

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer Oceanhouse, Inc.
Address P.O. Box 565, Lahaina, Hawaii 96761

Project Name(*): 122 Wahie Lane Plaza
Address: 122 Wahie Lane, Lahaina, Hawaii 96761

Registration No. 2927

Effective date: October 4, 1993

Expiration date: November 4, 1994

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

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

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

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 by the developer 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.
 This report supersedes all prior public reports.
 This report must be read together with _____

SUPPLEMENTARY: This report updates information contained in the:
(pink)
 Preliminary Public Report dated: _____
 Final Public Report dated: _____
 Supplementary Public Report dated: _____

And Supersedes all prior public reports
 Must be read together with _____
 This report reactivates the _____
public report(s) which expired on _____

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report 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 developer.

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 the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

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 owners/tenants) 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 at the lessee's expense. 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 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 project's 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 the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the 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 important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Oceanhouse, Inc. Phone: 661-1500
Name (Business)
P.O. Box 565
Business Address
Lahaina, HI 96761

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

Edward Arraut, President, Secretary, Treasurer and
and Director

Real Estate
Broker: Monroe & Friedlander, Inc. Phone: 242-8000
Name (Business)
One Main Plaza, Suite 205
Business Address
Wailuku, HI 96793

Escrow: Title Guaranty Escrow Services Phone: 661-8715
Name (Business)
505 Front Street, Suite 201
Business Address
Lahaina, HI 96761

General
Contractor: To be selected Phone: _____
Name (Business)

Business Address

Condominium
Managing
Agent: To be selected Phone: _____
Name (Business)

Business Address

Attorney for
Developer: Eugene W.I. Lau Phone: 545-3622
Name (Business)
1188 Bishop Street, Suite 1912
Business Address
Honolulu, HI 96813

**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. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and 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.

- 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 _____ Page _____
 Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

- 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 Conveyances Condo Map No. _____
 Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date 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 manner in which meetings will be conducted, whether pets are prohibited or allowed 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 _____ Page _____
 Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date 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 limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. 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 of the Board</u>

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

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:

As set forth in Sections O and P of the Declaration, the Developer has reserved the right to make such changes as may be required by law, the Real Estate Commission, any title insurance company issuing a title insurance policy on the Project or any of the Apartments, or any institutional lender lending funds on the security of the Project or any of the Apartments; provided, however, that such changes shall not change the common interest appurtenant to an Apartment or substantially change the design, location or size of an Apartment.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/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 regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

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

For Subleaseholds:

- Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
 Canceled 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 canceled or foreclosed.
- Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

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

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

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:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 122 Wahie Lane Tax Map Key: (2) 4-5-001-041
Lahaina, Hawaii 96761 (TMK)

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

Land Area: 12,749 [] square feet [] acre(s) Zoning: B-2

5. Special Use Restrictions:

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

[✓] Pets: Not permitted.

[] Number of Occupants: _____

[✓] Other: See Exhibit I.

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 1 Stairways: 2 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 10

See Exhibit A for description of Apartments.

*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:

See Exhibit B.

Permitted Alterations to Apartments: As set forth in Section O of the Declaration of Condominium Property Regime of 122 Wahie Lane Plaza, the owner of an Apartment shall have the right to make any alterations or additions within such owner's Apartment, and the owner of any two or more adjoining Apartments may alter or remove intervening walls.

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

The Project will be built in conformance with the applicable zoning code.

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

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	_____	_____	_____
Structures	_____	_____	_____
Lot	_____	_____	_____

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 other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit C.

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 use them, as described in the Declaration, are:

described in Exhibit _____.

as follows:

The limited common elements of the Project, as set forth in paragraph D.3 of the Declaration of Condominium Property Regime of 122 Wahie Lane Plaza are the parking stalls designated for specific units, as shown in Exhibit H attached hereto.

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 used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit A.

as follows:

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit D describes the encumbrances against the title contained in the title report dated 7/12/93 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien 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. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
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F. 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:

The Developer expects to obtain a warranty from the general contractor. The Developer does not warrant the work, but will pass on the contractor's warranty. The Developer's obligation is limited to assisting the owners and the Association in presenting claims, if any, under the contractor's warranty.

2. Appliances:

N/A

G. Status of Construction and Estimated Completion Date:

Construction has not commenced. It is estimated that construction will be completed in October 1994.

H. Project Phases:

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

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

V. MISCELLANEOUS

A. 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 F contains a summary of the pertinent provisions of the sales contract.

[✓] Escrow Agreement dated July 22, 1993

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

[] Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

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 or Supplementary Report to a Final Report: Sales made by the developer are binding if:

A) The Developer delivers to the buyer a copy of:

1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission;

AND

2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); AND

C) One of the following has occurred:

1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or

2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or

3) 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:

A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND

B) 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.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime.
- C) Bylaws of the Association of Apartment Owners.
- D) House Rules.
- E) Condominium Map.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other _____

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 Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 2927 filed with the Real Estate Commission on 8/4/93.

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

yellow paper stock white paper stock pink paper stock

C. Additional Information Not Covered Above

The construction of the project is subject to the Developer complying with certain conditions as set forth in the County of Maui Planning Department's letters of May 28, 1991, September 9, 1992, and June 16, 1993, which are attached as Exhibit J to this Condominium Public Report. Potential buyers are invited and encouraged to review such letters.

The County of Maui Planning Department's letter of May 28, 1991, states in paragraph 7 that the Special Management Area (SMA) approval is subject to the Developer providing thirty-nine (39) paved parking and two (2) loading spaces. The foregoing requirement was established when the project, as then planned, was considerably larger than the project as presently planned. Eighteen (18) parking spaces and one (1) loading space are required for this project.

The Developer will comply with all parking requirements as well as all other requirements for the construction of the project.

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

Oceanhouse, Inc.
Name of Developer

By: Edward Arraut.
Duly Authorized Signatory

9/29/93
Date

Edward Arraut, President
print name & title of person signing above

Distribution:

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

EXHIBIT A

Apartment Description

<u>Apartment Number</u>	<u>Net Floor Area (sf)</u>	<u>Lanai Area (sf)</u>	<u>Total Area (sf)</u>	<u>% Interest in Common Elements</u>
101	1,032		1,032	11.51786%
102	854		854	9.53125%
103	814		814	9.08482%
201	1,028	47	1,075	11.99777%
202	852	96	948	10.58036%
203	890	38	928	10.35714%
204	805	16	821	9.16295%
205	857	30	887	9.89955%
206	711	16	727	8.11384%
207	818	56	874	9.75446%
			TOTAL	100.00000%

All areas set forth herein are approximate only, and are based on measurements taken from the interior surface of all perimeter walls as shown on the Condominium Map. The precise areas of the apartment spaces may vary somewhat upon completion.

End of Exhibit A

EXHIBIT B

BOUNDARIES OF EACH APARTMENT

The apartments consist of the spaces within the perimeter walls, floors and ceilings of each of the ten (10) apartments of the Project. Each apartment shall include all non-load bearing walls, columns, and partitions within the perimeter walls of the apartment, the inner decorated or finished surfaces of all walls, floors and ceilings, the doors and door frames, the windows and window frames along the perimeter walls and all fixtures, if any, originally installed in the apartment. The apartment shall not include the undecorated or unfinished surfaces of the perimeter walls, the interior load bearing columns, girders, beams, and/or walls, and the undecorated or unfinished surfaces of the floors and ceilings surrounding each of the apartments, all of which shall be common elements.

End of Exhibit B

EXHIBIT C

COMMON ELEMENTS

As set forth in Section D of the Declaration of Condominium Property Regime of 122 Wahie Lane Plaza, the Common Elements of the Project include:

- (a) The land described in Exhibit A;
- (b) All foundations, columns, girders, beams, footings, floor slabs, supports, unfinished perimeter, party and load-bearing walls and partitions and roof;
- (c) The elevator, elevator lobby, walkway, corridor, stairways, restrooms, trash dumpster enclosure and landscaped areas;
- (d) The parking area consisting of four covered regular size parking stalls, three covered compact size parking stalls, one covered handicap size parking stall, and the loading area;
- (e) All pipes, cables, conduits, ducts, pumps, sewer lines, electrical equipment, wiring 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, gas (if any), sewer, water, and telephone; and
- (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 common use.

End of Exhibit C

EXHIBIT D

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes - Tax Key: (2) 4-5-001-041

For further information regarding taxes assessed against the property, contact the Director of Finance of the County of Maui.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct boundary and improvement survey would disclose. Developer intends to obtain a correct boundary and improvement survey in connection with the construction of the Project.

End of Exhibit D

EXHIBIT E

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 = Yearly Total</u>
101	\$752	\$9,024
102	\$623	\$7,476
103	\$593	\$7,116
201	\$784	\$9,408
202	\$691	\$8,292
203	\$677	\$8,124
204	\$599	\$7,188
205	\$647	\$7,764
206	\$530	\$6,360
207	\$637	\$7,644

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

PROJECT: 122 WAHIE LANE PLAZA, LAHAINA, HI 96761

Estimate of Maintenance Fee Disbursements:

	<u>Monthly</u> x 12 months =	<u>Yearly Total</u>
Utilities and Services:		
Electricity (common areas only)	\$1,000.00	\$12,000.00
Elevator	100.00	1,200.00
Refuse Collection	200.00	2,400.00
Water & Sewer	125.00	1,500.00
Maintenance, Repairs and Supplies:		
Grounds	500.00	6,000.00
Buildings	2,000.00	24,000.00
Management:		
Management Fee	1,000.00	12,000.00
Insurance:		
Insurance	333.00	4,000.00
Reserves(*)		
Taxes and Government Assessments:		
Property Taxes	1,149.00	13,793.00
Audit Fees:		
Audit Fees	<u>125.00</u>	<u>1,500.00</u>
TOTAL	\$6,532.00	\$78,393.00

I, Edward Arraut, as agent and employed by OCEANHOUSE, INC., the condominium managing agent or the developer, for the condominium project, 122 Wahie Lane Plaza 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.

Edward Arraut

Date: 7 - 29 - 93

(*) Mandatory reserves in effect January 1, 1993

To be determined for the fiscal year which begins after the Association's first annual meeting according to law.

EXHIBIT F

SUMMARY OF SALES CONTRACT

The Developer of 122 Wahie Lane Plaza, Oceanhouse, Inc., has filed a sample Fee Simple Commercial Condominium Apartment Sales Contract for apartments in 122 Wahie Lane Plaza with the Real Estate Commission of the State of Hawaii. The sample agreement is also available for review at the Developer's office. Because this summary cannot and does not cover each and every term of the sample agreement, potential buyers are invited and encouraged to review the sample agreement.

The sample agreement provides for the sale of fee simple commercial condominium apartments in 122 Wahie Lane Plaza, together with specified interests in the common elements of 122 Wahie Lane Plaza. The sample agreement sets out the benefits and obligations of the seller and the buyer. It provides that the buyer approves the Escrow Agreement. The sample agreement also provides for purchase by mortgage financing, seller financing or cash purchase.

As required by the Hawaii Revised Statutes Chapter 514A, the sample agreement provides that, until a buyer signs a receipt for a Final Public Report for 122 Wahie Lane Plaza (or is deemed to have receipted for it under HRS §514A-62) and all of the conditions of HRS §514A-62 have been satisfied, the agreement may be cancelled for any reason. The sample agreement provides that upon such cancellation, a buyer's payments under the agreement shall be refunded, less an escrow cancellation charge.

The sample agreement also provides that if the buyer fails to make any payment when required, or fails to perform any other obligation required of the buyer under the agreement, such failure shall constitute a default and the buyer will be notified of the default by registered or certified mail, return receipt requested, and if the default is not cured within fifteen (15) days after the mailing of the notice, the agreement may, at the seller's option, be cancelled, in which event all sums paid by the buyer, less escrow's cancellation charge, shall belong absolutely to the seller as liquidated damages; or the seller may, at its option, pursue any other remedy at law or in equity, for damages or otherwise, and all costs, including reasonable attorney's fees, incurred by reason of such default by the buyer shall be borne by the buyer. Similarly, if the seller shall be in default under the agreement, the buyer will have all remedies available at law or in equity by reason of such default, and all costs, including reasonable attorney's fees, incurred by reason of such default by the seller shall be borne by the seller.

End of Exhibit F

EXHIBIT G

SUMMARY OF ESCROW AGREEMENT

The Developer has entered into an Escrow Agreement dated July 22, 1993, with Title Guaranty Escrow Services, Inc. ("Title Guaranty") whereby Title Guaranty has agreed to provide escrow services to the Developer and buyers of apartments in 122 Wahie Lane Plaza. A copy of this Escrow Agreement is on file at the Real Estate Commission of the State of Hawaii, and may also be viewed at the Developer's office. Because this summary cannot and does not cover each and every term of the Escrow Agreement, potential buyers are invited to view the original.

The Escrow Agreement provides that when a buyer makes payments under the terms of a Sales Contract, such payments shall be promptly made or delivered to Title Guaranty. Title Guaranty is then required to hold all funds that it receives in separate escrow accounts in a federally insured bank or savings and loan association located in the State of Hawaii. The Escrow Agreement specifically prohibits Title Guaranty from commingling or mixing any funds paid by a buyer with the Developer's funds.

Before a buyer's Sales Contract becomes binding as defined in the Sales Contract, a buyer may cancel the Sales Contract for any reason. Accordingly, the Escrow Agreement provides that if a Sales Contract is cancelled, Title Guaranty will, upon receipt of notice cancellation, refund a buyer's funds. The Escrow Agreement provides that in case of such cancellation, Title Guaranty shall be entitled to retain a cancellation fee commensurate with the amount of work it has performed, provided that such a fee shall not be less than \$25.00 or more than \$250.00.

The Escrow Agreement prohibits Title Guaranty from making payments out of a buyer's funds (except for refunds discussed above) until a buyer has signed a receipt for a Final Public Report on 122 Wahie Lane Plaza and the buyer's Sales Contract has become binding, as described in the Sales Contract. Thereafter, unless otherwise provided in a buyer's Sales Contract, Title Guaranty may make payments out of a buyer's funds for construction related costs; provided, however, that those payments shall be made only when requested or approved by the Developer's construction lender.

Finally, the Escrow Agreement provides that when Title Guaranty receives (1) an executed and recordable Apartment Deed in favor of a buyer, (2) the full amount of the purchase price stated in that buyer's Sales Contract, (3) any mortgage securing repayment by the buyer of all or part of the purchase price, (4) any other amounts payable by buyer under the Sales Contract, (5) any necessary releases, and (6) a commitment to issue a title insurance policy in favor of the buyer, Title Guaranty will promptly act to close the sale to the buyer. The Escrow Agreement provides that,

in doing so, Title Guaranty shall (a) record the Apartment Deed, and any applicable mortgages and releases, (b) distribute copies of the recorded documents to the appropriate parties, and (c) pay all real property taxes, maintenance charges, start-up fees or other prorations to the appropriate persons, and will pay the purchase price to the Developer, after deducting its share, if any, of closing costs.

End of Exhibit G

EXHIBIT H

PARKING STALL ASSIGNMENTS

<u>Apartment Number</u>	<u>Parking Stall Number</u>
101	1
102	2
103	3
201	4
202	5
203	6
204	7
205	8
206	9
207	10

End of Exhibit H



**COUNTY OF MAUI
PLANNING DEPARTMENT**

850 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793

May 28, 1991

Mr. Edward Arraut
P.O. Box 565
Lahaina, Maui, Hawai'i 96761

Dear Mr. Arraut,

Re: Special Management Area (SMA) approval to construct a two story office building at 122 Wahie Lane, TMK 4-5-01:41, Lahaina, Maui (90/SM1-043)

At its regular meeting on May 7, 1991 the Maui Planning Commission, after due deliberation, granted approval of the proposed office building subject to the following conditions:

1. That the applicant shall secure an access and egress license from Pomare Properties and Michael Krupnick in order to restrict large construction trucks (in excess of 10,000 GVM) from using that portion of Wahie Lane makai of the subject property. The applicant shall submit written verification of the access arrangements.
2. That the applicant shall, to the maximum extent possible, mitigate construction impacts on surrounding businesses and property owners.
3. That the applicant shall be responsible for any damage during construction to surrounding properties.
4. That the applicant shall resurface Wahie Lane from Front Street to the applicant's property with a textured concrete surface, subject to Planning Department and Public Works approval.
5. That the applicant shall participate his pro rata share of the construction of a Luakini - Wahie Lane extension and that an agreement to that effect shall be executed with the County of Maui and shall be registered with the Bureau of Conveyances.

Mr. Edward Arraut
May 28, 1991
Page 2

6. That a final detailed drainage and erosion control plan including, but not limited to, hydrologic and hydraulic calculations, and scheme for controlling erosion and disposal of runoff water shall be submitted to the Department of Public Works for review and approval. The plan shall provide verification that the grading and runoff water generated by the project will not have an adverse effect on the adjacent and downstream properties. The Lahaina Town Development Plan proposes drainage improvements along Front Street. Connection to this system will be required.
7. That thirty-nine (39) paved parking and two (2) loading spaces shall be provided. In addition, appropriate landscaping and fencing shall be provided per the County's Off-Street Parking and Loading Ordinance.
8. That a detailed report evaluating the adequacy of the existing wastewater collection system that will service this project shall be provided. A fee may be imposed to cover costs to expand or improve a wastewater treatment facility to accommodate the additional sewage flows. The developer is requested to contact the Wastewater Reclamation Division for additional information.
9. That no clearing and grubbing material or derelict cars shall be disposed of at the County sanitary landfill. The developer shall submit a solid waste management plan acceptable to the Department of Public Works. For additional information, the developer is requested to contact the Solid Waste Division.
10. That a qualified archaeologist shall be hired to monitor during grading and excavation activities. If historic remains are encountered, the developer must stop work in the immediate area and allow the archaeological monitor adequate time to gather sufficient information to evaluate the remains' significance and to then contact the County of Maui's Planning Department and the State Historic Preservation Division (587-0047) to determine appropriate mitigation measures, if needed. Mitigation must then be carried out before construction continues in the immediate area. Finally, a copy of the archaeological report on the monitoring shall be submitted to the State Historic Preservation Division for filing.
11. That any substantive changes to the project necessitated by compliance with the Board of Variance and Appeals' or Department of Public Works' requirements shall be subject to Planning Commission review and approval.

Mr. Edward Arraut
May 28, 1991
Page 3

12. The applicant is required to comply with all applicable rules and requirements of the Health Department, including the requirements to obtain a Underground Injection Control permit.
13. That the applicant shall comply with the following comments of the Department of Water Supply:
 - a) the project may be required to install offsite waterline improvements along Papalaua Street, Front Street, and Wahie Lane for fire protection subject to review of design engineering data.
 - b) 3/4" meter proposed shall be reviewed for adequacy by this department.
 - c) Project shall be subject to source and storage assessments.
14. That full compliance with all applicable governmental requirements shall be rendered.
15. That the conditions of this Special Management Area Use Permit shall be self enforcing and, accordingly, upon due notice by the Planning Department to the permit holder and the Maui Planning Commission that there is prima facie evidence that a breach has occurred the permit shall be automatically suspended pending a hearing on the continuity of such Special Management Area Use Permit, provided that written request for such a hearing is filed with the department within ten (10) days of the date of receipt of such notice of alledged breach. If no request for hearing is filed within said ten (10) day period, the Maui Planning Commission may revoke said Special Management Area Use Permit.
16. That the subject Special Management Area Use Permit shall not be transferred without the prior written approval of the Maui Planning Commission. However, in the event that a contested case hearing preceded issuance of said Special Management Area Use Permit, a public hearing shall be held upon due published notice, including actual written notice to the last known addresses of parties to said contested case and their counsel.
17. That the applicant, its successors and permitted assigns shall exercise reasonable due care as to third parties with respect to all areas affected by subject Special Management Area Use Permit and shall hold the County of Maui harmless from and against any loss, liability, claim or demand arising out of this permit.

Mr. Edward Arraut
May 28, 1991
Page 4

18. That construction of the proposed project shall be initiated within a period of two (2) years from the date of the granting of the Special Management Area Use Permit. Further, initiation of construction shall be determined as construction of offsite improvements, issuance of a foundation permit and initiation of construction of the foundation, or issuance of a building permit and initiation of building construction.
19. That the construction of the project shall be completed within five (5) years after the date of its initiation.
20. That appropriate measures shall be taken during construction to mitigate the short term impacts of the project relative to soil erosion from wind and water, ambient noise levels, and traffic disruptions.
21. That final construction plans shall be in accordance with preliminary architectural plans dated February 6, 1991.

Thank you for your cooperation. If further assistance is needed please contact Mr. Keoni Fairbanks of my staff.

Very Truly Yours



BRIAN MISKAE
Planning Director

cc: LUCA
DPW
SHPD
E. Smythe
K. Fairbanks

LINDA CHOCKETT LINGLE
Mayor

BRIAN W MISKAE
Director

ROBERT K. KEKUNA, JR.
Deputy Director



BILL MEDERIOS
Long Range Division
COLLEEN M. SUYAMA
Current Planning Division
KALVIN KOBAYASHI
Energy Division

COUNTY OF MAUI
PLANNING DEPARTMENT
250 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793

September 9, 1992

Mr. Edward Arraut
P.O. Box 565
Lahaina, Maui 96761

Dear Mr. Arraut:

Re: Special Management Area Use Permit Amendment for the
Wahie Lane Plaza, TMK: 4-5-1:41, Lahaina, Maui (90/SM1-
43).

At its regular meeting on September 8, 1992, the Maui Planning Commission reviewed a Special Management Area Use Permit Amendment for building modifications and the rewording of a condition for the proposed Wahie Lane Plaza. After due deliberation, the Commission unanimously voted to grant SMA Amendment approval subject to all of the conditions placed on the original approval granted on May 7, 1991, and amendment granted on January 14, 1992, provided that conditions #1 and #21 shall be amended, and #22 and #23 be added to read as follows:

1. That the applicant shall pursue securing an access and egress license from Romig Properties and Michael Krupnick, or Lopez, in order to restrict large construction trucks (in excess of 10,000 GVW) from using that portion of Wahie Lane makai of the subject property, unless written verification is submitted that there is due hardship to obtain this access arrangement. Should the applicant demonstrate due hardship, as approved by the Planning Director and the Director of Public Works, access may be provided off Front Street provided that the hours of operation of the heavy construction vehicles shall be limited to the hours of 7:00 a.m. to 11:00 a.m. (as amended)

21. That final construction plans shall be in accordance with preliminary architectural plans dated July 8, 1992.

22. That a traffic control plan for the construction of the project shall be submitted to the Department of Public Works for review and approval.

23. That the structural integrity of the Kidani Building shall be monitored during the construction of the project.

Mr. Ed Arraut
September 9, 1992
page -2-

A copy of the Maui Planning Department's Report and Recommendations is enclosed for your reference.

Thank you for your cooperation. Should you have any questions, please contact Mr. Daren Suzuki of this office at 243-7735.

Very truly yours,



BRIAN MISKAE
Planning Director

encl.
DS/ds
xc: Barbara Long
LUCA (5)
D. Suzuki
SMA file

M-2/90/SM1-43/ARRAUT.APP



COUNTY OF MAUI
PLANNING DEPARTMENT

280 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793

June 16, 1993

Mr. Edward Arraut
P.O. Box 565
Lahaina, HI 96761

Dear Mr. Arraut:

Re: Special Management Area Use Permit Amendment for a one year time extension to initiate construction for the proposed Wahie Lane Plaza, TMK: 4-5-1: 41, Lahaina, Maui (90/SM1-043).

At its regular meeting on June 8, 1993, the Maui Planning Commission reviewed the above request and after due deliberation, voted unanimously to grant the subject Special Management Area Use approval subject to all of the conditions established in the original permit granted on May 7, 1991, and all amendments thereafter, provided that conditions 18 and 19 shall be amended, and condition 24 shall be added to read as follows:

18. That construction of the proposed project shall be initiated by May 7, 1994. Further, initiation of construction shall be determined as construction of offsite improvements, issuance of a foundation permit and initiation of construction of the foundation, or issuance of a building permit and initiation of building construction, whichever occurs first. Failure to comply within this one (1) year period will automatically terminate this Special Management Area Use Permit unless a time extension is requested no later than ninety (90) days prior to the expiration of said one (1) year period.

19. That the construction of the project shall be completed within five (5) years after the date of its initiation. Failure to complete construction of this project will automatically terminate the subject Special Management Area Use Permit.

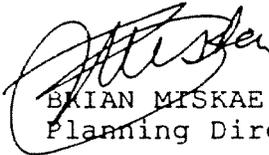
24. That the Petitioner shall submit to the Planning Department a detailed report addressing its compliance with the conditions established with the subject Special Management Area Use Permit. Further, this report shall be reviewed and approved by the Planning Department prior to issuance of the building permit.



Mr. Edward Arraut
June 16, 1993
page -2-

Thank you for your cooperation. Should you have any questions, please contact Mr. Daren Suzuki of this office at 243-7735.

Very truly yours,



BRIAN MISKAE
Planning Director

ds
xc: LUCA (5)
SMA file
CZM file
Daren Suzuki