

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

RAINBOW SERIES-KUOLA
Waipio, Ewa, Hawaii
Corner of Oli Loop and Ukee Street

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 but may only take reservations therefore after

- (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 30, 1982
Expires: August 30, 1983

SPECIAL ATTENTION

A comprehensive reading of this report by prospective purchasers 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 ON JULY 2, 1982, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF JULY 27, 1982. 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. RAINBOW SERIES-KUOLA is a proposed fee simple condominium project consisting of one hundred sixty (160) residential apartment units contained in twenty (20) separate buildings, all to be built in accordance with floor plans filed with the Real Estate Commission. The

project will contain two hundred six (206) parking spaces, forty-two (42) of which are compact stalls. Forty-six (46) of the 206 stalls 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 Preliminary 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, By-Laws of the Association of Apartment Owners, and a copy of the Condominium Map) have not been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A of the Hawaii Revised Statutes as amended, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, July 30, 1982, unless a Supplementary or Final Public Report is issued or the Commission, upon review of the registration, issues an order extending the effective period of this report.
7. This Preliminary Public Report is made a part of this registration on RAINBOW SERIES-KUOLA condominium project. The Developer shall be responsible for placing this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed receipt therefor.

NAME OF PROJECT: RAINBOW SERIES-KUOLA

LOCATION: The project is located at Waipio, Island of Oahu, State of Hawaii. The land consists of 5.720 acres comprising Lot 9170, as shown on Map 565 filed in the Office of said Assistant Registrar with Land Court, Application 1000.

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

ZONING: A-1

DEVELOPER: Gentry-Waipio, A Joint Venture, a Hawaii registered general partnership, 94-539 Puahi Street, Waipahu, Hawaii. The partners are Tom Gentry and Gentry-Pacific, Limited, a Hawaii corporation.

ATTORNEY REPRESENTING DEVELOPER: Mau & White, Attorneys- At-Law, A Law Corporation, 1000 Bishop Street, Suite 303, Honolulu, Hawaii 96813 (Attention: Gordon J. Mau), Telephone No. 536-3451.

DESCRIPTION OF THE PROJECT:

A. Description of Buildings: The property shall contain twenty (20) 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 proposed Condominium Map, the apartment buildings are located around the perimeter of the Project site, except for the cluster of four (4) buildings located in the approximate center of the site. Commencing with the first building located along Oli Loop near the northwest corner of the site and proceeding counterclockwise, the first sixteen (16) buildings are consecutively designated A, B, C, D, E, F, G, H, J, K, L, M, N, P, Q and R. The four (4) buildings clustered in the approximate center of the site are consecutively designated S, T, U and V commencing with the building occupying the north corner of the cluster and proceeding clockwise.

B. Description of the Apartments: One hundred sixty (160) separate condominium apartments are designated within the perimeter and party walls, windows, doors, floors and ceilings of each of the one hundred sixty apartment units of the property, distributed among the twenty (20) apartment buildings of the property 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 proposed 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 proposed 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 which are not load-bearing within its perimeter or party walls; the inner decorated or finished surfaces of all walls, floors, ceilings, doors, door frames, windows and window frames, any interior staircases; and all fixtures installed in the apartment.

COMMON ELEMENTS: One freehold estate is designated in all of the remaining portions of the property, called the "common elements", including specifically but not limited to:

- A. Said land in fee simple.
- B. All structural components, such as foundations, girders, beams, supports, main walls, roofs, entrances, exits, floor slabs, unfinished perimeter, party and load-bearing walls, and walkways of said buildings.
- C. All common spaces such as yards, gardens, planting areas, trash collection areas, all parking areas, driveways and access lanes, including parking stalls 3, 4, 5, 8, 30 to 40 inclusive, 79, 80, 81, 82, 94 to 99, inclusive, 116, 117, 118, 129, 130, 131, 132, 145 to 152, inclusive, 157, 158, 199, 202, 203 and 204, which are visitor parking stalls;
- D. All common premises for the use of janitors, a resident manager or other persons employed for operation of the property.
- E. Installations for services such as pipes, cables, conduits, ducts, electrical equipment, wiring and other central appurtenant transmission facilities and installations over, under or across the property which serve more than one apartment for services such as power, light, gas, hot water, cold water, sewage, telephone, radio and television signal distribution, if any.
- F. Any apparatus and installations existing for common use, such as tanks, pumps, motors, fans, compressors, ducts, vents and other such installations and apparatus.
- G. The fences which surround the fenced yard areas.
- H. All other parts of the property necessary or convenient to its existence, maintenance and safety or normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, called the "limited common elements", are designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows:

A. Each apartment shall have for its exclusive use one (1) parking stall as assigned and designated on the proposed Condominium Map and as set forth in Exhibit "A" attached hereto and by reference made a part hereof.

B. Each apartment shall have for its exclusive use the mailbox bearing the same designation as such apartment.

C. Each ground floor apartment shall have for its exclusive use the fenced yard area which adjoins it.

D. Those portions of the concrete walkways and pads which are adjacent to and provide immediate access to the various apartments shall be limited common elements respectively appurtenant to the apartments to which they are adjacent and for which they provide access.

E. The exterior stairways and railings which serve the various second story apartments shall be limited common elements respectively appurtenant to and for the exclusive use of the apartment which they serve.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the property (called the "common interest"), and the same proportionate 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 .6250.

EASEMENTS: The proposed Declaration of Horizontal Property Regime provides that the apartments and common elements (including limited common elements) shall have and be subject to a number of easements including but not limited to the following which prospective purchasers should note:

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 attached to the proposed Declaration of Horizontal Property Regime as Exhibit "F", 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.

B. Each apartment shall have appurtenant thereto non-exclusive easements in other apartments in the building in which such apartment is located for support.

C. The Developer shall have the right to conduct extensive sales activities on the property, including the use of model apartments, sales and management offices, and extensive sales displays and activities until the earlier to occur of (1) forty-eight (48) months from the date of filing in the Office of said Assistant Registrar of the first apartment deed; or (2) the

closing of the sale of the last unsold apartment in the project.

D. The Developer, its agents, employees, contractors, licensees, successors and assigns shall have an easement over and upon the property as may be reasonably necessary for the completion of improvements to and correction of defects in the property.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed 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 proposed 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.

OWNERSHIP OF TITLE: A Preliminary Title Report issued by Security Title Corporation dated June 22, 1982, reflects that fee simple title to the land is held in the name of Gentry-Waipio, A Joint Venture, a Hawaii registered general partnership, the developer.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report also reflects that the land is presently 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 March 30, 1978, filed in the Office of said Assistant Registrar as Document No. 867417, and also recorded in the Bureau of Conveyances of the State of Hawaii in Book 12805, Page 585, 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 \$24,000,000.00, any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said Mortgagor therein referred

to (also affects other property.)

(1) Additional Charge Mortgage dated June 21, 1979, filed in the Office of said Assistant Registrar as Document No. 949092, and also recorded in said Bureau of Conveyances in Book 13813, Page 793, made by GENTRY-WAIPIO, A JOINT VENTURE, as Mortgagor, to BANK OF HAWAII, as Mortgagee, to secure the repayment of the additional loan of \$6,000,000.00 together with interest thereon in accordance with the terms of that certain promissory note therein referred to. This is an additional charge mortgage to the foregoing mortgage (also affects other property).

(2) Notice of Commitment dated June 16, 1978, filed in the Office of said Assistant Registrar as Document No. 882129, and also recorded in said Bureau of Conveyances in Book 12969, Page 735, BANK OF HAWAII, Mortgagee, has committed itself to make future advances in the maximum amount of \$4,942,000.00 to GENTRY-WAIPIO, A JOINT VENTURE, Mortgagor.

(3) Notice of Commitment dated July 12, 1978, filed in the Office of said Assistant Registrar as Document No. 889058, and also recorded in said Bureau of Conveyances in Book 13036, Page 248, BANK OF HAWAII, Mortgagee, has committed itself to make future advances in the maximum amount of \$2,630,000.00 to GENTRY-WAIPIO, A JOINT VENTURE, Mortgagor.

(4) Additional Security Mortgage dated October 10, 1980, filed in the Office of said Assistant Registrar as Document No. 1036157, and also recorded in said Bureau of Conveyances in Book 15053, Page 401, made by GENTRY-WAIPIO, A JOINT VENTURE, as Mortgagor, to BANK OF HAWAII, as Mortgagee, to secure the repayment of \$21,000,000.00.

(a) By instrument dated February 23, 1981, filed in the Office of said Assistant Registrar as Document No. 1056316, and also recorded in said Bureau of Conveyances in Book 15367, Page 374, the foregoing Additional Security Mortgage was amended and also subordinated to the lien of that certain Additional Charge Mortgage hereinbelow referred to as B(5).

(b) By instrument dated August 14, 1981, filed in the Office of said Assistant Registrar as Document No. 1081341, and also recorded in said Bureau of Conveyances in Book 15766, Page 469, the foregoing Additional Security Mortgage was amended.

(5) Additional Charge Mortgage dated February 23, 1981, filed in the Office of said Assistant Registrar as Document No. 1056315, and also recorded in said Bureau of Conveyances in Book 15367, Page 367, made by GENTRY-WAIPIO, A JOINT VENTURE, as Mortgagor, to BANK OF HAWAII, as Mortgagee, to secure the repayment of the additional loan of \$10,000,000.00 together with interest thereon in accordance with the terms of that certain promissory note therein referred to. This is an additional charge mortgage to the foregoing mortgage.

(6) Loan Modification Agreement and Amendment of Mortgage dated October 10, 1980, filed in the Office of said

Assistant Registrar as Document No. 1039028, and also recorded in said Bureau of Conveyances in Book 15103, Page 641.

C. 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.

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

PURCHASE MONEY HANDLING: A specimen Condominium Reservation and Sales Agreement (hereinafter called "Reservation and Sales Agreement") and the Escrow Agreement have been submitted to the Real Estate Commission as part of the registration. The Escrow Agreement dated July 1, 1982, identifies Security Title Corporation as the escrow agent. Upon examination, the specimen Reservation and Sales Agreement and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly with Section 514A-37, Sections 514A-39 and 40, and Section 514A-63 through Section 514A-66. The provisions of the Reservation and Sales Agreement and the Escrow Agreement should be carefully read by all prospective purchasers. The specimen Reservation and Sales Agreement filed as part of the registration recites the conditions under which the purchaser acknowledges receipt of the Public Report.

Among other provisions, the Escrow Agreement provides that the purchaser shall be entitled to a refund of his funds only if (a) seller asks Escrow to refund the purchaser's funds, or (b) seller notifies Escrow of seller's rescission of the Reservation and Sales Agreement, or (c) the conditions provided in Sections 514A-63, 514A-64 or 514A-66 of the Horizontal Property Act (as amended on the date the Reservation and Sales Agreement becomes binding and effective) have been met and written notice thereof has been provided to the seller.

Among other provisions, the specimen Reservation and Sales Agreement provides that:

A. All Reservation and Sales Agreements executed prior to the issuance of a Final Public Report for the project shall constitute a "reservation" and not a "binding contract" for the purchase of an apartment. Accordingly, the reservation may be cancelled and terminated at any time at the option of either party (and purchaser shall receive a refund) until such time as the purchaser and seller execute a confirmation letter agreeing to render the Reservation and Sales Agreement a binding contract. Therefore, the purchaser should be aware that the execution of a Reservation and Sales Agreement prior to the issuance of a Final Public Report does not necessarily mean that the purchaser will be able to purchase the apartment reserved for the price stated or on the other terms stated in the Reservation and Sales Agreement, or on any terms at all.

B. Except for defects in any appliance or any other consumer product for which no warranty, express or implied, is given by the seller and which shall be covered only by the respective manufacturer's or dealer's warranty, if any, seller 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 SELLER MAKES NO WARRANTIES EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT AND THE PROJECT, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY OR WORKMANLIKE CONSTRUCTION.

C. The seller may cancel the Reservation and Sales Agreement and hold the purchaser in default if any material discrepancies are discovered between the financial information furnished by the purchaser and the purchaser's actual financial status. Seller may also cancel if the purchaser's application or eligibility for a mortgage loan is rejected or not given unqualified approval within sixty (60) days after application.

D. The seller's mortgage loan (interim, renewals and extensions, used for acquiring the land, constructing the project, and associated costs) shall be and remain at all times a lien prior to and superior to any and all other liens or charges on the project, and purchasers intentionally waive, relinquish and subordinate the priority or superiority of any lien or other legal or equitable interest they may have under the Reservation and Sales Agreement in favor of the lien or charge on the project of the security interest of the lender.

E. Seller and its agent have no program at this time nor is any program planned or contemplated to offer a rental service of any kind to the owners of apartments in the project, either individually or in any form or pooling arrangement, or by a third-party designated or arranged for by seller, nor have any representations been made by seller or its agent as to the feasibility of renting the apartment, or otherwise generating income or deriving any other economic benefit from ownership of the apartment.

F. The purchaser will pay the following closing costs: one-half of all escrow fees, conveyance taxes, acknowledgment fees for purchaser, appraisal fees, recording fees, fees for purchaser's credit report, costs for drafting of the mortgage and note, and any assignment thereof, and costs of any title insurance. All applicable mortgage costs shall be paid by purchaser, and purchaser shall pay the nonrefundable start-up fee for commencement of the operations of the project by the Managing Agent and the Association of Apartment Owners.

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

MANAGEMENT AND OPERATION: The proposed By-Laws provide that the operation of the project shall be conducted for the Association of Apartment Owners by a responsible corporate Managing Agent.

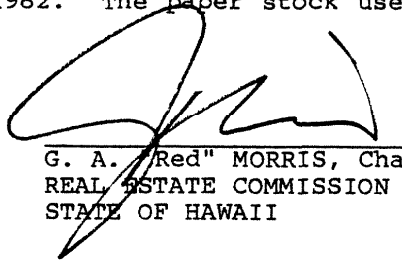
The Managing Agent shall be appointed by the Association, in accordance with the By-Laws, except that the Managing Agent for the initial period following the date of the organization of the Association of Apartment Owners may be appointed by the Developer without necessity of confirmation by the Association. The Developer proposes, at this time, to use Waipio Realty Corporation, 94-539 Puahi Street, Waipahu, Hawaii 96797

GENTRY-WAIPIO COMMUNITY AREA ASSOCIATION: Each apartment owner, upon acquiring his apartment, shall become a member of the Gentry-Waipio Community Area Association, a non-profit Hawaii corporation, which is separate from the Association of Apartment Owners of Rainbow Series-Kuola. All apartment owners and any other persons or entities acquiring any right, title or interest in the property, including contract purchasers, are subject to, bound by, and shall comply strictly with the provisions of that certain Declaration of Covenants, Conditions and Restrictions for the Gentry-Waipio Community Area. The Community Area Association is authorized to assess a maintenance fee to cover expenses incurred in providing for the maintenance, restoration and repair of any improvements located upon common areas. All such assessments shall be separate and distinct from maintenance assessments for the Rainbow Series-Kuola condominium project.

STATUS OF THE PROJECT: The Developer advises that construction of the project will commence on or about August 1, 1982, and completion is scheduled for about August 1, 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 2, 1982, and information subsequently filed as of July 27, 1982.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of Registration No. 1508 filed with the Commission on July 2, 1982. The paper stock used in making facsimiles must be yellow.



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

July 30, 1982

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 bdrm	750 sq. ft.	37 sq. ft.	787 sq. ft.	198
2	2	750	42	792	196
3	2	750	37	787	205
4	2	750	42	792	201
5	2	750	50	800	197
6	2	750	70	820	195
7	2	750	50	800	206
8	2	750	70	820	200
B-1	2	750	37	787	194
2	2	750	42	792	190
3	2	750	37	787	188
4	2	750	42	792	192
5	2	750	50	800	193
6	2	750	70	820	189
7	2	750	50	800	187
8	2	750	70	820	191
C-1	2	750	37	787	156c
2	2	750	42	792	168c
3	2	750	37	787	170c
4	2	750	42	792	154c
5	2	750	50	800	155c
6	2	750	70	820	169c
7	2	750	50	800	171c
8	2	750	70	820	153c
D-1	2	750	37	787	186
2	2	750	42	792	184
3	2	750	37	787	173
4	2	750	42	792	167c
5	2	750	50	800	185
6	2	750	70	820	183
7	2	750	50	800	174
8	2	750	70	820	172
E-1	2	750	37	787	175
2	2	750	42	792	177
3	2	750	37	787	180
4	2	750	42	792	182
5	2	750	50	800	176
6	2	750	70	820	178
7	2	750	50	800	179
8	2	750	70	820	181
F-1	2	750	37	787	159c
2	2	750	42	792	166c
3	2	750	37	787	164c
4	2	750	42	792	161c
5	2	750	50	800	160c
6	2	750	70	820	165c
7	2	750	50	800	163c
8	2	750	70	820	162c
G-1	2	750	37	787	140
2	2	750	42	792	138
3	2	750	37	787	143
4	2	750	42	792	141
5	2	750	50	800	139
6	2	750	70	820	137
7	2	750	50	800	144
8	2	750	70	820	142

<u>Apt. #</u>	<u>Type</u>	<u>Living</u>	<u>Lanai</u>	<u>Total</u>	<u>Parking Stall</u>
H-1	2 bdrm	750 sq. ft.	37 sq. ft.	787 sq. ft.	84
2	2	750	42	792	77
3	2	750	37	787	135
4	2	750	42	792	133
5	2	750	50	800	83
6	2	750	70	820	78
7	2	750	50	800	136
8	2	750	70	820	134
J-1	2	750	37	787	75
2	2	750	42	792	73
3	2	750	37	787	89
4	2	750	42	792	91
5	2	750	50	800	74
6	2	750	70	820	72
7	2	750	50	800	76
8	2	750	70	820	90
K-1	2	750	37	787	45c
2	2	750	42	792	41c
3	2	750	37	787	71
4	2	750	42	792	43c
5	2	750	50	800	44c
6	2	750	70	820	69
7	2	750	50	800	70
8	2	750	70	820	42c
L-1	2	750	37	787	46c
2	2	750	42	792	48c
3	2	750	37	787	59
4	2	750	42	792	57
5	2	750	50	800	47c
6	2	750	70	820	49c
7	2	750	50	800	60
8	2	750	70	820	58
M-1	2	750	37	787	68
2	2	750	42	792	64
3	2	750	37	787	62
4	2	750	42	792	66
5	2	750	50	800	63
6	2	750	70	820	61
7	2	750	50	800	67
8	2	750	70	820	65
N-1	2	750	37	787	50c
2	2	750	42	792	52c
3	2	750	37	787	54
4	2	750	42	792	56
5	2	750	50	800	51c
6	2	750	70	820	29
7	2	750	50	800	53
8	2	750	70	820	55
P-1	2	750	37	787	24
2	2	750	42	792	22
3	2	750	37	787	27
4	2	750	42	792	25
5	2	750	50	800	23
6	2	750	70	820	21
7	2	750	50	800	28
8	2	750	70	820	26
Q-1	2	750	37	787	13
2	2	750	42	792	17
3	2	750	37	787	19
4	2	750	42	792	15

<u>Apt. #</u>	<u>Type</u>	<u>Living</u>	<u>Lanai</u>	<u>Total</u>	<u>Parking Stall</u>
Q-5	2 bdrm	750 sq. ft.	50 sq. ft.	800 sq. ft.	14
6	2	750	70	820	18
7	2	750	50	800	20
8	2	750	70	820	16
R-1	2	750	37	787	6
2	2	750	42	792	2
3	2	750	37	787	11
4	2	750	42	792	9
5	2	750	50	800	7
6	2	750	70	820	1
7	2	750	50	800	12
8	2	750	70	820	10
S-1	2	750	37	787	107
2	2	750	42	792	105
3	2	750	37	787	110
4	2	750	42	792	108
5	2	750	50	800	106
6	2	750	70	820	104
7	2	750	50	800	111
8	2	750	70	820	109
T-1	2	750	37	787	93
2	2	750	42	792	88
3	2	750	37	787	102
4	2	750	42	792	100
5	2	750	50	800	92
6	2	750	70	820	87
7	2	750	50	800	103
8	2	750	70	820	101
U-1	2	750	37	787	126
2	2	750	42	792	124
3	2	750	37	787	86
4	2	750	42	792	127
5	2	750	50	800	125
6	2	750	70	820	123
7	2	750	50	800	85
8	2	750	70	820	128
V-1	2	750	37	787	115
2	2	750	42	792	113
3	2	750	37	787	121
4	2	750	42	792	119
5	2	750	50	800	114
6	2	750	70	820	112
7	2	750	50	800	122
8	2	750	70	820	120

NOTE: In accordance with local architectural practice, the approximate floor area of each apartment as set forth above includes all of the walls and partitions within its perimeter, the entirety of its perimeter non-party walls, and the interior load bearing. THE AREAS SHOWN ABOVE ARE APPROXIMATE ONLY, AND THE ACTUAL APARTMENT AREAS ARE LIKELY TO VARY SOMEWHAT.

END OF EXHIBIT "A"
(Page 3 of 3)

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.

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 June 15, 1982, 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.

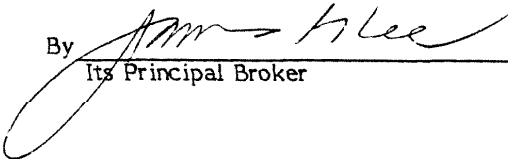
Estimated Monthly
Maintenance Fee

\$79.00

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 
Its Principal Broker

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 Adjustments By HUD
1. Vacancy & Collection Loss	6370						
2. Employee Apartment Rent	6330						
3. Apartment Resale Expense	6200						
4. Management Fee	6320					21,000	
5. Legal Expense	6340						
6. Audit Expense	6350					1,874	
7. Telephone	6360					180	
8. Office & Adm. Salaries	6310					10,080	
9. Office Expenses	6311					450	
0. Misc. Administrative Exp.	6390						
1.							
2.							
3.							
4.							
5. Fuel	6420						
6. Electricity	6450					10,440	
7. Water & Sewer	6451					15,749	
8. Veh. & Equip. Oper. Exp.	6441						
9. Janitor's Payroll	6430						
0. Janitor's Supplies	6431						
1. Exterminating	6462						
2. Rubbish Removal	6470					4,499	
3. Parking Area Expense	6480						
4.							
5.							
6.							
7. Grounds Maintenance	6520					3,749	
8. Painting & Decorating	6560						
9. Structural Repairs	6540					4,499	
0. Heating & Air Cond. Maint.	6510						
1. Plumbing Maintenance	6511						
2. Electrical Maintenance	6512						
3. Elevator Maintenance	6550						
4. Pool Maintenance	6521						
5. Maintenance Supplies	6515					1,499	
6. Maintenance Payroll	6585					10,304	
7. Misc. Maintenance Repair	6590						
8.							
9. Real Estate Taxes	6710						
0. Employer's Payroll Taxes	6711					2,459	
1. Miscellaneous Taxes	6719						
2. Property & Liability Insurance	6720					5,250	
3. Workmen's Compensation	6721					1,229	
4. Fidelity Bonds	6723						
5. Miscellaneous Insurance	6729						
6. Fire Insurance						10,125	
7. TDI						134	
8. Medical Insurance						1,050	
9. Ground Rent	6815						
0. Mortgage Ins. Premium	6850						
1. Mortgage Interest	6820						
2. Mortgage Principal	2320						
3. Replacement Reserve	1320					3,224	
4. General Operating Reserve	1365					26,520	
5. Painting Reserve	1330					3,224	
6. Project Equipment Purch.	1470						
7. Capital Improvements	1400						
8. TOTAL EXPENSE						137,538	

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). Archarges received from over-income occupants in Section 221(d)(3) and Section 236 cases are not budget items and should not be reflected in any of the

		1	2	3	4	5	6
INCOME	ACCT. NO.	Prior Year Budget	Prior Year Actual	Over (Under)	Adjustments Incr. (Deer.)	New Annual Budget	Adjustments By HUD
59. Carrying Charges	5110						
60. Late Charges	5910	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
61. Interest Income	5410						
62. Maintenance Fee						137,538	
63.							
64.							
65.							
66.							
67.							
68.							
TOTAL INCOME						137,538	
69. TOTAL EXPENSE (Line 58)						137,538	
70. INCOME OVER (UNDER) EXPENSE						-0-	

STATUS OF FUNDED RESERVES

	ACCT. NO.	Required to Date	Actual on Deposit	Excess (Deficiency)	
A. Replacement Reserve	1320	3,224			PROVISION FOR REPAYMENT OF ANY DEFICIENCIES SHOULD BE INCLUDED IN LINES 53, 54 AND 55.
B. Gen. Opr. Reserve	1365	26,520			
C. Painting Reserve	3230	3,224			
D.					
E.					
F.					

SCHEDULE OF CARRYING CHARGES

DESCRIPTION OF UNIT	No. of Units of this Type	MONTHLY CARRYING CHGS.		ANNUAL CARRYING CHARGES	
		Prior Year	New Year	Prior Year	New Year
2 Bedroom units @ \$71.63	160				
Maintenance Fee			11,462		137,538
TOTALS					

Unless otherwise indicated it is assumed that all utilities, maintenance and replacements are provided by the cooperative and are included in the above carrying charges. If any of these items are paid for directly by the member check below. (Specify any other items not listed)

Utilities: Fuel Electricity Water

Replacements: Range Refrigerator Air Cond. Carb. Disp. Subject to Builder one year warranty

Maintenance: Range Refrigerator Air Cond. Carb. Disp.

Explanatory comments, including management agents opinion as to adequacy of proposed new budget:

Prepared By:
WAIPIO REALTY CORPORATION
 Managing Agent

Date 6/15/92

Approved: James Guie
 (Signature and Title of Authorized Official)

Date _____

Approved: Gentry Waipio
 for the Association of Apartment Owners - KUOLA
 Title THOMAS GENTRY, THE MANAGING PARTNER
 (On Behalf of Cooperative)

Date _____

Approved as indicated in column 6:

(Signature and Title of Authorized Official)

Date _____