

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
HARBOR TERRACE IV
Kaahole Street
Waimalu, Ewa, Oahu, Hawaii

Registration No. 1142

IMPORTANT — Read This Report Before Buying

This Report Is Not an Approval or Disapproval of This Condominium Project

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project until

- (1) A copy of this Report has been given to the prospective purchaser,
- (2) The latter has been given an opportunity to read same, and,
- (3) His receipt taken therefor.

Issued: July 12, 1979
Expires: August 12, 1980

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED June 15, 1979, and INFORMATION SUBSEQUENTLY FILED AS OF July 6, 1979. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME LAW, CHAPTER 514A, HAWAII REVISED STATUTES.

1. HARBOR TERRACE IV is a fee simple residential condominium consisting of thirty (30) apartment units to be developed under planned housing development. Each apartment unit shall include a specified "apartment space" including covered garage and basements space in some units.

2. Since the issuance of the Commission's Preliminary Public Report of HARBOR TERRACE, Registration No. 889 dated February 25, 1977, and its extension thereof, the Developer reports that material changes have been made on ownership and developmental setup of the project. The property has

been subdivided into four parcels to be developed in four successive phases. This Final Public Report covers the sale of apartment units in the fourth phase only known as HARBOR TERRACE IV (Lot 599-B-2, Map 52, Land Court Application 950) and reflects all of the changes and supercedes the Preliminary Public Report of a phase of HARBOR TERRACE and as it relates now to Harbor Terrace IV, Registration No. 1142.

3. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of the condominium project and the issuance of this Final Public Report.

The Developer reports that the basic documents (Declaration of Horizontal Property Regime, with By-Laws of the Association of Apartment Owners attached, 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 October 28, 1978, together with the By-Laws of Association of Apartment Owners, was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 946316. The recording officer has designated Condominium Map No. 377.

The Declaration as to Merger of Increments in a Condominium Project, Consolidation Agreement and Irrevocable Power of Attorney, was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 900755.

4. Advertising and promotional matter have been submitted pursuant to the rules and regulations promulgated by the Commission.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

6. This Final Public Report is made a part of the registration on HARBOR TERRACE IV condominium project, Registration No. 1142. The Developer is responsible for placing this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers and for securing a signed copy of the Receipt for same from each purchaser and prospective purchaser.

7. This Final Public Report automatically expires thirteen (13) months after the date of issuance, July 12, 1979, unless a Supplementary Public Report is issued or the Commission, upon the review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: HARBOR TERRACE IV

LOCATION: The approximately 164,321 square feet of fee simple land committed to the regime is situated in Waimalu, Ewa, Oahu.

TAX KEY: 9-8-60-27

ZONING: A-1 (Apartment)

DEVELOPER: Terrace Partners, a Hawaii Limited Partnership, whose principal place of business is 190 South King Street, Suite 2200, Honolulu, Hawaii, and whose telephone number is 523-2500. The general partners of the Limited Partnership are:

MEADOWGREEN ESTATES LIMITED, a Canadian corporation
& H.N. SPENCELEY ASSOCIATES LIMITED, a Canadian corporation

ATTORNEY REPRESENTING DEVELOPER: KINJI KANAZAWA; Suite 301 Town Tower at Harbor Square; 225 Queen Street; Honolulu, Hawaii; 96813; Telephone: 524-7180.

DESCRIPTION OF PROJECT: The proposed project is a planned housing development consisting of thirty (30) apartments in 15 duplex buildings constructed principally of wood. The buildings are rested on concrete or wood foundations, rising in height from one to two stories. Some buildings have basements.

Description of Units: There will be 20 types of dwelling units which have been designated for classification purposes only, as Models A-2, A-2r, A-3, A-3r, A-3 Modified, B-2, B-2r, B-3, B-3 Modified, B-3r, C, C-1, C-1r, C-1r Modified, D Modified, D r, D r Modified, D-1 Modified, H 1, and H 2r. The apartment spaces upon which the various models are to be constructed, the floor area and number of rooms contained in each of said models as shown on Condominium File Plan Map prepared by Pacific Engineers and Associates, are as follows:

- Model "A-2": A two-story dwelling unit with an area of about 2097 square feet (includes covered lanai, two-car garage, storage area, foyer and enclosed entry stairway), containing three bedrooms, two baths, kitchen and a living room/dining room combination.
- There will be one Model "A-2" unit in the Project. (Unit 131)
- Model "A-2r": Model "A-2r" is a reversed Model "A-2" floor plan and design.
- There will be three Model "A-2r" units in the Project. (Units 128, 134, 138)
- Model "A-3": A two-story dwelling unit with an area of about 2097 square feet (includes covered lanai, two-car garage, storage area, foyer and enclosed entry stairway), containing three bedrooms, two baths, kitchen and a living room/dining room combination.
- There will be one Model "A-3" unit in the Project. (Unit 139)
- Model "A-3r": Model "A-3r" is a reversed Model "A-3" floor plan and design.
- There will be two Model "A-3r" units in the Project. (Units 130, 136)

Model "A-3" Modified: Model "A-3" Modified is identical to Model "A-3", except for a modification in design by an elevation differential between house floor and garage floor elevations, resulting in a corresponding increase in the garage floor to garage ceiling height, due to sloping grade of terrain.

There will be one Model "A-3" Modified unit in the Project. (Unit 125)

Model "B-2": A two-story dwelling unit with an area of about 2032 square feet (includes semi-covered lanai, two-car garage, storage area, foyer and enclosed entry stairway), containing three bedrooms, two baths, living room and kitchen/dining room combination.

There will be three Model "B-2" units in the Project. (Units 129, 133, 137)

Model "B-2r": Model "B-2r" is a reversed Model "B-2" floor plan and design.

There will be one Model "B-2r" unit in the Project. (Unit 126)

Model "B-3": A two-story dwelling unit with an area of about 2032 square feet (includes semi-covered lanai, two-car garage, storage area, foyer and enclosed entry stairway), containing three bedrooms, two baths, living room and kitchen/dining room combination.

There will be one Model "B-3" unit the Project. (Unit 135)

Model "B-3" Modified: Model "B-3" Modified is identical to Model "B-3", except for a modification in design by an elevation differential between house floor and garage floor elevations, resulting in a corresponding increase in the garage floor to garage ceiling height, due to sloping grade of terrain.

There will be one Model "B-3" Modified unit in the Project. (Unit 127)

Model "B-3r": Model "B-3r" is a reversed Model "B-3" floor plan and design.

There will be two Model "B-3r" units in the Project. (Units 132, 140)

Model "C": A split-level dwelling unit with an area of about 2378 square feet (includes a covered lanai and storage space, a semi-covered entry court with trellis, a semi-covered side lanai and a two-car garage with storage area), containing two bedrooms, a den, two baths, a kitchen, living room and dining room.

There will be three Model "C" units in the Project. (Units 105, 109, 115)

Model "C-1": A split-level dwelling unit with an area of about 2378 square feet (includes a covered lanai and storage space, a semi-covered entry court with trellis, a semi-covered side lanai and a two-car garage with storage area), containing two bedrooms, a den, two baths, a kitchen, living room and a dining room.

There will be one Model "C-1" unit in the Project. (Unit 111)

Model "C-1r": Model "C-1r" is a reversed Model "C-1" floor plan and design.

There will be one Model "C-1r" unit in the Project. (Unit 104)

Model "C-1r" Modified: Model "C-1r" Modified is identical to Model "C-1r", except for a modification in design by an elevation differential between house floor and garage floor elevations, resulting in a corresponding increase in the garage floor to garage ceiling height, due to sloping grade of terrain.

There will be one Model "C-1r" Modified unit in the Project. (Unit 114)

Model "D" Modified: A split-level dwelling unit with an area of about 2360 square feet (includes a covered lanai with storage area, a semi-covered entry court with trellis, a semi-covered side lanai with trellis, and a two-car garage with storage area), containing three bedrooms, two baths, kitchen, living room and dining room. (Model "D" Modified is identical to Model "D", except for a modification in design by an elevation differential between house floor and garage floor elevations, resulting in a corresponding increase in the garage floor to garage ceiling height, due to sloping grade of terrain.

There will be one Model "D" Modified unit in the Project. (Unit 110)

Model "D-r": Model "D-r" is a reversed Model "D" floor plan and design.

There will be one Model "D-r" unit in the Project. (Unit 113)

Model "D-r" Modified: Model "D-r" Modified is identical to Model "D-r", except for a modification in design by an elevation differential between house floor and garage floor elevations, resulting in a corresponding increase in the garage floor to garage ceiling height, due to sloping grade of terrain.

There will be one Model "D-r" Modified unit in the Project. (Unit 103)

Model "D-1" Modified: A split-level dwelling unit with an area of about 2360 square feet (includes a covered lanai with storage area, a semi-covered entry court with trellis, a semi-covered lanai with trellis, and a two-car garage with storage area), containing three bedrooms, two baths, kitchen, living room and dining room. (Model "D-1" Modified is identical to Model "D-1", except for a modification in design by an elevation differential between house floor and garage floor elevations, resulting in a corresponding increase in the garage floor to garage ceiling height, due to sloping grade of terrain.

There will be three Model "D-1" Modified units in the Project. (Units 106, 112, 116)

Model "H-1": A split-level dwelling unit with an area of about 1912 square feet (includes an open lanai and a two-car garage with storage area), containing three bedrooms, two baths, a kitchen, living room and dining room. In addition, there will be a semi-covered entry court with trellis and gate varying in area with each apartment space.

There will be one Model "H-1" unit in the Project. (Unit 108)

Model "H-2r": A split-level dwelling unit with an area of about 1912 square feet (includes an open lanai and a two-car garage with storage area), containing three bedrooms, two baths, a kitchen, living room and dining room. In addition, there will be a semi-covered entry court with trellis and gate varying in area with each apartment space. Model "H-2r" is a reversed Model "H-2" floor plan and design.

There will be one Model "H-2r" unit in the Project. (Unit 107)

The use of the letter "r" as a suffix after the model designation indicates that the floor plan arrangement of said dwelling unit is the reverse of the typical floor plan arrangement.

Each of the dwelling units shall have immediate access to the surrounding grounds which forms a part of the "apartment space" and said "apartment space" shall have immediate access to the road which is a common element.

Inclusions and Limits of Apartment: Thirty (30) freehold estates consisting of the space or area described and delineated and numbered from 103 to 116 and 125 to 140 on sheet SP-1A of the condominium map. Said spaces shall be deemed to include all of the air spaces enclosed, (including dwelling walls, fences, plantings, etc.) measured by its perimeter boundaries as delineated on said sheet SP-1A as part of condominium map. The apartment spaces shall extend on a vertical plane upward from the surface of the lot, but not including the sub-surface or any area below except dwelling unit foundations. Each apartment shall include the specific dwelling unit and garage to be constructed therein as shown on the condominium map, and all ducts, pumps, pipes, conduits, wires and other utility lines running through such apartment space which do not serve or are not utilized by any other apartment space but excluding any such which do serve or are utilized by any other apartment space and excluding all easements shown on the condominium map, all of which shall be deemed common elements.

Certain apartment spaces shall also include wooden fences or rock walls or both (some wooden fences being common to two apartment spaces).

TOGETHER, also, an interest in the non-exclusive easements in the common elements designed for such purposes for ingress to and egress from; utility services for and support of said apartment spaces; and in the other common elements for use according to their respective purposes.

MERGER OF INCREMENTS: The Declaration of Harbor Terrace IV is specifically made subject to the Declaration as to Merger of Increments in a Condominium Project, Consolidation Agreement and Irrevocable Power of Attorney dated August 26, 1978, filed as Land Court Document No. 900755.

This Declaration as to Merger of Increments in a Condominium Project provides for the possible merger into Harbor Terrace IV of three other condominium projects comprising the separate phases of Harbor Terrace development, to-wit: Harbor Terrace I on Lot 599-A-1, Map 51, Land Court Application 950; Harbor Terrace II on Lot 599-A-2, Map 51, Land Court Application 950; and Harbor Terrace III on Lot 599-B-1, Map 52, Land Court Application 950. In connection therewith certain easements are reserved over the common elements of Harbor Terrace IV and purchasers will be granting the Developer their power of attorney to effectuate any such mergers and to consolidate the subdivided lots of the merged Project into a single lot. It is incumbent upon the purchaser and prospective purchaser that they carefully review this Declaration as to Merger of Increments in a Condominium Project.

COMMON ELEMENTS: A freehold estate consisting of the remaining portion of the real property, being the common areas and facilities and herein referred to as the "common elements". The common elements shall include, but are not limited to the following:

- (a) The land in fee simple;
- (b) The ducts, pumps, pipes, wires, conduits, and generally all equipment, apparatus, installations and personal property existing for common use on the land;
- (c) All roads, sidewalks and other common ways, street lights, landscaping within the common areas, sewers, drains and ditches situate on the land and existing for common use and all easements shown on the Condominium Map;
- (d) All utility installations which serve more than one apartment space;
- (e) All portions of the Project not deemed to be included as an apartment space.

LIMITED COMMON ELEMENTS: Portions of the common elements are set aside and designated as "limited common elements". Each apartment space will have as an appurtenance thereto, all for the exclusive use of such apartment space, the site of each dwelling unit, consisting of the land beneath such dwelling, together with the land area adjacent to each dwelling unit enclosed by the perimeter boundaries of each lot, all as shown on the Site Plan (Sheet SP-1A).

In addition, the enclosed space between the common walls of each dwelling unit shall be limited common elements.

The ownership of each apartment space shall include the dwelling unit constructed therein and the respective undivided interest in the common elements and the right to exclusive use of the limited common elements appurtenant to such apartment space.

INTEREST TO BE CONVEYED PURCHASER: Each apartment space shall have appurtenant thereto an undivided 3.200 percentage interest, called the "common interest", in the common elements for all purposes, including voting, except that apartment spaces 103 and 140 as shown on condominium map, shall have an undivided 5.200 percentage interest.

Each apartment space owner shall be liable for and pay a share of the common expenses in proportion to the common interest in the common elements appurtenant to said apartment spaces. In addition, each apartment owner shall be required to pay an additional fee for the operation, maintenance, repair, replacement and administration of the Newtown Estates Recreational Center facility and "green-belt" areas.

The amount of the fee for the Newtown Estate Recreational Facility shall be set by the Newtown Estates Community Association and may be collected through the Harbor Terrace Apartment Owners Association.

NOTE: The owners shall be responsible for the care and maintenance of any yards, dwelling units, lanais, fences, walls, entry courts, garages, etc., which are included in their respective apartment spaces. Each owner of a unit will landscape the yard area as required by the Architectural Committee of the Newtown Estates Community Association. The owners may not, however, paint or otherwise decorate their respective dwelling units without the prior approval of the Board of Directors and the Architectural Committee of Newtown Estates.

PURPOSE AND USE OF THE APARTMENT SPACES: The purpose for which the apartment spaces are intended and restricted as to use is residential; provided, that this shall not be construed to prohibit the renting or leasing of said apartment spaces for profit, individually or otherwise, so long as the ultimate tenant thereof uses the apartment space as a place in which to reside as distinguished from a place in which to carry on a trade or business; provided further, that no apartment space shall be rented by the owner or owners thereof for transient or hotel purposes. No apartment space owner may lease less than the entire apartment space and all leases must be in writing.

The House Rules, provide in part: (1) There shall be a maximum of ten (10) people per three-bedroom apartment space; (2) The riding of bicycles, tricycles, scooters, skates or skateboards is prohibited anywhere in the common areas. Ball playing and related activities will also be prohibited in the common areas; and (3) Parking permitted only on designated sections of the street.

OWNERSHIP OF TITLE: The Preliminary Report prepared by Long and Melone, Ltd., dated May 23, 1979, states that present fee simple ownership of the land committed to the project is vested in Terrace Partners, the developer.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Report dated May 23, 1979, reports that title to the land is subject to the following:

1. AS TO LOT 599-B-2, to the following:

Designation of Easement 255, (10,774 square feet), over and across said Lot, as shown on Map 52, filed with said Application No. 950 (amended), as set forth by Land Court Order No. 50971, filed August 17, 1978.

EASEMENT 204, (123 square feet), affecting said Lot, as shown on Maps 48 and 49, filed with said Application No. 950 (amended).

GRANT dated November 21, 1977, filed as Land Court Document No. 871773, in favor of Hawaiian Electric Company, Inc. and Hawaiian Telephone Company, granting an easement for switching vault site, within said Easement 204.

EASEMENT 216, (492,707 square feet), over and across said Lot, as shown on Map 49, filed with said Application No. 950 (amended).

GRANT dated November 21, 1977, filed as Land Court Document No. 871773, in favor of Hawaiian Electric Company, Inc. and Hawaiian Telephone Company, granting an easement for transformer vaults, pull boxes, hand-holes and underground power lines, within said Easement 216.

2. Master Declaration of Covenants, Conditions and Restrictions for the Newtown Estates dated May 26, 1972 filed as Land Court Document No. 582929.

3. MORTGAGE
 - Mortgagor(s) : Shigeru Horita, husband of Mitsue Horita, and Iwao Kishimoto, husband of Yaeko Kishimoto, Authorized General Partners as Joint Tenants for, on behalf of, and in the name of Oceanview Ventures, a Limited Partnership
 - Mortgagee(s) : Joseph Skinner and David Place, Trustees under Trust Agreement dated July 27, 1970, and known as the Austin Waimalu Real Estate Trust and Bishop Trust Company, Limited, Trustee under the Will and of the Estate of Edith Austin, deceased
 - Dated : December 1, 1970
 - Filed as Land Court Document No. 520695.
 - To Secure : \$18,600,000.00

4. MORTGAGE
 - Mortgagor(s) : Shigeru Horita, et al
 - Mortgagee(s) : First Hawaiian Bank
 - Dated : October 7, 1971
 - Filed as Land Court Document No. 558596.
 - To Secure : \$4,000,000.00

5. SUBORDINATION AGREEMENT
 - By : Joseph Skinner and David Place, Trustees under Trust Agreement dated July 27, 1970, and known as the Austin Waimalu Real Estate Trust and Bishop Trust Company, Limited, Trustee under the Will and of the Estate of Edith Austin, deceased
 - Dated : November 10, 1971
 - Filed as Land Court Document No. 558597.
 - Subordinates Mortgage dated December 1, 1970, filed as Land Court Document No. 520695, to Mortgage dated October 7, 1971, filed as Land Court Document No. 558596.

6. ADDITIONAL CHARGE MORTGAGE AND ADDITIONAL SECURITY
 - Mortgagor(s) : Shigeru Horita, et al
 - Mortgagee(s) : First Hawaiian Bank
 - Dated : June 20, 1972
 - Filed as Land Court Document No. 624069.
 - To Secure : \$1,000,000.00
 - Additional Charge and Additional Security to Mortgage filed as Land Court Document No. 558596.

7. SUBORDINATION AGREEMENT
 - By : Joseph Skinner and David Place, Trustees under Trust Agreement dated July 27, 1970, and known as Austin Waimalu Real Estate Trust and Bishop Trust Company, Limited, Trustee under the Will and of the Estate of Edith Austin, deceased
 - Dated : March 21, 1973
 - Filed as Land Court Document No. 624070.
 - Subordinates Mortgage dated December 1, 1970, filed as Land Court Document No. 520695, to instrument dated June 20, 1972, filed as Land Court Document No. 624069.

8. ADDITIONAL CHARGE MORTGAGE AND ADDITIONAL SECURITY
Mortgagor(s) : Shigeru Horita, et al
Mortgagee(s) : First Hawaiian Bank
Dated : February 26, 1975
Filed as Land Court Document No. 711830.
To Secure : \$4,200,000.00
Additional Charge and Additional Security to Mortgage
filed as Land Court Document No. 558596.

9. SUBORDINATION AGREEMENT
By : Joseph Skinner and David Place, Trustees
under that certain Trust Agreement dated
July 27, 1970, establishing the Austin
Waimalu Real Estate Trust, and
Bishop Trust Company, Limited, as
Trustee under the Will and of the
Estate of Edith Austin, deceased,
Shigeru Horita, husband of Mitsue
Horita and Iwao Kishimoto, husband of
Yaeko Kishimoto, Authorized General
Partners and Joint Tenants for, on
behalf of, and in the name of Oceanview
Ventures, a Hawaii Limited Partnership
and First Hawaiian Bank
Dated : February 21, 1975
Filed as Land Court Document No. 711831.
Subordinates Mortgage dated December 1, 1970, filed as
Land Court Document No. 520695, to Mortgage dated
February 26, 1975, filed as Land Court Document No. 711830.

10. FINANCING STATEMENT
Debtor(s) : Oceanview Ventures
Secured Party : First Hawaiian Bank
Recorded February 27, 1975 in the Bureau of Conveyances
in Book 10482, Page 294.

11. MORTGAGE
Mortgagor(s) : Terrace Partners, a registered Hawaii
limited partnership
Mortgagee(s) : Okada Trucking Co., Ltd., a Hawaii cor-
poration
Dated : November 13, 1978
Filed as Land Court Document No. 907586.
Assigns said premises and others for the payment of amounts
payable to Mortgagee in that certain contracts dated
March 14, 1978, as amended by instrument dated August 28,
1978 and also repayment of any and all other indebtedness
now or as may hereafter be or become owing.

12. REAL PROPERTY TAXES: The real property tax payment for the
fiscal year 1979 - 1980 is current, and there are no delin-
quent taxes due on said premises.

13. The Declaration as to Merger of Increments in a Condominium
Project, Consolidation Agreement and Irrevocable Power of
Attorney, dated August 26, 1978, filed as Land Court
Document No. 900755 by Oceanview Ventures, a registered
Hawaii Limited Partnership.

PURCHASE MONEY HANDLING: An Escrow Agreement dated June 1, 1979, has been executed and a copy of same has been filed with the Commission. The Escrow Agent is Developers Escrow Services, Inc., a Hawaii corporation. Upon examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in consonance with Chapter 514A, Hawaii Revised Statutes, and particularly Section 514A-39 and 514A-63 through 514A-66.

The specimen Sales Contract provides, among others, that (1) the Buyer agrees that the Developer's interim construction mortgage loan and any renewals, extensions or modifications thereof shall be and remain at all times a prior and superior lien on the project, and the Buyer understands that the Buyer's Sales Contract is subject and subordinate to the prior liens mentioned above; (2) Buyer agrees to be bound by all of the terms, covenants and conditions contained in all condominium documents relating to HARBOR TERRACE IV including his share of payment of the common expenses; (3) Buyer agrees that interest, if any, on deposits will belong to the Seller.

It is incumbent upon the purchaser and prospective purchaser that they read with care the Sales Contract and the executed Escrow Agreement. The latter Agreement establishes how the proceeds from the sale of condominium units are placed in trust, as well as the retention and disbursement of said funds.

MANAGEMENT AND OPERATIONS: Operations and administration of the project shall be conducted for the Association by a responsible Managing Agent who shall be appointed by the Association in accordance with the By-Laws. The Managing Agent is hereby authorized to receive service of legal process in all cases provided in the Horizontal Property Act. The initial Managing Agent shall be Island Management and Leasing Services, Inc., 2119 North King Street, Honolulu, Hawaii.

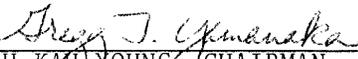
PROGRAM OF FINANCING: Both interim construction loan for the Developer and permanent take-out loans for qualified individual buyers have been arranged with American Savings and Loan Association for the 4-phased condominium project of HARBOR TERRACE.

STATUS OF PROJECT: A building contract has been executed with Pioneer Contracting Co., Ltd. Construction of the project is expected to begin August 1, 1979, and be completed by January, 1980.

The purchaser or prospective purchaser should be cognizant of the fact that this report represents information disclosed by the Developer in the required Notice of Intention submitted June 15, 1979, and information subsequently filed as of July 6, 1979.

This FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1142 filed with the Commission on June 15, 1979.

This report, when reproduced, shall be a true copy of the Commission's public report. The paper stock used in making facsimiles must be of white paper stock.

 (for)
AH KAUI YOUNG, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII.

Distribution:

DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
DEPARTMENT OF LAND UTILIZATION
CITY AND COUNTY OF HONOLULU
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

REGISTRATION NO. 1142

Dated: July 12, 1979