REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS
STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

HIKINO III
Oli Loop
Waipio, Ewa District, Hawaii

Registration No. 1596

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: May 16, 1984
Expires: June 16, 1985

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 APRIL 4, 1984, AND INFORMATION SUBSEQUENTLY FILED AS OF May 11, 1984. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION ON THE PROJECT IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME LAW, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. HIKINO III is the third phase of a proposed three-phase fee simple condominium development. Phase III shall be comprised of sixty-four (64) residential apartment units in eight (8) buildings, together with seventy-six (76) open parking stalls, seventy (70) of which are assigned and six (6) of which are visitor stalls.

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 or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.

4. 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.

5. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, May 16, 1984, 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.

6. This Preliminary Public Report is made a part of the registration of the HIKINO III condominium project. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) and attached Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed receipt therefor.

NAME OF PROJECT: For sale, advertising and promotional purposes, the Developer has decided to develop the Hikino project in three phases, this Project being the third phase thereof and named HIKINO III.

LOCATION: The Project is located at Waipio, Island of Oahu, State of Hawaii. The land consists of 102,764.0 square feet comprising Lot 10192, as shown on Map 629 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1000.

TAX KEY: First Division, 9-4-115-28.

DEVELOPER: Gentry-Waipio, a Joint Venture, a Hawaii registered general partnership, 94-539 Puahi Street, Waipahu, Hawaii 96797. The general partners are TOM GENTRY and GENTRY-PACIFIC, LTD., a Hawaii corporation, both of the same address. The telephone number of the Developer is 671-6421.

ATTORNEY REPRESENTING DEVELOPER: Harvey Jay Migdal, 94-539 Puahi Street, Waipahu, Hawaii 96797, Telephone No. 671-6411.

DESCRIPTION OF PROJECT: The proposed Declaration of Horizontal Property Regime describes the Project as follows:

A. Description of Buildings. The Project shall consist of eight (8) one- and two-story buildings with no basements designated as Buildings F, G, H, J, K, L, X and Y. The construction will be wood frame on concrete slab foundations with interior walls constructed of wood studding and gypsum board, exterior walls covered with siding and roofs constructed of plywood and wood shakes. There will be seventy-six (76) parking stalls in the Project, six (6) of which are guest stalls. Buildings "F" and "J" will each be one story in height and shall each contain four (4) apartments.

Buildings "G, "H, "L" and "X" will each be two stories in height and shall each contain eight (8) apartments. Buildings "K" and "Y" will each be two stories in height and shall each contain twelve (12) apartments, all as more fully described in the Declaration of Horizontal Property Regime for the Project and as shown on the Condominium Map.

B. Description of Apartments. Freehold estates are hereby established within the perimeter and party walls, floors and ceilings of the sixty-four (64) apartment units of the Project, which apartments are distributed among the eight (8) apartment buildings of the Project, as shown on the condominium map and as set forth in Exhibit "A" attached hereto and incorporated herein by reference.

1. Apartment Numbers and Locations. The apartments are numbered and located as shown on the Condominium Map, with apartment designations being composed of the respective building letter followed by a consecutive number designation beginning with the number 1 progressing in a counterclockwise direction. Apartments located on the second floor begin the numbering sequence beginning with the apartment located directly over apartment 1 on the first floor, continuing with the next number in the sequence to the last apartment numbered on the first level. Thus, for example, Building G is numbered as follows: Starting at the northeasterly corner of the first floor with Apartment G-1 and progressing counterclockwise to G-2, G-3 and G-4, all on the first floor of the building. On the second floor of the building, the number designations begin with G-5 in the northeasterly corner progressing around counterclockwise to G-8 so that Apartment G-5 is directly over G-1, Apartment G-6 is directly over G-2, Apartment G-7 is directly over G-3 and Apartment G-8 is directly over G-4.

Should the descriptions and divisions set forth herein conflict with the depictions and division shown on the condominium map, the condominium map shall control; and provided, further, that the condominium map is intended only to show the layout, location, apartment numbers and dimensions of the apartments and elevations of the buildings and is not intended and shall not be deemed to contain or make any other representation or warranty.

2. Layout and Area of Individual Apartments. As shown on the proposed condominium map, there are seven (7) apartment unit types: Type A, Type B, Type C, Type D, Type E, Type F and Type G. Type A is designated as studio apartments, Types B and C as one bedroom and Types D, E, F and G as two bedroom apartments. The location, unit numbers, model types, approximate gross floor area, net living area, lanai area, common interest and parking stall(s) for each of the apartments are as shown on Exhibit "A" attached hereto.

3. Limits of Apartments. The proposed Declaration states that the respective apartments 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 and ceilings, any doors, door frames, windows and window frames along the perimeters, the airspace within the perimeters, and all the fixtures and appliances originally installed in the apartment. 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, the same being deemed common elements as hereinafter provided.

4. 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.

COMMON ELEMENTS: The proposed Declaration states that one freehold estate is hereby designated in all of the remaining portions of the Project (herein called the "common elements"), including specifically, but not limited to:

(1) The land on which the Project is situate;

(2) 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;

(3) All common spaces such as yards, gardens, planting areas, trash collection areas, all parking area, loading zones, driveways and access lanes, including parking stalls 174 through 176 and 181 through 183, inclusive, which are visitor parking stalls;

(4) 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;

(5) Any apparatus and installations existing for common use, such as tanks, pumps, motors, fans, compressors, ducts, vents and other such installations and apparatus;

(6) The fences which surround the fenced yard areas;

(7) 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, herein called and designated the "limited common elements," are set aside and reserved for the exclusive use of certain apartments, and such apartment shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

(1) There will be seventy-six (76) parking stalls in the Project, of which seventy (70) will be considered limited common elements. One (1) or more automobile parking spaces shall be assigned to each apartment upon the original conveyance thereof appurtenant to and for the exclusive use of such apartment. The initial parking space assignment for each apartment is shown on Exhibit "A" attached hereto and incorporated herein by reference. Each apartment shall always have at least one parking space appurtenant to it, but otherwise any automobile parking space may be transferred from apartment to apartment in the Project in the manner as designated in the Declaration;

(2) Each apartment shall have for its exclusive use the mailbox bearing the same designation as such apartment;

(3) Each ground floor apartment shall have for its exclusive use the fenced yard area which adjoins it;

(4) 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;

(5) 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: The Developer shall, by means of an apartment deed, convey the apartment and the undivided percentage interest in the common elements appurtenant thereto. The percentage interest appurtenant to each apartment is set forth in Exhibit "A" attached hereto and shall be the same proportionate share in all common profits and expenses of the Project, and for all other purposes, including voting.

PURPOSES OF AND RESTRICTIONS ON USE OF BUILDINGS AND INDIVIDUAL APARTMENTS: The proposed Declaration of Horizontal Property Regime provides, among other things:

"Except when the holding 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, an apartment shall be occupied and used only as a residential dwelling for the owner, his family, tenants and social guests and for no other purposes. 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 apartments are provided customary hotel services such as room services for food and beverage, maid service, laundry and linen or bellboy service."

Among other provisions, the House Rules provide that: (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.

NOTE: Purchasers and prospective purchasers of apartments are hereby specifically informed that all apartment owners, their tenants, families, servants and guests, and any other persons who may in any manner use the Project, shall be bound by and strictly comply with the provisions of the Declaration of Horizontal Property Regime, the By-Laws of the Association, and all agreements, decisions and determinations of the Association (including the House Rules for the Project). Purchasers and prospective purchasers are therefore advised to read and fully understand the Declaration of Horizontal Property Regime, the By-Laws of the Association of Apartment Owners,

and the House Rules prior to executing any Sales Contract for the Project.

EASEMENTS: The proposed Declaration of Horizontal Property Regime provides that the apartments and common elements, including the limited common elements, shall have and be subject to the following easements:

A. Each apartment shall have appurtenant thereto non-exclusive easements in the common elements designed for such purposes as ingress to, egress from, utility services for and support, maintenance and repair of such apartment, and shall also have an easement in the other common elements (subject, however, to the exclusive or limited use of the limited common elements) in accordance with the purpose for which they are intended without hindering or encroaching upon the lawful rights of the other apartment owners.

B. In the case of encroachments of common elements upon any apartment or limited common elements, or in the case of encroachments of limited common elements or any apartment upon the common elements or any other apartments or limited common elements, a valid easement for such encroachment and maintenance thereof shall and does exist for so long as such encroachment continues. In the event any building of the property shall be partially or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any portion of the property, encroachments upon any part of the common elements or apartment or limited common elements due to the same shall be permitted, and a valid easement for such encroachment and the maintenance thereof shall and does exist for so long as such encroachment continues.

C. The apartment owners shall have the irrevocable right, to be exercised by the Board of Directors of the Association of Apartment Owners of Hikino III, to have access to each apartment and any limited common elements from time to time during reasonable hours as may be necessary for the operation or maintenance of the property, including any apartment, or at any time for making emergency repairs therein necessary to prevent damage to the common elements or to another apartment or apartments.

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

E. 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 (a) forty-eight (48) months from the date of filing in the Office of the Assistant Registrar of the Land Court of the State of Hawaii of the first apartment deed conveying an interest in an apartment in the project; or (b) the closing of the sale of the last unsold apartment in the project. In the event that the Developer is unable to sell all of the apartments within the forty-eight (48) month period, the Developer shall have the right to conduct sales activities on the property until the closing of the sale of the last unsold apartment in the property provided that such sales activities are conducted in an unobtrusive manner which will not unreasonably interfere with the use, possession and aesthetic enjoyment of the property by the other apartment owners. In the event that the Developer's mortgage lender or any successor to or assignee of the Developer's mortgage lender

shall acquire any portion of the property in the course of any foreclosure or other legal proceedings or in the exercise of the mortgage remedies or by an assignment in lieu of foreclosure, such mortgage lender, its successors and assigns, shall have the right to conduct such extensive sales activities on the property until at least ninety-five percent (95%) of all of the apartments have been sold and deeds conveying title to those apartments have been filed in said Office of the Assistant Registrar, notwithstanding the foregoing.

F. 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 corrections of defects in the property. Such easement shall terminate twenty-four (24) months after the later of (i) the date of the filing in the Office of the Assistant Registrar of the first apartment deed; or (ii) the "date of completion" (as that term is defined in Section 507-43(f), Hawaii Revised Statutes, as amended) of the improvements to be completed or corrected.

G. The apartment owners 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 Areas as such areas shall be designed 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") situate between Kamehameha Highway and the Community Area, consisting of grassy areas, shrubbery and trees; and (2) that certain "pedestrian pathway" centrally located in the Community Area.

PHASING OF DEVELOPMENT AND MERGER OF INCREMENTS:

1. The proposed Declaration of Horizontal Property Regime reflects that HIKINO III is the third phase (Phase III) of an overall project to be developed in three (3) phases (to be named Hikino I, Hikino II and Hikino III, respectively), each of which shall be a separate and distinct condominium project, as defined in Chapter 514A of the Hawaii Revised Statutes, as amended, but which projects 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 "Hikino." The land on which said three phases are to be constructed is subject to a "Declaration Providing for a Merger of Phases in a Condominium Project and Irrevocable Power of Attorney" (hereinafter called the "Merger Declaration") which contains provisions and conditions for such merger of phases. The overall project, of which this phase is a part, has been planned to consist of twenty-three (23) apartment buildings (eight (8) of which are in this Phase III), each containing either four, eight or twelve apartment units for a total of one hundred eighty four (184) apartments. 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. There are no special recreational amenities planned for any phase of the Project.

2. 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 Hikino project have 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.

3. Except for the consent of the United States Department of Housing and Urban Development (HUD), 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 filing with the Assistant Registrar of the Land Court of the State of Hawaii of said Merger Declaration, provided that the expanded project is in accordance with the overall development plan set forth in this paragraph. If the merger 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, other than the Developer, holding seventy-five percent (75%) of the votes in the Project association for the overall project as then constituted, as well as independently by apartment owners, other than the Developer, holding seventy-five percent (75%) of the votes in the phase or phases to be merged into the overall project as then constituted. No condominium project may be merged with the Overall Project as then constituted, 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 and in the Merger Declaration, such phase may not be merged with this Project without the written consent of apartment owners, other than the Developer, holding seventy-five percent (75%) of the votes in the Project association for the overall project as then constituted, as well as independently by apartment owners, other than the Developer, holding seventy-five percent (75%) of the votes in the phase to be merged into the overall project as then constituted, and their mortgagees.

4. A merger of this phase with any additional phase may occur only upon the happening of the following events with respect thereto:

(a) The Developer shall have filed in the Land Court of the State of Hawaii a Declaration of Horizontal Property Regime and By-Laws covering the additional phase in a form substantially identical hereto (except for the descriptions of apartments and the common elements and the percentage of common interest therein) and a Condominium Map depicting the plot and floor plans of the additional phase, both complying with the requirements of Chapter 514A, Hawaii Revised Statutes, as amended; and

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

(i) A certification by the Developer that this 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 this phase are current;

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

(iii) Evidence of title showing all liens, easements and encumbrances which affect this phase;

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

(v) 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 each of the phases to be merged, the aggregate value of which is at least equal to seventy percent (70%) of the value of the total number of units in each phase, have been sold to bona fide purchasers and are ready to be conveyed.

5. From and after the effective date of a merger in accordance with the provisions of subparagraph 4 above, the following consequences shall ensue:

(a) 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 as, 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 and enjoyment with respect to the common elements in all merged phases as though the merged phases had been developed as a single, unified project.

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:

(1) maintenance, use, repair and replacement of driveways, parking areas and loading zones; and

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

(b) 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 aggregate number of square feet apartment interior floor area in the phase, and the denominator shall be the aggregate number of square feet of apartment interior floor area in the overall project (in all cases, excluding the floor area of any apartment which is a portion of the common elements). Measurement of apartment interior floor areas shall be performed in a uniform manner in each phase. Each apartment owner's 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 this phase.

(c) 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 (expressed as a percentage) of the common expenses allocated to his phase.

(d) 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," as used in this Declaration, shall mean the Association of this phase until a merger takes place, and thereafter, the combined Association for the overall project resulting from the merger.

(e) Within sixty (60) days following the merger of phases, a special meeting of the Association shall be called to elect a new Board of Directors to replace the existing Board of Directors and govern the entire project as merged. The procedure for calling and holding such meeting and all other meetings of the Association shall be that set forth in the Merger Declaration and the By-Laws for Hikino I.

(f) For the purposes of administration and use of the Project, the Phases after any merger shall be treated as part of a project developed as a whole from the beginning, and each of the respective Declaration of Horizontal Property Regime and By-Laws shall be amended as provided for in subparagraph 10 of this paragraph so that there shall be one amended Declaration and By-Laws applicable to the overall project constituting the merged phases, except to the extent expressly otherwise provided herein or therein. It is the purpose hereof 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.

(g) 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.

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

7. In connection with, and only to the extent necessary for the development and sale of apartments in the respective phases of the overall project, 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 apartments. Said rights shall also include the following:

(a) 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 phase of the overall project, provided such access is not otherwise reasonably available;

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

(c) The right to enter the common areas of the Project for the purpose of showing prospective purchasers the apartments and facilities of the overall project;

(d) The right to place signs upon the Project in conjunction with the sale of apartments;

(e) 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.

The Developer shall use its best efforts to keep its exercise of the rights reserved to it under this paragraph from unreasonably interfering with the rights of other apartment owners in the Project.

8. 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 and exercising the rights, powers and privileges granted it by the Declaration, all as the true and lawful attorney-in-fact of the respective owners from time to time of the apartments of the project as herein originally constituted or as merged as aforesaid.

9. No apartment owner in the Project shall enter into or offer to enter into any arrangement with any other apartment owner in the Project whereby any rental pool of apartments or any other sharing of rental income of apartments is established.

10. 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; and the apartment owners hereby give the Developer their irrevocable power of attorney coupled with an interest to amend the Declaration for this purpose.

11. The Declaration of Horizontal Property Regime for this Project is subject to the provisions of the Declaration Providing for Merger of Phases in a Condominium Project, and in case of any conflict between the two, the provisions of the Merger Declaration shall control.

OWNERSHIP OF TITLE: A Preliminary Title Report dated May 7, 1984, issued by Security Title Corporation reports that title to the land is vested in GENTRY-WAIPIO, A JOINT VENTURE, a Hawaii registered general partnership, the Developer.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report issued by Security Title Corporation reflects that the land is subject to the following encumbrances:

A. Real Property Taxes as may be due and owing, reference is made to the Office of the Finance Director, City and County of Honolulu.

B. Easement 3482, as shown on Map 598, as set forth by Land Court Order No. 64454, filed December 16, 1982 (also affects other property).

C. The terms and provisions of that certain Unilateral Agreement and Declaration for Conditional Zoning dated February 12, 1982, filed in said Office of the Assistant Registrar as Document No. 1105595.

D. Declaration of Covenants, Conditions and Restrictions dated November 17, 1978, filed in said Office of the Assistant Registrar as Document No. 909239, which instrument was amended on November 17, 1980, by instrument filed in said Office of the Assistant Registrar as Document No. 1042252 and by instrument dated November 4, 1980, filed in said Office of the Assistant Registrar as Document No. 1042710.

E. Mortgage, Security Agreement and Financing Statement dated March 15, 1984, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii on March 19, 1984, as Document No. 1225181, made by GENTRY-WAIPIO, A JOINT VENTURE, a Hawaii registered general partnership, as Mortgagor, to FIRST HAWAIIAN BANK, a Hawaii corporation, as mortgagee (also affects other property).

F. Financing Statement dated March 15, 1984, covering certain fixtures located on the real property, given as security by GENTRY-WAIPIO, A JOINT VENTURE in favor of FIRST HAWAIIAN BANK, recorded on March 19, 1984 in the Bureau of Conveyances of the State of Hawaii in Liber 17731 at Page 214 (also affects other property).

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 Hikino III. 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 HIKINO III condominium project.

PURCHASE MONEY HANDLING: The Escrow Agreement dated November 25, 1983, 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, provides, among other provisions, that the purchaser shall be entitled to a refund of his

funds only if (a) Developer asks Escrow to refund the purchaser's funds; or (b) the Developer notifies Escrow of Developer's exercise of option to rescind the Reservation and Sales Agreement; or (c) the conditions provided in Sections 514A-63, 514A-64 or 514A-66 of the Horizontal Property Act have been met and written notice thereof has been provided to the Developer.

In addition, the specimen sales contract provides, in part, that:

A. 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.

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 (1) 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 reject 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 of pooling arrangement, or by a third party designated or arranged for 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 Apartments Owners.

It is incumbent upon prospective purchasers that they read with care the specimen Reservation and Sales Agreement and the Executed Escrow Agreement since the Escrow Agreement establishes the procedures for receiving and disbursing purchaser's funds, and the Reservation and Sales Agreement specifically provides that the Purchaser approves the Escrow Agreement and assumes the benefit and obligations therein provided.

MANAGEMENT AND OPERATION: The By-Laws provide that the operation of the Project shall be conducted for the Association of Apartment Owners by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the By-Laws, although the Declaration permits the Developer to appoint the initial Managing Agent. The Developer has appointed Gentry Realty, Ltd., whose address is 94-539 Puahi Street, Waipahu, Hawaii 96797 (Telephone: (808)671-6411), as the initial Managing Agent.

STATUS OF THE PROJECT. Construction of the Project commenced in March, 1984, and the Developer estimates the Project will be completed on or about December, 1984.

The purchaser or prospective purchaser should be cognizant of the fact that this published Preliminary Public Report represents information disclosed by the Developer in the Notice of Intention submitted on April 4, 1984, and information subsequently filed as of May 11, 1984.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of Registration No. 1596 filed with the Commission on April 4, 1984.

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

G. ALFRED" MORRIS, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

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Office of the Assistant Registrar of
the Land Court
Planning Department, City and County of Honolulu
Federal Housing Administration
Escrow Agent

Registration No. 1596

May 16, 1984

EXHIBIT "A"

Bldg. and Apt.#	Type	Net Living Area	Lanai Area	Total Area	Percentage Common Interest	Parking Stall
F-1	G	750	42	792	.01797	40,180
F-2	F	750	38	788	.01797	41,179
F-3	G	750	42	792	.01797	42
F-4	F	750	38	788	.01797	39
G-1	E	750	42	792	.01797	43
G-2	D	750	38	788	.01797	47
G-3	E	750	42	792	.01797	49
G-4	D	750	38	788	.01797	45
G-5	E	750	72	822	.01797	44
G-6	D	750	52	802	.01797	48
G-7	E	750	72	822	.01797	50
G-8	D	750	52	802	.01797	46
H-1	E	750	42	792	.01797	58
H-2	D	750	38	788	.01797	56
H-3	E	750	42	792	.01797	52
H-4	D	750	38	788	.01797	54
H-5	E	750	72	822	.01797	57
H-6	D	750	52	802	.01797	55
H-7	E	750	72	822	.01797	51
H-8	D	750	52	802	.01797	53
J-1	G	750	42	792	.01797	61,165
J-2	F	750	38	788	.01797	62
J-3	G	750	42	792	.01797	59
J-4	F	750	38	788	.01797	60,173
K-1	C	515	38	553	.01235	63
K-2	B	512	42	554	.01228	68
K-3	A	439	38	477	.01052	67
K-4	C	515	38	553	.01235	69
K-5	B	512	42	554	.01228	71
K-6	A	439	38	477	.01052	72
K-7	C	515	50	565	.01235	64
K-8	B	512	55	567	.01228	65
K-9	A	439	50	489	.01052	66
K-10	C	515	50	565	.01235	70
K-11	B	512	55	567	.01228	73
K-12	A	439	50	489	.01052	74
L-1	E	750	42	792	.01797	79
L-2	D	750	38	788	.01797	81
L-3	E	750	42	792	.01797	76
L-4	D	750	38	788	.01797	78
L-5	E	750	72	822	.01797	80
L-6	D	750	52	802	.01797	82
L-7	E	750	72	822	.01797	75
L-8	D	750	52	802	.01797	77

Bldg. and Apt.#	Type	Net Living Area	Lanai Area	Total Area	Percentage Common Interest	Parking Stall
X-1	E	750	42	792	.01797	160
X-2	D	750	38	788	.01797	163,164
X-3	E	750	42	792	.01797	167,166
X-4	D	750	38	788	.01797	190
X-5	E	750	72	822	.01797	161
X-6	D	750	52	802	.01797	162
X-7	E	750	72	822	.01797	168
X-8	D	750	52	802	.01797	191
Y-1	C	515	38	553	.01235	178
Y-2	B	512	42	554	.01228	185
Y-3	A	439	38	477	.01052	184
Y-4	C	515	38	553	.01235	188
Y-5	B	512	42	554	.01228	172
Y-6	A	439	38	477	.01052	171
Y-7	C	515	50	565	.01235	177
Y-8	B	512	55	567	.01228	187
Y-9	A	439	50	489	.01052	186
Y-10	C	515	50	565	.01235	189
Y-11	B	512	55	567	.01228	169
Y-12	A	439	50	489	.01052	170
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DESCRIPTION OF MODEL TYPES:

Type A (Studio) (439 sq. ft.)

End apartment located on either the first or second level of a two-story twelve-plex building consisting of a separate kitchen and bathroom and a living room/dining room combined with a sleeping area. All Type A apartments contain 439 square feet of net living area. In addition, first story apartments have a lanai of 38 square feet enclosed with a privacy fence and second story apartments have a balcony of 50 square feet.

Type B (1 Bedroom/1 Bath) (512 sq. ft.)

Center apartment located on either the first or second level of a two-story twelve-plex building consisting of a living room/dining room, kitchen, bathroom and one bedroom. All Type B apartments contain 512 square feet of net living area. In addition, first story apartments have a lanai of 42 square feet enclosed with a privacy fence and second story apartments have a balcony of 55 square feet.

Type C (1 Bedroom/1 Bath) (515 sq. ft.)

End apartment located on either the first or second level of a two-story twelve-plex building consisting of a living room/dining room, kitchen, bathroom and one bedroom. All Type C apartments contain 515 square feet of net living area. In addition, first story apartments have a lanai of 38 square feet enclosed with a privacy fence and second story apartments have a balcony of 50 square feet.

Type D (2 Bedroom/1 Bath) (750 sq. ft.)

End apartment located on either the first or second level of a two-story eight-plex building consisting of a living room/dining room, kitchen, bathroom and two bedrooms. All Type D apartments contain 750 square feet of net living area. In addition, first story apartments have a lanai of 38 square feet enclosed with a privacy fence and second story apartments have a balcony of 52 square feet.

Type E (2 Bedroom/1 Bath) (750 sq. ft.)

End apartment located on either the first or second level of a two-story eight-plex building consisting of a living room/dining room, kitchen, bathroom and two bedrooms. All Type E apartments contain 750 square feet of net living area. In addition, first story apartments have a lanai of 42 square feet enclosed with a privacy fence and second story apartments have a balcony of 72 square feet.

Type F (2 Bedroom/1 Bath) (750 sq. ft.)

End apartment located on the first level of a one-story four-plex building consisting of a living room/dining room, kitchen, bathroom and two bedrooms. All Type F apartments contain 750 square feet of net living area and, additionally, a lanai of 38 square feet enclosed with a privacy fence.

Type G (2 Bedroom/1 Bath) (750 sq. ft.)

End apartment located on the first level of a one-story four-plex building consisting of a living room/dining room, kitchen, bathroom and two bedrooms. All Type G apartments contain 750 square feet of net living area. All type G apartments have a lanai of 42 square feet enclosed with a privacy fence.

TOTAL NUMBER OF EACH MODEL TYPE:

Type A -- 8
Type B -- 8
Type C -- 8
Type D -- 16
Type E -- 16
Type F -- 4
Type G -- 4