

# 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

RAINBOW SERIES-KAUHALE WAIPIO  
(formerly known as PENAKII II)  
Waipio, Ewa District, Hawaii

Registration No. 1490

### IMPORTANT — Read This Report Before Buying

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

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

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

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

Issued: September 16, 1982  
Expires: October 16, 1983

#### SPECIAL ATTENTION

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

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED MARCH 17, 1982, AND INFORMATION SUBSEQUENTLY FILED AS OF MARCH 31 AND SEPTEMBER 13, 1982. THE DEVELOPER BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION ON MATERIAL CHANGES IN THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME LAW, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Preliminary Public Report No. 1490 on PENAKII II dated April 8, 1982, the Developer has submitted additional information deemed material.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and issuance of this Final Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime with Bylaws dated July 19, 1982, attached thereto has been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1125232, and the Condominium Map has been filed as Condominium Map No. 479.
4. No advertising or promotional matter has 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, as amended, and the Condominium Rules and Regulations which relate to the Horizontal Property Regime.
6. This Final Public Report automatically expires thirteen (13) months after the date of issuance, September 16, 1982, unless a Supplementary Report is issued or the Commission, upon review of the registration, issues an order extending the effective period of this Report.
7. This Final Public Report is made a part of the registration of the RAINBOW SERIES-KAUHALE WAIPIO (formerly known as PENAKII II) condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock), Final Public Report (white paper stock), and amended Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed copy of receipt for therefor.

Except for the information under the topical headings below, there has been no other changes to information provided in the Preliminary Public Report.

NAME OF PROJECT: RAINBOW SERIES-KAUHALE WAIPIO, formerly registered as PENAKII II. For advertising and promotional purposes, Developer has changed the name of the project from PENAKII II to RAINBOW SERIES-KAUHALE WAIPIO.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report issued by Security Title Corporation, dated January 26, 1982, has been updated by Supplemental Report dated August 6, 1982 which reflects the following encumbrances:

1. Real property taxes as may be due and owing. For further information, check with the Tax Office of the County in which the property is situated.
2. The terms and provisions of that certain Unilateral Agreement and Declaration of Conditional Zoning dated August 26, 1977, filed in the Office of the said Assistant Registrar as Document No. 832326,

made by and between THOMAS HENRY GENTRY, husband of Nora Silvia Gentry, and GENTRY-PACIFIC, LTD., a Hawaii corporation (also affects other property).

3. Easements 3164, 3167, 3168 and 3169, as shown on Map 549, as set forth by Land Court Order No. 57336, filed August 1, 1980.
4. Declaration of Covenants dated November 17, 1970, filed in the Office of said Assistant Registrar as Document No. 909239.
  - (a) By instrument dated November 17, 1980, filed in the Office of said Assistant Registrar as Document No. 1042252, the foregoing Declaration was amended.
  - (b) By instrument dated November 4, 1980, filed in the Office of said Assistant Registrar as Document No. 1042710, the foregoing Declaration was further amended.
5. Designation of Easement 3374 as shown on Map 569, as set forth by Land Court Order No. 62318, filed March 22, 1982.
6. The covenants, agreements, obligations, conditions and other provisions set forth in that certain Declaration of Horizontal Property Regime of "RAINBOW SERIES-KAUHALE WAIPIO", dated July 19, 1982, filed in the Office of said Assistant Registrar as Document No. 1125233, and the By-Laws attached thereto.
7. Condominium Map No. 479, filed in the Office of said Assistant Registrar on July 27, 1982.
8. Development and Sales Agreement dated July 29, 1982, filed in the Office of said Assistant Registrar as Document No. 1125987, made by and between HAWAII HOUSING AUTHORITY, a public body and body corporate and politic of the State of Hawaii and GENTRY-WAIPIO, A JOINT VENTURE, a Hawaii registered general partnership.
9. Mortgage dated July 27, 1982, filed in the Office of said Assistant Registrar as Document No. 1125988, made by GENTRY-WAIPIO, A JOINT VENTURE, a Hawaii registered general partnership, as Mortgagor, to BANK OF HAWAII, a Hawaii banking corporation, together with the HAWAII HOUSING AUTHORITY, a public body and a body corporate and politic of the State of Hawaii, as Mortgagee, to secure the repayment of the sum of \$7,500,000.00, any additional advances and other amounts secured thereby, all according to the terms of those certain two promissory notes of said mortgagor(s) therein referred to.
10. Assignment of Sales Proceeds dated July 27, 1982, recorded on August 2, 1982 in the Bureau of Conveyances of the State of Hawaii in Liber 16495, at Page 529, whereby GENTRY-WAIPIO, A JOINT VENTURE, a

Hawaii registered general partnership, assigned all the sales proceeds derived from the within premises, to BANK OF HAWAII, a Hawaii banking corporation, acting for itself individually and also in its capacity as a Loan Servicing Agent for HAWAII HOUSING AUTHORITY, a public body and body corporate and politic of the State of Hawaii.

11. Updated Financing Statement covering certain fixtures located on the real property, given as security by GENTRY-WAIPIO, A JOINT VENTURE, in favor of BANK OF HAWAII, acting for itself individually and also as a Loan Servicing Agent for HAWAII HOUSING AUTHORITY, recorded on August 2, 1982 in said Bureau of Conveyances in Liber 16495, at Page 537.

PURCHASE MONEY HANDLING: The Escrow Agreement dated March 10, 1982 between Gentry-Waipio, A Joint Venture, as Developer, and Security Title Corporation, as Escrow Agent, which was submitted to the Commission as a part of this registration, has been amended by Amendment of Escrow Agreement dated June 2, 1982. A copy of said amendment has been submitted to the Commission as a part of this registration.

The amendment of the Escrow Agreement eliminates the extra requirement that a purchaser make a written request to Escrow Agent for a refund of his funds upon the occurrence of one of the events entitling the purchaser to a refund.

Prospective purchasers should also be aware of the following changes to the Sales Contract:

1. Exhibit "A" to the Sales Contract also discloses estimated monthly assessments for common expenses.
2. FHA insured mortgage loans are not limited to those insured under and pursuant to Section 234 of the National Housing Act.

In addition, prospective purchasers should be aware of the fact not previously indicated in the Preliminary Public Report that a purchaser may elect to cancel his contract to purchase a unit by giving written notice of such election to Developer at any time within five (5) days after execution of the contract by purchaser and Developer. Upon such cancellation, purchaser shall be entitled to a refund of all deposits made by purchaser pursuant to the contract.

PROGRAM OF FINANCING: The Developer has complied with the provisions of Section 514A-40, Hawaii Revised Statutes, by filing with the Commission the following:

1. Developer's Verified Statement of total development costs.
2. Developer's Verified Estimated Completion Date of the Project.
3. Construction Contract dated May 24, 1982, by and between Gentry-Waipio, A Joint Venture, and Gentry Homes, Ltd.

4. A Performance Bond in the amount of not less than 100% of the Construction Contract price, dated May 28, 1982, issued by United Pacific Insurance Company.
5. A letter from the Bank of Hawaii indicating the availability of funds for the construction and completion of the Rainbow Series-Kauhale Waipio Condominium Project dated June 2, 1982.

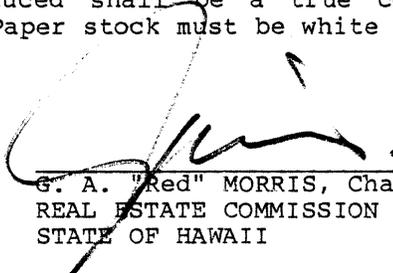
STATUS OF THE PROJECT: The Developer reports that the construction of the project was commenced on May 1, 1982. The estimated completion date is December 31, 1982.

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The purchaser or prospective purchaser should be cognizant of the fact that this published Report represents information disclosed by the Developer in the required Notice of Intention submitted March 17, 1982, and additional information subsequently filed as of September 13, 1982.

This Final Horizontal Property Regime (Condominium) Public Report is made a part of Registration No. 1490 filed with the Commission on March 17, 1982.

The report, when reproduced shall be a true copy of the Commission's Public Report. Paper stock must be white in color.

  
G. A. "Red" MORRIS, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

DISTRIBUTION:  
DEPARTMENT OF FINANCE  
OFFICE OF THE ASSISTANT REGISTRAR OF THE LAND COURT  
PLANNING DEPARTMENT, CITY AND COUNTY OF HONOLULU  
FEDERAL HOUSING ADMINISTRATION  
ESCROW AGENT

Registration No. 1490

September 16, 1982.



RAINBOW SERIES-KAUHALE WAIPIO

DISCLOSURE ABSTRACT

1. (a) PROJECT: RAINBOW SERIES-KAUHALE WAIPIO  
Mohalu Street  
Waipio, Oahu, Hawaii
- (b) DEVELOPER: Gentry-Waipio, A Joint Venture  
94-539 Puahi Street  
Waipahu, Hawaii 96797  
Telephone: (808) 671-6411
- (c) PROJECT MANAGER: Chaney Brooks & Company  
Suite 400, 841 Bishop Street  
Honolulu, Hawaii 96813  
Telephone: (808) 521-6971

2. USE OF APARTMENTS:

Except when the holder of the first mortgage on an apartment has entered into possession of the apartment following (i) a default under its first mortgage, (ii) a foreclosure proceeding, or (iii) a conveyance in lieu of foreclosure, the apartments shall be occupied and used only as residential dwellings. No Apartment Owner shall be permitted to lease his apartment or any portion thereof for transient or hotel purposes, which are defined as (a) rental for any period of less than thirty (30) days, or (b) any rental in which the occupants of the apartment are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen or bellboy service. The Association shall have the power to enact resolutions, rules and regulations, and have the power to amend and repeal the same from time to time, reasonably restricting and regulating the use of the apartments and the common elements; provided, that any such resolutions, rules or regulations shall be consistent with the terms of the Declaration and By-Laws.

3. WARRANTIES:

Except for defects in any appliance of any other consumer product for which no warranty, express or implied, is given by the Developer and which shall be covered only by the respective manufacturer's or dealer's warranty, if any, Developer shall remedy all defects in the apartment or in any common elements due to faulty material or workmanship which are discovered within one (1) year from the date of completion of the building in which the apartment is located, as defined in Section 507-43 of the Hawaii Revised Statutes. Except for the express one year warranty, excluding appliances and other consumer products, made in the preceding sentence, THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROJECT, OR CONSUMER PRODUCTS CONTAINED IN THE APARTMENT OR THE PROJECT INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY OR WORKMANLIKE CONSTRUCTION. The execution and delivery of the deed covering the apartment from Developer to purchaser shall operate as an assignment from Developer to purchaser of manufacturers' or dealers' warranties, if any, covering any appliances and other consumer products for the unexpired term thereof, to the extent that Developer has the right and power to make such an assignment. Purchaser acknowledges and agrees that Developer is not stating that any such warranties exist, or that such an assignment will be effective, is not adopting any such manufacturers' or dealers' warranties, and is not acting as a co-warrantor, but is merely attempting to pass through to purchaser the benefits of such warranties, if any. The terms of the manufacturers' or dealers' written warranties, if any, are available for purchaser's examination at Developer's office.

At Developer's option, an inspection program may be instituted and, if so, purchaser shall agree to inspect purchaser's apartment on a date and at a time specified in advance

by Developer and upon completion of such inspection, to sign an inspection sheet to be furnished by Developer which shall list all defects or damages, if any, to the apartment, and furnishings, fixtures or appliances therein, if any. Purchaser shall agree to conclude the sale of the Property and accept possession of the apartment despite the existence of any defects or damages to the apartment unless it is uninhabitable. Purchaser shall agree to indemnify Developer for any damages or losses, including interest and attorneys' fees, resulting from any refusal to conclude the sale of the apartment or to accept possession of the apartment as provided above, and if purchaser shall make any such refusal, purchaser shall be deemed to be in default under the Reservation and Sales Agreement.

THE ATTENTION OF THE PURCHASER IS DIRECTED TO ARTICLE IV.I. OF THE RESERVATION AND SALES AGREEMENT (INCORPORATED HEREIN BY THIS REFERENCE) PERTAINING TO THE ABSENCE OF REPRESENTATIONS AND WARRANTIES CONCERNING THE APARTMENT, THE PROPERTY, THE PROJECT, ESTIMATED MAINTENANCE FEES AND RENTAL OF THE APARTMENT, AND CONTAINING A COVENANT NOT TO SUE IN CERTAIN CASES.

4. BREAKDOWN OF ANNUAL MAINTENANCE FEES AND MONTHLY ESTIMATED COSTS FOR EACH APARTMENT:

The breakdown of annual maintenance fees and the estimated cost for each apartment have been prepared by the Managing Agent as of January 1, 1983, and are subject to revision based on actual cost for the items enumerated. The Developer can make no assurances regarding the estimated maintenance assessments. Variables such as inflation, uninsured casualty loss or damages, increased or decreased services from those contemplated by the Developer, apartment owner delinquencies and other factors may cause the maintenance assessments to be greater or lesser than the estimated maintenance assessments. The breakdown of the estimated cost for each apartment contained herein does not include the purchaser's obligation for the payment of real property taxes; estimates of the real property taxes will be provided by the Developer upon request.

NOTE: THE DEVELOPER ADVISES THAT COSTS AND EXPENSES OF MAINTENANCE AND OPERATION OF A CONDOMINIUM PROJECT ARE DIFFICULT TO ESTIMATE INITIALLY AND EVEN IF SUCH MAINTENANCE FEES HAVE BEEN ACCURATELY ESTIMATED, SUCH FEES WILL TEND TO INCREASE IN AN INFLATIONARY ECONOMY AND AS THE IMPROVEMENTS AGE. MAINTENANCE FEES CAN VARY DEPENDING ON SERVICES DESIRED BY APARTMENT OWNERS. THE PURCHASERS SHOULD CHECK THE MAINTENANCE FEE SCHEDULE TO SEE WHAT SERVICES ARE INCLUDED THEREIN.

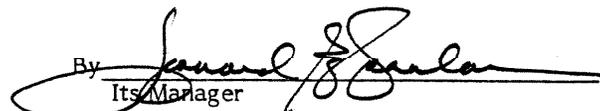
Estimated Monthly  
Maintenance Fee

\$61.00

Each apartment will be assessed the Gentry-Waipio Community Area Association dues of \$25.00 on a semi-annual basis.

Chaney Brooks & Company does hereby certify that the foregoing breakdown on annual maintenance fees and monthly estimated costs for each apartment has been based on generally accepted accounting principles.

CHANEY BROOKS & COMPANY

By   
Its Manager  
Housing Management Department

ANNUAL OPERATING BUDGET FOR COOPERATIVE HOUSING CORPORATIONS

PROJECT NO.(S) 140-34134

PROJECT NAME Penakii II ADDRESS Waipio, Oahu

OPERATING PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

EXPENSES	ACCT. NO.	1 Prior Year Budget	2 Prior Year Actual	3 Over (Under)	4 Adjustments Incr. (Decr.)	5 New Annual Budget	6 Adjustments By HUD
Vacancy & Collection Loss	6370						
Employee Apartment Rent	6330						
Apartment Resale Expense	6200						
Management Fee	6320					16,800	
Legal Expense	6340						
Audit Expense	6350					1,500	
Telephone	6360					180	
Office & Adm. Salaries	6310					10,008	
Office Expenses	6311						
Misc. Administrative Exp.	6390					360	
Fuel	6420						
Electricity	6450					8,352	
Water & Sewer	6451					12,600	
Veh. & Equip. Oper. Exp.	6441						
Janitor's Payroll	6430						
Janitor's Supplies	6431						
Exterminating	6462						
Rubbish Removal	6470					3,600	
Parking Area Expense	6480						
Grounds Maintenance	6520					3,000	
Painting & Decorating	6560						
Structural Repairs	6540					3,600	
Heating & Air Cond. Maint.	6510						
Plumbing Maintenance	6511						
Electrical Maintenance	6512						
Elevator Maintenance	6550						
Pool Maintenance	6521						
Maintenance Supplies	6515					1,200	
Maintenance Payroll	6585					8,304	
Misc. Maintenance Repair	6590						
Real Estate Taxes	6710						
Employer's Payroll Taxes	6711					2,208	
Miscellaneous Taxes	6719					4,200	
Property & Liability Insurance	6720					1,800	
Workmen's Compensation	6721						
Fidelity Bonds	6723						
Miscellaneous Insurance	6729						
Fire Insurance						8,100	
TDI						108	
Medical						900	
Ground Rent	6815						
Mortgage Ins. Premium	6850						
Mortgage Interest	6820						
Mortgage Principal	2320						
Replacement Reserve	1320					19,849	
General Operating Reserve	1365					3,063	
Painting Reserve	1330						
Project Equipment Purch.	1470						
Capital Improvements	1400						
TOTAL EXPENSE						109,732	

Column #4 reflects necessary or desirable increases and decreases over prior year's budget (Col. #1) to arrive at New Annual Budget (Col. #5). Carrying Charges and other budgeted income (line #68) must at least equal the total expenses on line #58. Lines 52-57 provide for capital contributions by members, in excess of their downpayments, and should be entered in the books thru Account #3241 (Paid-In Surplus).

