

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS
STATE OF HAWAII
1010 RICHARDS STREET
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HONOLULU, HAWAII 96801

FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

RAINBOW SERIES-KUOLA, PHASE I
(Formerly RAINBOW SERIES-KUOLA)
Corner of Oli Loop and Ukee Street
Waipio, Ewa District, Hawaii

Registration No. 1508

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: March 31, 1983
Expires: April 30, 1984

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 JULY 2, 1982, AND INFORMATION SUBSEQUENTLY FILED AS OF March 29, 1983. 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. 1508 on RAINBOW SERIES-KUOLA dated July 30, 1982, the Developer has submitted additional information deemed material. Instead of 160 apartments in 20 buildings, the Developer has decided to construct the project in phases. This first phase shall contain 64 apartments in eight buildings and 83 parking stalls, 19 of which are for guests.

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 and Bylaws, both dated March 17, 1983, have been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document Nos. 1157687 and 1157688, respectively, and the Condominium Map have been filed as Condominium Map No. 490.
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, March 31, 1983, unless a Supplementary Report is issued or the Commission, upon review of the registration, issues and order extending the effective period of this Report.
7. This Final Public Report is made a part of the registration of the RAINBOW SERIES-KUOLA, PHASE I (formerly RAINBOW SERIES- KUOLA) 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 a receipt 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-KUOLA, PHASE I, a portion of the project previously registered as RAINBOW SERIES-KUOLA. For sale, advertising and promotional purposes, the Developer has decided to develop the Rainbow Series-Kuola project in three phases, this Project being the first phase thereof and named RAINBOW SERIES-KUOLA, PHASE I.

LOCATION: The Project is located at Waipio, Island of Oahu, State of Hawaii. The land consists of 2.313 acres comprising Lot 9550, as shown on Map 601 filed in the Office of said Assistant Registrar with Land Court, Application 1000.

TAX KEY: First Division, 9-4-115-15.

DESCRIPTION OF THE PROJECT:

A. Description of Buildings: This Project (Phase I) shall contain eight (8) separate apartment buildings constructed principally of wood, glass, concrete and gypsum board. All buildings shall contain eight (8) apartments. All buildings will be two stories in height, and no building shall have a basement.

As shown on the Condominium Map, the apartment buildings are located around the perimeter of the Project site along the north (Oli Loop), west (Ukee Street) and south boundaries, and are consecutively designated A, B, C, D, E, F, G and H. Building A is situated along the Oli Loop boundary, Building B occupies the northwest corner of the Project site (corner of Oli Loop and Ukee Street), Buildings C and D are situated along the Ukee Street boundary, Building E occupies the southwest corner of the Project site, and Buildings F, G and H are situated along the south boundary.

B. Description of the Apartments: Sixty-four (64) separate condominium apartments are designated within the perimeter and party walls, windows, doors, floors and ceilings of each of the sixty-four (64) apartment units of the Project, distributed among the eight (8) apartment buildings of the Project as described above, which spaces are referred to herein as "apartments", and are designated on said Condominium Map and described as follows:

(1) Apartment Numbers and Locations: As shown on the Condominium Map, the apartment designations are composed of the apartment number designation preceded by the building letter designation. The apartments contained in each apartment building are designated 1 through 8. The designation for apartments in building A, for instance, are as follows: "A-1", "A-2", "A-3", "A-4", "A-5", "A-6", "A-7" and "A-8". In each building, apartments 1 through 4 occupy the first story and apartments 5 through 8 occupy the second story. In each building, apartment 5 is directly above apartment 1, apartment 6 is directly above apartment 2, apartment 7 is directly above apartment 3 and apartment 8 is directly above apartment 4.

(2) Layout and Area of Individual Apartments: All of the apartments have two (2) bedrooms, one (1) bathroom and a living room/dining room area which adjoins a kitchen area. All of the apartments have approximately 750 square feet of interior living space and a lanai. The lanai areas vary.

As shown on the Condominium Map, there are four (4) different apartment unit types, the primary difference in the types being in the orientation of the rooms to one another. The unit types are designated "A", "A Reverse" (AR), "B" and "B Reverse" (BR). The lanai areas of the apartments are not relevant to their identification as to type.

Attached hereto as Exhibit "A" and by reference made a part hereof is a list of the apartments which shows the unit type and lanai area of each.

(3) Access to Common Elements: Each first story apartment has immediate access to the grounds of the property and each second story apartment has access to the grounds of the property by means of a separate exterior stairway.

(4) Other Data Identifying and Defining the Apartments: The respective apartments shall not be deemed to include: the perimeter or party walls or the undecorated or unfinished surfaces thereof; the exterior surfaces of all doors, door frames, windows and window frames; the interior load-bearing walls; awnings (if any); the undecorated or unfinished surfaces of the floors and ceilings surrounding each apartment; any pipes; wires, conduits or other utility or service lines which are utilized for or serve more than one apartment; all of the foregoing being common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions within its perimeter or party walls which are not load-bearing, the inner decorated or finished surfaces of all walls, floors, ceilings, doors, door frames, windows and window frames and all fixtures installed in the apartment.

COMMON ELEMENTS: Paragraphs C and D under this topical heading of the Preliminary Public Report have been amended as follows:

C. All common spaces such as yards, gardens, planting areas, trash collection areas, all parking areas, driveways and access lanes, including parking stalls 36 to 54, inclusive, which are all for compact cars and are visitor parking stalls.

D. Apartment A-2 for the use of a resident manager or other persons employed for operation of the property, including parking stall No. 2.

LIMITED COMMON ELEMENTS: All information under this topical heading remains unchanged except that the Exhibit "A" referred to under paragraph A has been completely revised to read as set forth in the Exhibit attached hereto.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment, except Apartment A-2, shall have appurtenant thereto an undivided percentage interest in all common elements of the property (called the "common interest"), and the same percentage share in all common profits and expenses of the property and for all other purposes, including voting. The undivided percentage interest appurtenant to each apartment shall be 1.5873%, except for Apartment A-2 which is a portion of the common elements and except for Apartment A-1 which shall have appurtenant thereto an undivided percentage interest of 1.5874% in order that the total of percentage interests equals 100%.

EASEMENTS: Except for paragraph A which follows, all other information under this topical heading in the Preliminary Public Report remains unchanged.

A. Each apartment owner shall have a non-exclusive easement shared with all members of the Gentry-Waipio Community Association to use those certain Common Areas of the Gentry-Waipio Community Area as such areas shall be designated from time to time pursuant to Article III of the Declaration of Covenants, Conditions and Restrictions for the Gentry-Waipio Community Area filed in the Office of said Assistant Registrar as Document No. 909239, as amended, subject, however, to those certain Specific Uses and Restrictions set forth in Section 3.03 thereof and to those certain Specific Conditions, Limitations and Restrictions on Improvements set forth in Section 4.03 thereof. As presently

planned, the Common Areas are scheduled to consist of (1) those areas ("buffer areas") between Kamehameha Highway and the Community Area, consisting of grass areas, shrubbery and trees; and (2) that certain "pedestrian pathway" centrally located in the Community Area.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration of Horizontal Property Regime provides, among other things:

"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 or less than 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 House Rules submitted to the Commission provide, in part: (1) no waterbeds shall be permitted in the apartments; (2) no livestock, poultry, rabbits or other animals shall be allowed on the premises except that dogs, cats and other household pets in reasonable number may be kept by the owners and occupants of residential apartments; (3) all pets must be registered immediately with the Managing Agent; and (4) occupancy is limited to no more than two persons per bedroom in each apartment, excluding children under the age of five, except that in no event shall the number of occupants per bedroom contained in each apartment exceed three (3) per bedroom, inclusive of children under the age of five.

PROVISIONS FOR PHASING OF DEVELOPMENT:

A. The Declaration of Horizontal Property Regime reflects that RAINBOW SERIES-KUOLA, PHASE I is the first phase of an overall project which may be developed into three distinct phases, each of which shall be a separate and distinct condominium project, as defined in Chapter 514A of the Hawaii Revised Statutes, but which may be merged to the extent and for the purposes of unifying the management, control, administration and use of the phases as if they were each part of a single condominium project known as "Rainbow Series-Kuola". The land described under the topical heading "LOCATION" above and other real property described as Lots 9551 and 9552 as shown on Map 604 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application 1000, is subject to a "Declaration Providing For A Merger Of Phases In A Condominium Project" (hereinafter called the "Merger Declaration") which contains provisions and conditions for such merger of phases. The overall project, of which the phase covered by this Declaration is a part, is planned to consist of twenty (20) separate apartment buildings (eight of which are in this Phase I), each containing eight (8) apartments for a total of one hundred sixty (160) apartments to be located entirely on said Lots 9550, 9551 and 9552. All buildings and the apartments therein will be substantially the same in terms of design, layout, architectural style, size and quality of construction.

The common elements of each additional phase will be substantially the same in nature as those described herein, except that only Phase I will have a resident manager's unit as a common element. The overall project is designed to have a total of forty-four (44) visitor parking stalls (nineteen of which are in this Phase I). There are no special recreational amenities planned for any phase of the project.

B. Any provision contained herein to the contrary notwithstanding, the Developer shall have the right at its option to amend this Project by way of merger as provided in said Merger Declaration and as hereinafter provided. For the purposes herein, "merger" shall mean that the management, control, administration and use of the condominium projects constituting the phases of the overall Rainbow Series-Kuola project has been unified under one Association of Apartment Owners. A merger of one phase with any other phase may occur at the same or at different times, and the merger of one or more phases at one time shall not affect the right of the Developer to merge another phase or phases at a later time, subject to the provisions hereof and of said Merger Declaration.

C. Except for the consent of the U. S. Department of Housing and Urban Development, the Developer may effectuate a merger of phases without the further act or consent of any third party prior to the "Outside Date for Merger", which shall be the fifth (5th) anniversary of the date of said Merger Declaration provided that the expanded project is in accordance with the overall development plan set forth in this Paragraph and Paragraph 1 of said Merger Declaration. If the merger of phases would take place after the Outside Date for Merger, then such merger shall not take place unless such merger shall have been first approved by the vote or written consent of apartment owners of the overall project as then constituted, other than the Developer, holding seventy-five percent (75%) of the votes in the Project Association for the overall project as then constituted, exclusive of those votes held by the Developer. No condominium project may be merged with this Project unless it is a project situated upon a portion of the real property described in and subject to said Merger Declaration. If any phase is not developed in substantial accordance with the general plan of development for the overall project described herein, such phase may not be merged with this Project without the written consent of the apartment owners holding seventy-five percent (75%) of the votes in the Project Association and their mortgagees.

D. A merger of a subsequent phase with this phase (and any other phase with which this phase may have been merged previously) may occur only upon the happening of the following events with respect thereto:

(1) The Developer shall have filed in the Office of said Assistant Registrar a Declaration of Horizontal Property Regime and By-Laws for the subsequent phase in form substantially identical to that filed for this phase (except for the descriptions of apartments and the common elements and the percentages of common interest therein) and changed by amendments to the Horizontal Property Act, and a condominium map depicting the layout, location and floor plans of the subsequent phase, in compliance with the requirements of Chapter 514A of the Hawaii Revised Statutes.

(2) The apartments and common elements described in the Declaration of Horizontal Property Regime of the subsequent phase have been constructed.

(3) The Developer shall have filed in the Office of said Assistant Registrar with respect to the subsequent phase a "Certificate of Merger", which certificate contains:

(a) A certification by the Developer that the subsequent phase has been substantially completed, that a notice of completion has been filed, that the period for filing of mechanics' and materialmen's liens has expired, and that as of the date of merger, payments of property taxes and assessments for the phase are current;

(b) The "as built" verified statement required by Section 514A-12 of the Hawaii Revised Statutes;

(c) Evidence of title showing all liens, easements and encumbrances which affect the subsequent phase;

(d) A revised plan showing the location of the buildings of the overall project after completion of the subject merger; and

(e) Evidence of prior written consent to the subject merger by the Department of Housing and Urban Development.

In addition, no merger of one phase with another may take place unless and until apartments in the subsequent phase, the aggregate value of which is at least equal to seventy percent (70%) of the value of the total number of units in the subsequent phase, have been sold to bona-fide purchasers and are ready to be conveyed.

E. From and after the effective date of a merger, the following consequences shall ensue:

(1) The owners of apartments in each of the merged phases shall have nonexclusive rights to use the common elements in every other merged phase to the same extent and subject to the same limitations and obligations as are imposed upon an owner of an apartment in such other phase. Each owner in each phase shall have the same rights of use with respect to the common elements in all merged phases as though the merged phases had been developed as one.

Without limitation to the generality of the foregoing, the owners of apartments in each of the merged phases shall have a perpetual easement in the common elements of the other merged phases for the following purposes:

(a) maintenance, use, repair and replacement of driveways, parking areas, loading zones and visitor parking stalls; and

(b) installation, maintenance and repair of any pipe, cable or other conduits for utility services such as power, light, gas, water, sewage, telephone, radio and television signal distribution.

(2) The merged phases will each bear a fraction of the total common expenses (as defined in the respective Declarations of Horizontal Property Regime) of the overall project, treating all merged phases as one for the purpose of determining total common expenses. For each phase the numerator of such fraction shall be the number of square feet of aggregate apartment interior floor area in the phase, and the denominator shall be the aggregate number of square feet of aggregate apartment interior floor area in the overall project. Measurement of apartment interior floor areas shall be performed in a uniform manner in each phase. Each apartment owners' percentage share of the common expenses of the overall project shall equal the common interest appurtenant to his apartment times the fraction of the common expenses allocated to his phase.

(3) Each of the merged phases will be entitled to votes in the Association for the overall project in the same proportions as set forth above for the sharing of common expenses. Thus, each apartment owner's vote will equal the common interest appurtenant to his apartment times the fraction of the common expenses allocated to his phase.

(4) The Association of Apartment Owners of each phase shall be merged into a single Association governing the overall project. The terms "Association" and "Project Association" used in the Declaration mean the Association of this phase until a merger takes place, and thereafter the combined Association for the overall project resulting from merger.

(5) Within sixty (60) days following the merger of phases, a special meeting of the Association of Apartment Owners of the Project shall be called to elect a new Board of Directors to replace the existing Board of Directors and govern the entire project. The procedure for calling and holding such meeting and all other meetings of the Association shall be that set forth in the By-Laws for the respective phases. The number of Directors of the Association of Apartment Owners of the Project shall be the number set forth in each Phase Declaration. At such special meeting, one-third of the Directors shall be elected for one year, one-third for two years and one-third for three years. In the event that such special election should be held as herein required six (6) months or more prior to the next annual meeting of the Association, the terms of the Directors shall be calculated as if they had been elected at the previous annual meeting of the Association. If such special election is held less than six (6) months prior to the next annual meeting of the Association, the terms of the Directors shall be calculated as if they were elected at the next annual meeting and no election need be held at such meeting.

(6) For purposes of administration and use of the Project, the Phases after merger shall be treated as part of a Project developed as a whole from the beginning, and each of the respective Declarations of Horizontal Property Regime shall be construed as one document applicable to the overall project

constituting the merged phases, except to the extent expressly otherwise provided therein or herein. It is the purpose of the Merger Declaration to provide that from and after the date of merger, all the property so merged shall be treated for purposes of administration, use and sharing of common expenses as though it had been developed, divided into apartments and used by the owners thereof as a single undivided project.

(7) Merger shall affect the administration and use of the phases and the sharing of common expenses but shall not affect the ownership of apartments and their appurtenant common interests in their respective phases.

F. The Declaration of Horizontal Property Regime does not require the Developer to develop any phase or merge any phase into the overall project and does not prohibit the Developer from dealing freely with any phase not merged into the Project, including, without limitation, developing the whole or any part of a phase for a purpose inconsistent with the merger of such phase into the overall project.

G. In connection with, and only to the extent necessary for the development and sale of apartments in subsequent phases as aforesaid, the Developer shall have the right up to the Outside Date for Merger or to the date of merger of all phases, whichever shall first occur, to enter upon the property with employees, agents and contractors for all purposes reasonably necessary for or useful to constructing and completing said apartments according to plans and specifications or amended plans and specifications approved by the officer of the City and County of Honolulu having jurisdiction over the issuance of building permits; to connect said apartments and associated common elements to utilities of the property; and to sell said additional apartments. Such rights shall also include the following:

(1) An easement over, under and across the common elements of the Project for the purposes of all work connected with or incidental to the development, construction and sale of apartments in any undeveloped portions of a subsequent phase;

(2) The right appurtenant to any undeveloped phase, in the nature of an easement over and upon the Project and the undeveloped phases to create and cause dust, noise, vibration and other nuisances created by and resulting from any work connected with or incidental to the development, construction and sale of any apartment in an undeveloped phase;

(3) The right to enter the common areas of the Project for the purpose of showing prospective purchasers the apartments in the Project or in undeveloped phases the facilities of the Project;

(4) The right to place signs upon the Project and on an undeveloped phase in conjunction with sales of apartments;

(5) The right to use any apartment owned or rented by the Developer for sales or display purposes until all apartments in all phases are sold.

H. The Developer shall have the right to execute, acknowledge and deliver any and all instruments necessary or appropriate for the purpose of carrying out the provisions of merger and exercising the rights, powers and privileges granted to it by the Declaration in connection therewith, all as the true and lawful attorney-in-fact of the respective owners from time to time of the apartments of the Project as originally constituted or as merged.

I. After completion of a merger of this phase with any other phase, the Developer shall have the irrevocable right to amend the Declaration of Horizontal Property Regime for each phase in its entirety so that there shall be one amended Declaration for all phases for the sole purpose of showing the overall project as then constituted with a consolidated description of the land, buildings, apartments, common elements, limited common elements and common interests, without otherwise changing the form or content of such Declarations and By-Laws, except for amendments required by law. Upon the filing of such amended Declaration in the Office of said Assistant Registrar, the Developer shall provide a copy of such amended Declaration to the Managing Agent for the overall project and each apartment owner at his or her last-known address by certified mail. After the last phase has been merged into the overall project, the amended Declaration shall omit the provisions pertaining to merger, and the name of the overall project shall be "RAINBOW SERIES-KUOLA", without separate reference to phase numbers.

ENCUMBRANCES AGAINST TITLE: A Preliminary Title Report issued by Security Title Corporation dated January 7, 1983, reflects that the land is subject to the following encumbrances:

A. The terms and provisions of that certain Unilateral Agreement and Declaration of Conditional Zoning dated August 26, 1977, filed in the Office of 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.)

B. Mortgage dated December 17, 1982, filed in the Office of said Assistant Registrar as Document No. 1144560, and also recorded in the Bureau of Conveyances of the State of Hawaii in Book 16756, Page 501, made by GENTRY-WAIPIO, A JOINT VENTURE, a Hawaii registered general partnership, as Mortgagor, to BANK OF HAWAII, a Hawaii banking corporation, as Mortgagee, to secure the repayment of the sum of \$8,400,000.00, any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said Mortgagor therein referred to.

C. Assignment of Sales Proceeds dated December 17, 1982, recorded in said Bureau of Conveyances in Liber 16756, at Page 522, whereby GENTRY-WAIPIO, A JOINT VENTURE, assigned to BANK OF HAWAII all of its right, title and interest in and to each of the Escrow Agreements and Sales Agreements pertaining to the sale of the condominium units situate on the within premises, as security for the repayment of \$8,400,000.00.

D. Declaration of Covenants dated November 17, 1978, filed

in the Office of said Assistant Registrar as Document No. 909239.

(1) By instrument dated November 17, 1980, filed in the Office of said Assistant Registrar as Document No. 1042252, the foregoing Declaration was amended.

(2) By instrument dated November 4, 1980, filed in the Office of said Assistant Registrar as Document No. 1042710, the foregoing Declaration was further amended.

E. Easement 3380, as shown on Map 57, as set forth by Land Court Order No. 63072, filed June 25, 1982 (affects Lots 9549 and 9550).

F. Easement 3381, as shown on Map 575, as set forth by Land Court Order No. 63072, filed June 25, 1982 (affects Lot 9549 only.)

G. The terms and provisions of that certain undated Joint Development Agreement and Declaration or Conditional Zoning affecting the parcels of land herein described, filed in the Office of said Assistant Registrar as Document No. 1125382 (also affects other property.)

H. Real property taxes as may be due and owing. Check with the Department of Finance for further information.

In addition to the foregoing, the Developer has reported the filing of this Project's Declaration of Horizontal Property Regime, By-Laws, and Condominium Map (see Item 3 on page 2 of this Public Report) and the filing of a Declaration Providing For Merger Of Phases In A Condominium Project dated March 17, 1983, filed in the Office of said Assistant Registrar as Document No. 1157686.

PURCHASE MONEY HANDLING: The Escrow Agreement dated July 1, 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 March 17, 1983, which makes insubstantial corrections and changes to the original Escrow Agreement for clarification purposes. A copy of said amendment has been submitted to the Commission as a part of this registration.

A specimen Addendum to Condominium Reservation and Sales Agreement has been submitted to the Commission which contains information concerning the phased development of the original Project and disclosures concerning this Phase I. such an Addendum will be given to each prospective purchaser who has executed or may execute an original contract for such prospective purchaser's review and approval.

In addition, prospective purchasers should be aware of the fact not previously indicated in the Preliminary Public Report for RAINBOW SERIES-KUOLA 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.

STATUS OF THE PROJECT: The Developer reports that the construction of the Project commenced on August 2, 1982. Certificates of Occupancy for Buildings "A", "B" and "H" were issued on January 25, 1983, and Certificates of Occupancy for Buildings "C", "D", "E", "F" and "G" were issued on January 26, 1983.

The purchaser or prospective purchaser should be cognizant of the fact that this published Report represents information disclosed by the Developer in the Notice of Intention submitted on July 30, 1982, and additional information subsequently filed as of March 29, 1983.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of Registration No. 1508 filed with the Commission on July 30, 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. 1508

March 31, 1983

EXHIBIT "A"

Description of Apartments by Type
and Area; Parking Stall Assignments

<u>Apt. #</u>	<u>Type</u>	<u>Living</u>	<u>Lanai</u>	<u>Total</u>	<u>Parking Stall</u>
A-1	2 A	750 sq. ft.	37 sq. ft.	787 sq. ft.	7
2	2 B	750	42	792	2
3	2 AR	750	37	787	4
4	2 BR	750	42	792	5
5	2 A	750	50	800	8
6	2 B	750	70	820	1
7	2 A	750	50	800	3
8	2 BR	750	70	820	6
B-1	2 BR	750	37	787	9
2	2 A	750	42	792	13
3	2 B	750	37	787	19
4	2 AR	750	42	792	14
5	2 BR	750	50	800	12
6	2 A	750	70	820	17
7	2 B	750	50	800	20
8	2 AR	750	70	820	15
C-1	2 BR	750	37	787	35
2	2 A	750	42	792	31
3	2 B	750	37	787	16
4	2 AR	750	42	792	11
5	2 BR	750	50	800	34
6	2 A	750	70	820	21
7	2 B	750	50	800	18
8	2 AR	750	70	820	10
D-1	2 a	750	37	787	62
2	2 B	750	42	792	64
3	2 AR	750	37	787	22
4	2 BR	750	42	792	32
5	2 A	750	50	800	68
6	2 B	750	70	820	24
7	2 AR	750	50	800	23
8	2 BR	750	70	820	33
E-1	2 AR	750	37	787	67
2	2 BR	750	42	792	65
3	2 A	750	37	787	28
4	2 B	750	42	792	25
5	2 AR	750	50	800	63
6	2 BR	750	70	820	66
7	2 A	750	50	800	27
8	2 B	750	70	820	26
F-1	2 BR	750	37	787	55
2	2 A	750	42	792	60
3	2 B	750	37	787	30
4	2 AR	750	42	792	70
5	2 BR	750	50	800	56
6	2 A	750	70	820	61
7	2 B	750	50	800	29
8	2 AR	750	70	820	69
G-1	2 AR	750	37	787	80
2	2 BR	750	42	792	78
3	2 A	750	37	787	59

4	2 B	750 sq. ft.	42 sq. ft.	792 sq. ft.	73
5	2 AR	750	50	800	81
6	2 BR	750	70	820	76
7	2 A	750	50	800	58
8	2 B	750	70	820	57
H-1	2 BR	750	37	787	79
2	2 A	750	42	792	72
3	2 B	750	37	787	74
4	2 AR	750	42	792	83
5	2 BR	750	50	800	77
6	2 A	750	70	820	71
7	2 B	750	50	800	75
8	2 AR	750	70	820	82

END OF EXHIBIT "A"

(page 2 of 2)

RAINBOW SERIES-KUOLA

DISCLOSURE ABSTRACT

1. (a) PROJECT: RAINBOW SERIES-KUOLA
Corner of Ukee Street and Oli Loop
Waipio, Oahu, Hawaii
- (b) DEVELOPER: Gentry-Waipio, A Joint Venture
94-539 Puahi Street
Waipahu, Hawaii 96797
Telephone: (808) 671-6411
- (c) PROJECT MANAGER: Waipio Realty Corporation
94-539 Puahi Street
Waipahu, Hawaii 96797
Telephone: (808) -671-6421

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.

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 March 24, 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

\$71.63

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

Waipio Realty Corporation 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.

WAIPIO REALTY CORPORATION

By *Ralph S. Foulger*
RALPH S. FOULGER
Property Manager

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ANNUAL OPERATING BUDGET FOR COOPERATIVE HOUSING CORPORATIONS

PROJECT NO.(S) _____

PROJECT NAME Kuola ADDRESS Waipio, Oahu

COVERING 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 Adjustment By HUD
1. Vacancy & Collection Loss	6370						
2. Employee Apartment Rent	6330						
3. Apartment Resale Expense	6200						
4. Management Fee	6320					8400	
5. Legal Expense	6340						
6. Audit Expense	6350					749	
7. Telephone	6360					72	
8. Office & Adm. Salaries	6310					4032	
9. Office Expenses	6311					180	
0. Misc. Administrative Exp.	6390						
1.							
2.							
3.							
4.							
5. Fuel	6420						
6. Electricity	6450					4176	
7. Water & Sewer	6451					6300	
8. Veh. & Equip. Oper. Exp.	6441						
9. Janitor's Payroll	6430						
0. Janitor's Supplies	6431						
1. Exterminating	6462						
2. Rubbish Removal	6470					1799	
3. Parking Area Expense	6480						
4.							
5.							
6. Grounds Maintenance	6520					1499	
7. Painting & Decorating	6560						
8. Structural Repairs	6540					1800	
9. Heating & Air Cond. Maint.	6510						
0. Plumbing Maintenance	6511						
1. Electrical Maintenance	6512						
2. Elevator Maintenance	6550						
3. Pool Maintenance	6521						
4. Maintenance Supplies	6515					599	
5. Maintenance Payroll	6585					4151	
6. Misc. Maintenance Repair	6590						
7.							
8. Real Estate Taxes	6710						
9. Employer's Payroll Taxes	6711					984	
0. Miscellaneous Taxes	6719						
1. Property & Liability Insurance	6720					2099	
2. Workmen's Compensation	6721					491	
3. Fidelity Bonds	6723						
4. Miscellaneous Insurance	6729						
5.						4049	
6.						54	
7.						420	
8. Ground Rent	6815						
9. Mortgage Ins. Premium	6850						
0. Mortgage Interest	6820						
1. Mortgage Principal	2320						
2. Replacement Reserve	1320					1289	
3. General Operating Reserve	1365					10608	
4. Painting Reserve	1330					1289	
5. Project Equipment Purch.	1470						
6. Capital Improvements	1400						
TOTAL EXPENSE						55040	

Column #4 reflects necessary or desirable increases and decreases over prior year's budget (Col. 1), to arrive at New Annual Budget (Col. #5).
 Total income and other budgeted income (line #68) must at least equal the total expenses on line #58. Lines 52-57 provide for capital contributions to