

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
RAINBOW TERRACE
2875 South King Street
Honolulu, Hawaii

REGISTRATION NO. 1258
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: June 26, 1980
Expires: July 26, 1981

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 MARCH 5, 1980 AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF JUNE 2, 1980. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Preliminary Public Report on RAINBOW TERRACE, Registration No. 1258, dated April 21, 1980, the Developer has notified the Commission that there have been changes relating to the Project.

This Final Public Report reflects these changes and is made a part of the registration on the RAINBOW TERRACE condominium project. The Developer is responsible for placing this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers along with a copy of the Preliminary Public Report (yellow paper stock) and Disclosure Abstract. Securing a signed copy of the Receipt therefor from each purchaser and prospective purchaser is also the responsibility of the Developer.

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

3. No advertising and promotional matter have been submitted pursuant to the rules and regulations promulgated by the Commission.

4. The basic documents (Declaration of Horizontal Property Regime, Bylaws of Association of Apartment Owners, and a copy of the approved floor plans) have been recorded in the Bureau of Conveyances of the State of Hawaii. The Declaration of Horizontal Property Regime, dated March 24, 1980, together with the Bylaws of the Association of Apartment Owners, was recorded in the Bureau of Conveyances in Liber 14699, Page 96. The condominium plans have been designated as Condominium File Plan No. 727.

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

6. This Final Public Report automatically expires thirteen (13) months after the date of issuance, June 26, 1980, unless a Supplementary Public Report issues or the

Commission, upon review of the registration, issues an order extending the effective period of this report.

Except for the topical headings which follow, the information contained in the Preliminary Public Report of April 21, 1980 remains unchanged.

DESCRIPTION OF PROJECT: The thirty-one (31) Residential Apartments and two (2) Commercial Units of the Project are more particularly described in Exhibit "A" attached hereto and made a part hereof.

LIMITED COMMON ELEMENTS: The parking stall(s) which are appurtenant to each unit are more particularly designated in Exhibit "A" which is attached hereto and made a part hereof.

INTEREST TO BE CONVEYED TO PURCHASER: The undivided percentage interest appurtenant to each apartment shall be as more particularly set forth in Exhibit "A" attached hereto.

OWNERSHIP OF LAND: Title insurance policies dated May 5, 1980, issued by Aloha Title Co., Inc. indicate that fee simple title to the land of the Project is vested in George Kinosuke Furuya and Yuriko Yamamoto Furuya, husband and wife, and Clarence O. Furuya, husband of Lona Furuya, doing business as Furuya Enterprises, a Hawaii general partnership. By instrument dated March 21, 1980 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 14698, at Page 773, said fee owners have conveyed to Developer all of the improvements on the land of the Project, and have issued to Developer a Ground Lease demising said land, which lease is dated March 24, 1980 and recorded as aforesaid in Liber 14698, at Page 741.

ENCUMBRANCES: Said Title Policies reflect the following encumbrances on the property:

1. For any Real Property Taxes that may be due and owing, reference is made to the Office of the Tax Assessor, First Division.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Any abutter's rights of access into and from Interstate Highway, Federal Aid Project No. I-H1-1 (2), over and across Course No. 8 of the premises above described, as conveyed by deed dated May 12, 1967, recorded in the Bureau of Conveyances of the State of Hawaii in Book 5735 at Page 266.
4. Mortgage dated July 27, 1976, recorded on July 30, 1976 in said Bureau of Conveyances in Book 11564 at Page 553, made by GEORGE KINOSUKE FURUYA, YURIKO YAMAMOTO FURUYA, husband and wife, and CLARENCE O. FURUYA, husband of Lona Furuya, doing business as FURUYA ENTERPRISES, a Hawaii registered general partnership, to AMFAC FINANCIAL CORP., a Hawaii corporation, which states that it secures a debt in the principal sum of

\$650,000.00. By instrument dated July 27, 1976, recorded on July 30, 1976 in said Bureau of Conveyances in Book 11564 at Page 573, the foregoing mortgage was assigned to FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF DAVENPORT, DAVENPORT, IOWA, a corporation organized and existing under the laws of the United States of America.

5. Financing Statement recorded on July 30, 1976 in said Bureau of Conveyances in Book 11564 at Page 574, made by FURUYA ENTERPRISES, a Hawaii registered general partnership comprised of GEORGE KINOSUKE FURUYA, YURIKO YAMAMOTO FURUYA and CLARENCE O. FURUYA, 2875 South King Street, Honolulu, Hawaii, to AMFAC FINANCIAL CORP.

6. Mortgage, Security Agreement and Financing Statement dated April 28, 1980, recorded on May 5, 1980 in said Bureau in Book 14698 at Page 720, made by GEORGE KINOSUKE FURUYA and YURIKO YAMAMOTO FURUYA, husband and wife, and CLARENCE OSAMU FURUYA, husband of Lona Furuya, doing business as FURUYA ENTERPRISES, a Hawaii general partnership, to GECC FINANCIAL CORPORATION, a Hawaii corporation.

7. The terms, provisions, covenants, easements and reservations of that certain Ground Lease dated March 24, 1980, recorded on May 5, 1980 in said Bureau of Conveyances in Book 14698 at Page 741, made by and between GEORGE KINOSUKE FURUYA and YURIKO YAMAMOTO FURUYA, husband and wife, and CLARENCE OSAMU FURUYA, husband of Lona Furuya, doing business as FURUYA ENTERPRISES, A Hawaii general partnership, as Lessor, and RAINBOW TERRACE ASSOCIATES, a Hawaii general partnership, as Lessee.

8. THE FOREGOING GROUND LEASE IS SUBJECT TO THE FOLLOWING:

a) Mortgage, Security Agreement and Financing Statement dated April 28, 1980, recorded on May 5, 1980 in said Bureau of Conveyances in Book 14699 at Page 1, made by RAINBOW TERRACE ASSOCIATES, a Hawaii general partnership, to GECC FINANCIAL CORPORATION, a Hawaii corporation.

b) Financing Statement recorded on May 5, 1980 in said Bureau of Conveyances in Book 14698 at Page 780, made by RAINBOW TERRACE ASSOCIATES to GECC FINANCIAL CORPORATION.

c) Assignment of Sales Contract, Agreements of Sale, and Furnishings as Security, Security Agreement dated April 28, 1980, recorded on May 5, 1980 in said Bureau of Conveyances in Book 14698 at Page 783, made by RAINBOW TERRACE ASSOCIATES, a Hawaii general partnership, as Assignor, and GECC FINANCIAL CORPORATION, a Hawaii corporation, as Assignee.

d) Financing Statement recorded on May 5, 1980 in said Bureau of Conveyances in Book 14699 at Page 26, made by RAINBOW TERRACE ASSOCIATES to GECC FINANCIAL CORPORATION.

e) Assignment of Lessor's Interest Under Lease as Security, Security Agreement dated April 28, 1980, recorded on May 5, 1980 in said Bureau of Conveyances in Book 14699 at Page 29, made by and between RAINBOW TERRACE ASSOCIATES, a Hawaii general partnership, as Assignor, and GECC FINANCIAL CORPORATION, a Hawaii corporation, as Assignee.

f) Financing Statement recorded on May 5, 1980 in said Bureau of Conveyances in Book 14699 at Page 43, made by GEORGE KINOSUKE FURUYA and YURIKO YAMAMOTO FURUYA, husband and wife, and CLARENCE OSAMU FURUYA, husband of Lona Furuya, doing business as FURUYA ENTERPRISES, a Hawaii general partnership to GECC FINANCIAL CORPORATION, a Hawaii corporation.

g) Assignment of Lessor's Interest Under Lease as Security, Security Agreement dated April 28, 1980, recorded on May 5, 1980 in said Bureau of Conveyances in Book 14699 at Page 46, made by and between GEORGE KINOSUKE FURUYA and YURIKO YAMAMOTO FURUYA, husband and wife, and CLARENCE OSAMU FURUYA, husband of Lona Furuya, doing business as FURUYA ENTERPRISES, a Hawaii general partnership, as Assignor, and GECC FINANCIAL CORPORATION, a Hawaii corporation, as Assignee.

h) Purchase Money Mortgage and Financing Statement dated March 24, 1980, recorded on May 5, 1980 in said Bureau of Conveyances in Book 14699 at Page 61, made by RAINBOW TERRACE ASSOCIATES, a Hawaii general partnership, to GEORGE KINOSUKE FURUYA and YURIKO YAMAMOTO FURUYA, husband and wife, and CLARENCE OSAMU FURUYA, husband of Lona Furuya, doing business as FURUYA ENTERPRISES, a Hawaii general partnership (covers the improvements as well as the Ground Lease).

9. The covenants, agreements, obligations, conditions, easements and other provisions set forth in that certain RAINBOW TERRACE DECLARATION OF HORIZONTAL PROPERTY REGIME dated March 24, 1980, recorded on May 5, 1980 in said Bureau of Conveyances in Book 14699 at Page 96 (Condominium File Plan No. 727), and the Bylaws attached thereto.

FINANCING OF PURCHASE: As indicated in the Preliminary Public Report, the sale of individual units in the Project will be financed through the Developer by way of a three-year Agreement of Sale. In order to implement such program of financing, the Condominium Conveyance Documents for all of the apartments will initially be issued to Developer who will thereafter enter into Agreements of Sale with the purchasers of the units. Concurrently with the recordation of the Condominium Conveyance Documents, each of the Mortgages described under the Topical Heading "Encumbrances" above shall be modified in the following respects: 1) the blanket lien of such mortgage shall be released, in compliance with Section 514A-18 of the Hawaii Revised Statutes, and the individual Condominium Conveyance Documents shall be substituted as security for such mortgage; 2) the Mortgage will be fractionalized into separate and indivisible liens on each of the thirty-three (33) condominium apartments of the Project, with a specific mortgage amount and release price for each such unit; and 3) each Mortgagee will agree, among other things, that in the event of a foreclosure:

(i) no purchaser under an Agreement of Sale will be required to pay any amounts in excess of the amount due under said Agreement, and (ii) that it will not terminate the Agreement of Sale or otherwise disturb a purchaser's rights thereunder so long as such purchaser makes all payments due in accordance with said Agreement of Sale and performs all other obligations thereunder.

Purchaser and prospective purchasers should be aware that the proposed Agreement of Sale provides that the aggregate mortgage indebtedness owing on any unit from time to time shall not exceed ninety percent (90%) of the unpaid principal balance of the purchase price. However, the Agreement of Sale further provides that the Developer is under no obligation to arrange for or procure any permanent mortgage financing for the apartments upon the expiration of the Agreements of Sale, and that the payment of the unpaid balance of the purchase price at maturity shall be the sole responsibility of the purchasers.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in its required Notice of Intention submitted March 5, 1980 and information subsequently submitted as of June 2, 1980.

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.



G. A. MORRIS, Chairman
Real Estate Commission
State of Hawaii

Distribution: Department of Taxation
Bureau of Conveyances
Planning Commission,
City and County of Honolulu
Federal Housing Administration
Escrow Agent

Registration No. 1258

June 26, 1980

EXHIBIT "A"

DESCRIPTION OF APARTMENTS

A. Commercial Units.

The two (2) Commercial Units are each of a different floor plan and type and are described as follows:

1) Commercial Unit No. 1. Commercial Unit No. 1 consists of the entire Ground Floor of the Office Building with the exception of the entry areas designated as Areas A and B on said Condominium File Plan. Specifically, Commercial Unit No. 1 consists of two (2) offices, storage room, coffee bar area with sink, range and refrigerator, men's and women's restrooms and access corridors, and contains an approximate gross area of 4,252 square feet.

2) Commercial Unit No. 2. Commercial Unit No. 2 is comprised of the entire second floor of the Office Building. Specifically, Commercial Unit No. 2 shall, without limitation, consist of those areas designated as "Reception Room", "Secretary", "Manager", "Purchasing Department", "Sales Room", "Conference", "Lounge", "Storage", "Drafting Room" and "Equipment Room" on said Condominium File Plan. Commercial Unit No. 2 also contains an entry, access corridors, men's and women's restrooms with adjoining janitor's rooms and shower. The approximate gross area of said unit is 4,331 square feet.

The designation herein or on said Condominium File Plan of the intended use or purpose of any Commercial Unit, or any portion thereof, shall not be deemed to define or limit the use of said Unit, and the Commercial Units may be used for any purpose permitted by law, this Declaration or the Bylaws.

B. Residential Apartments.

The Project contains two (2) basic types of Residential Apartments. Said model types are more particularly described as follows:

1) Each of the thirty (30) apartments designated on said Condominium File Plan as being "Typical Unit" type is a one-bedroom unit containing a living/dining room, kitchen, bathroom, bedroom and lanai. The approximate gross area of each of said apartments is 650 square feet, with an approximate interior living area of 570 square feet and a lanai of 80 square feet.

2) The single "Type 2" apartment (Apartment No. 101) is located on the ground floor of the Residential Building and contains a living/dining room, kitchen, bedroom and a bathroom. Said unit does not have a private lanai, and has an approximate interior living area of 568 square feet.

Each Residential Apartment has been given a three digit numerical designation by which its location in the Project can be determined. The first number designates the floor upon which the apartment is located. The last two digits of each apartment number indicate said apartment's location on its floor, with the lowest numbered apartment on each floor being located on the Diamond Head end of the Building.

C. Common Interests.

The undivided percentage interest of each apartment in all common elements of the Project and in all common profits and expenses thereof, and for all other purposes including voting, is as follows:

<u>Unit Designation or Type</u>	<u>Percentage Common Interest</u>	<u>No. of Units</u>	<u>Total</u>
Commercial Unit No. 1	14.84672	1	14.84672
Commercial Unit No. 2	15.11534	1	15.11534
Typical Unit Type	2.26852	30	68.05560
Unit Type 2	1.98234	1	<u>1.98234</u>
			100

D. Parking Stall Assignments.

The parking stalls of the Project are hereby assigned to and made limited common elements appurtenant to the apartments designated hereinbelow:

<u>Apartment No.</u>	<u>Parking Stall No.</u>
Commercial Unit 1	C12, C13, C14, C15, C16, C17, C18, C19, C20, C21
Commercial Unit 2	C1, C2, C3, C4, C5, C6, C7, C8, C9, C10, C11

101	1
201	2
202	3
203	4
204	5
205	19
206	31
207	30
208	18
209	17
210	16
301	22
302	21
303	7
304	20
305	6
306	15
307	14
308	13
309	12
310	11

Apartment No.

Parking Stall No

401	24
402	23
403	10
404	9
405	8
406	29
407	28
408	27
409	26
410	25