1973, Developer discloses that it has entered upon a Contract for the construction of Phase III/IV of the project with Global Contractors, Inc., a Hawaii corporation, dated February 23, 1973, at a total contract price of $939,166. Construction of Phase III/IV commenced March 23, 1973. Approximately 12% of the project has been completed.

First Insurance Company of Hawaii, Ltd. is surety for Global Contractors, Inc., the contractor, in respect of the construction contract for Phase III/IV, dated February 23, 1973, under a Performance Bond in the principal amount of $939,166, and under a Labor and Material Payment Bond, in the principal amount of $469,583, each dated March 28, 1973.

The general conditions of the construction contract (§13.2.2) provides as follows:

> "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 construction of the improvements included in Phases I and II, Maalaea Surf, have been completed.

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 August 16, 1972, and the Supplement to the Notice of Intention submitted May 31, 1973. This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 479, filed with the Commission August 16, 1972.

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

September 4, 1973
Registration No. 479