



REAL ESTATE COMMISSION
 STATE OF HAWAII
 DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
 PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
 1010 Richards Street - P. O. Box 3469
 Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

PALM COURT, INCREMENT IC
 (a portion of what was previously known as Palm Court, Increment III)
 91-899 (Bldg. #7), 91-869 (Bldg. #10) Puamae'ole Street
 EWA BEACH, HAWAII

Registration No. 2015

Issued: May 11, 1990
 Expires: June 11, 1991

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of May 7, 1990, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

- PRELIMINARY:** The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
(yellow)
- FINAL:** The developer has legally created a condominium and has filed complete information with the Commission.
(white)
- No prior reports have been issued
 Supersedes all prior public reports
 Must be read together with _____
-
- SUPPLEMENTARY:** Updates information contained in the
(pink)
- Prelim. Public Report dated _____
 Final Public Report dated _____
 Supp. Public Report dated _____
- And Supersedes all prior public reports
 Must be read together with _____
- This report reactivates the _____
 public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

[] No prior reports have been issued by the Commission.

[X] Changes made are as follows:

1. The Palm Court, Increment III project has been divided into two projects and the names of the projects changed. The name of this project is PALM COURT, INCREMENT IC. The remainder of Increment III will be known as Palm Court, Increment ID and has been assigned Registration No. 2222.
2. Paragraph 7, Page 5--Recreation Facility. The Developer discloses that a recreational facility will be constructed in a future Increment of the Palm Court Project.
3. Page 6 and Paragraph F, Page 15--Managing Agent. The Developer selected Chaney, Brooks & Company for the initial managing agent.
4. Page 7, Paragraph A, B & C. Reflects the recording of the Declaration, By-Laws and Condominium Map in the Land Court.
5. Page 8, Paragraph D. The Developer revised the house rules to comply with the Federal Fair Housing Act and adopted the revised House Rules on behalf of the Association of Apartment Owners.
6. Page 10--Underlying Land. Land area changed due to division of what was formerly Increment III into this Project (Increment IC) and another project (Palm Court, Increment ID, Registration No. 2222); street addresses have been assigned; the property was conveyed to Gentry Homes, Ltd.
7. Exhibit D. Reflects changes based on revisions made since issuance of the Preliminary Public Report.

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GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Condominium Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

- Fee simple interest in an apartment and an undivided feehold interest in the common elements.
- Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
- Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

1. New Building(s) Conversion
 Both New Building(s) and Conversion
2. Residential Commercial
 Mixed Residential and Commercial
 Other _____
3. High Rise (5 stories or more) Low Rise
4. Single or Multiple Buildings
5. Apartment Description

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
810	8	2/2	810	**(See Note Below)
874	8	2/2	874	▪ ▪ ▪ ▪
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 16

**Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.*

****NOTE:** Lanai sizes vary between the same apartment types.

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>32</u>
Guest Stalls	<u>0</u>
Unassigned Stalls	<u>--</u>
Extra Stalls Available for Purchase	<u>--</u>
Other: _____	<u>--</u>
Total Parking Stalls	<u>32</u>

7. Recreational amenities: There are no recreational amenities within the Palm Court, Increment IC project itself; however, the Declaration discloses that the Developer will develop a Recreation Area in a future Increment of the Palm Court Project and intends to cause fee simple title of same to be conveyed to the respective Associations of Apartment Owners for the Palm Court project after the administrative merger of all of the increments in that project, such merger being more fully disclosed in paragraph K herein and in paragraph 19 of the Declaration.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: GENTRY HOMES, LTD.
Name
94-539 Puahi Street
Business Address
Maipahu, Hawaii 96797

Phone: (808) 671-6411
(Business)

Names of officers or general partners of developers who are corporations or partnerships:

GENTRY HOMES, LTD.
JOSEPH J. RAMIA -- President
NORMAN H. GENTRY and JEFFREY K. BROWN -- Vice Presidents
HARVEY JAY MIGDAL -- Secretary, Assistant Vice President
HARRY D. HUFFMAN -- Treasurer, Assistant Vice President, Assistant Secretary

Real Estate
Sales Agent: GENTRY REALTY, LTD.
Name
94-539 Puahi Street
Business Address
Maipahu, Hawaii 96797

Phone: (808) 671-6411
(Business)

Escrow: SECURITY TITLE CORPORATION
Name
1001 Bishop Street, 1200 Pacific Tower
Business Address
Honolulu, Hawaii 96813

Phone: (808) 521-9511
(Business)

Managing
Agent: CHANEY, BROOKS & COMPANY
Name
606 Coral Street
Business Address
Honolulu, Hawaii 96813

Phone: (808) 544-1600
(Business)

Attorney for
Developer: HARVEY JAY MIGDAL
Name
P. O. Box 295
Business Address
Honolulu, Hawaii 96809

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. Declaration of Condominium Property Regime contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances - Book _____ Page _____
 Filed - Land Court - Document Number 1706161

Amendment date(s) and recording/filing information:

Recorded March 19, 1990, Document No. 1714420

- B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyance Condo Map No. _____
 Filed - Land Court Condo Map No. 759

Amendment date(s) and recording/filing information:

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances - Book _____ Page _____
 Filed - Land Court - Document Number 1706162

Amendment date(s) and recording/filing information:

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

- D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

- Proposed Adopted
- Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u> </u>

The percentages for individual condominium projects may be more than the minimum set by law.

2. **Developer:** The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules: The Developer has reserved the right to make any changes to said documents, and any other documents affecting this Project, as may be required by law, any title insurance company, or a Developer decides is necessary, all without the consent or approval of the Purchaser, provided that the changes do not substantially impair the prospective use and enjoyment of the apartment; materially alter the arrangement of the rooms or reduce the useable space within the apartment; render unenforceable the Purchaser's mortgage loan commitment; increase Purchaser's share of common expenses or reduce the obligations of the Seller for common expenses on unsold apartments; Developer also reserves the right to file the as-built verified statement required by Section 514A-12 of the Hawaii Revised Statutes, as amended, and also to make any changes to the documents necessary in connection with the merger of this Project as set forth in paragraph K, page 17 of this report.

B. Underlying Land:

Address: 91-899, 91-869 Puamae'ole Street Tax Map Key: 9-1-12-29 (por.)
(Bldgs. 7 and 10, respectively) (TMK)
Ewa Beach, Hawaii 96706

Address TMK is expected to change because the property was recently subdivided

Land Area: 0.781 square feet acre(s) Zoning: A-1 (apartment)

Fee Owner: Gentry Homes, Ltd.

Name

94-539 Puahi Street

Address

Waipahu, Hawaii 96797

Sublessor:

Name

Address

C Buildings and Other Improvements:

1. New Building(s) Conversion of Existing Building(s)
 Both New Building(s) and Conversion

2. Buildings: 2 Floors Per Building 2

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other Asphalt Shingles; Composition siding

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Industrial	_____
<input checked="" type="checkbox"/> Residential	<u>16</u>	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input type="checkbox"/> Other: _____			_____

5. Special Use Restrictions:

The Declaration, Bylaws, and House Rules may contain restrictions on the use and occupancy of apartments. Restrictions for this condominium project include but are not limited to:

Dogs, cats and other household pets limited to two in number and subject to compliance with
 Pets provisions of House Rules.

Number of Occupants: No more than two per bedroom, excluding children under five, except no more than three per bedroom under any circumstances, inclusive of children under five.

Other: Apartment cannot be used for transient or hotel use. the apartment cannot be sold, rented or used for "time share", "time interval", "vacation license" or "travel club membership".

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 16

Elevators NONE

Stairways (all exterior)

Trash Chutes NONE

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>810</u>	<u>8</u>	<u>2/2</u>	<u>810</u>	<u>** (See Note Below)</u>
<u>874</u>	<u>8</u>	<u>2/2</u>	<u>874</u>	<u>• • • •</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

**Note: Lanai sizes vary even between the same apartment types.

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment: Each apartment includes the walls and partitions which are not load bearing within its perimeter or party walls; glass windows or panels; doors (except for exterior surface of any door located on perimeter walls); inner decorated or finished surfaces of all walls, floors and ceilings, door frames and window frames; air space within the perimeter and any fixtures and appliances originally installed. The apartment does NOT include undecorated or unfinished surfaces of perimeter or party walls or interior load-bearing walls, floors and ceilings; any pipes, wires or other utility lines running through the apartment and utilized for more than one apartment. The apartment also does not include the adjacent lanai which is considered a limited common element.

Permitted Alterations to Apartments: Additions, alterations or improvements solely within an apartment or within a limited common element appurtenant to and for the exclusive use of the apartment may be made by the apartment owner with only the approval of the Board of Directors of the Association of Apartment Owners and any other apartment owner directly affected.

7. Parking Stalls:

Total Parking Stalls: 32

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	<u>16</u>	<u>16</u>					<u>32</u>
Guest							
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open	<u>32</u>						

Each apartment will have the exclusive use of at least 2 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

Exhibit A contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities.

There are no recreational or common facilities.

Swimming pool

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: _____

*As discussed in Paragraph 7 on Page 5, there are no recreational amenities within this Project; however, the Developer intends to construct recreational facilities in a future increment of the Palm Court Project which owners in this Increment IC may later use.

9. Present Condition of Improvements

(For conversions of residential apartments in existence for at least five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

Not Applicable

b. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations

Not Applicable

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u> x </u>	<u> </u>	<u> </u>
Structures	<u> x </u>	<u> </u>	<u> </u>
Lot	<u> x </u>	<u> </u>	<u> </u>

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit B describes the common elements.

As follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which may use them are:

described in Exhibit _____

as follows:

- (a) The mailbox bearing the same designation as the apartment;
- (b) The fenced yard area adjoining the apartment (for apartments on the ground floor);
- (c) The lanai area adjacent to second story apartments;
- (d) The storage closet located in the courtyard (except for Apartment Type 874 which has no exterior storage closet).
- (e) Two automobile parking stalls assigned to each apartment upon the original conveyance thereof shall be appurtenant to and for the exclusive use of such apartment.

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

Exhibit A describes the common interests for each apartment.

As follows:

E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property.

Exhibit C describes the encumbrances against the title contained in the title report dated February 15, 1990 and issued by Security Title Corporation .

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

There are no blanket liens affecting title to the individual apartments.

There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgage	Lender has priority over Purchaser's rights under a Sales contract, and has a right to terminate sales contracts upon foreclosure of its mortgage before apartment sale is closed. Should the lender terminate Purchaser's Sales Contract, Purchaser shall be entitled to a refund of all deposits less a nominal cancellation fee.

F. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

not affiliated with the Developer.

the Developer or the Developer's affiliate.

self-managed by the Association of Apartment Owners.

other _____

G. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit D contains a schedule of maintenance fees and maintenance fee disbursements.

Exhibit D is only an estimate.

H. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

- | | |
|---|---|
| <input type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas | <input checked="" type="checkbox"/> Water & Sewer |
| <input type="checkbox"/> Other _____ | |
| <input type="checkbox"/> Not applicable | |

I. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. **Building and Other Improvements:** The Developer warrants against defects in the apartment due to faulty material or workmanship which are discovered and brought to the attention of Developer within one year from the date of conveyance of title to the apartment owner or the date of occupancy, whichever occurs first. In addition, the Developer warrants the common elements against all defects for a period of two years from the date of completion of the common elements or two years from the date the first apartment is conveyed to a purchaser other than the Developer, whichever is later. For purposes of this warranty, the Developer agrees to repair, renovate, restore or replace any defective material or workmanship within the respective warranty periods. ROUTINE MAINTENANCE WORK IS NOT COVERED BY ANY WARRANTY.
2. **Appliances:** Warranties on appliances furnished with an apartment are not provided by the Developer. The execution and delivery of the Apartment Deed will operate as an assignment from the Developer to the purchaser of the respective manufacturers' or dealers' warranties, if any.

J. Status of Construction and Estimated Completion Date:

Construction on the project was completed in mid April 1990.

K. Project Phases:

The developer has has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Future Development: The Developer has reserved the option to develop, in addition to this Project, additional increments of Palm Court and to merge the projects for administration and use after they have been completed into an overall project to consist of approximately 416 apartments to be known as Palm Court. In the interim, as soon as the Palm Court, Increment ID project has been completed and the 45 day statutory lien period expires, the Developer plans to merge Increments IB, IC and ID to reduce maintenance fees to apartment owners. After all of the increments have been completed and merged, the merged increments will become one condominium project for purposes of administration and use and will be governed by one Declaration and By-Laws, at which time all apartment owners in the increments will be entitled to use the common elements of the other increments.

The Developer has reserved the right to administratively merge all of the increments of Palm Court for the purposes of administration and use only. Administrative merger does NOT affect the ownership percentage common interests of the owners in their respective increments.

The apartments in each increment shall be substantially similar in design and construction, and none of the increments shall contain particular facilities or amenities which could substantially increase the upkeep or maintenance of the entire project except for the recreational facilities which will be developed in a future increment. Palm Court, Increment IC is the second increment of the proposed Palm Court project.

L. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

Notice to Owner Occupants

Specimen Sales Contract

Exhibit E contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated Effective September 11, 1988.

Exhibit F contains a summary of the pertinent provisions of the escrow contract.

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

1. The access road to the Palm Court Project is owned by Gentry Development Company, but rights of access have been given to all of the Palm Court Projects. It has not yet been determined whether the access road will be a private road or a public road. If it is decided to make the access road a public road, the road will be deeded to the City and County of Honolulu.

If the access road remains a private road, the various Associations of Apartment Owners of Palm Court, as well as others who use the road including the owners of the condominium project developed to the east of the access road, will all share in the cost of maintaining the road. It is contemplated that the private road will be ultimately held by the Ewa-by-Gentry Community Association, or some other appropriate entity.

2. Gentry Development Company, the owner of the access road, may make changes to the road in the future, such as widening and extending the road beyond the railroad right-of-way to Renton Road (north of the Project). If these changes are made, the access road will probably be dedicated to the City and County of Honolulu for public use.

3. The Developer has reserved the right to the respective Associations of Apartment Owners of Palm Court to purchase an apartment in one of the increments of Palm Court which the Association may use as lodging for a resident manager. The Developer will select an apartment unit and offer the unit for purchase by the respective Associations of Palm Court.

4. The Developer has no control over certain activities on adjacent property owned by others ("Activities on Adjacent Land"). For example:

a. The Project is located in the vicinity of several military installations, including Barber's Point Naval Air Station and the West Loch Branch of the Lualualei Naval Magazine ("West Loch"). In the event of military action, these military installations are sensitive areas. The Navy has denoted an area east of the Project as an Explosive Safety Hazard Zone in connection with munitions which may be loaded onto ships at West Loch. This area is depicted on a map which is available for inspection in the sales office of the Developer. The Navy has represented that the boundary of said area represents the probable limit of any impact on the adjacent community;

b. The Project is located in the vicinity of a commercial airport (Honolulu International Airport) and a military air base (Barber's Point Naval Air Station) and there is a likelihood of noise from planes passing overhead or nearby.

c. The Project is near or adjacent to land that is used for the cultivation and harvesting of sugar cane and other agricultural products. The Hawaii Right-to-Farm Act (H.R.S. Ch. 165) and Hawaii law limit the types of farm activities that may be deemed a nuisance.

d. The Project is located near the Honouliuli Sewage Treatment Plant and a portion of the Project is also adjacent to Fort Weaver Road.

continued on Page 18a...

e. The Project is located next to railroad tracks situated between the Project and Renton Road. This area is owned by the State of Hawaii and is being considered as a transit corridor by the City and County of Honolulu.

These Activities on Adjacent Land may cause some unpleasant odors, surface water runoff, noise, dust, smoke, and other unpleasant effects that may bother or be a nuisance to buyers and other occupants and invitees of the Project. The apartment deed will contain provisions that the buyer will indemnify the Developer, entities related to the Developer, and the different parties that own and use the Adjacent Land from any liability, claims or expenses resulting from claims made by the Buyer as a result of Activities on Adjacent Land, except for damages caused by negligence or willful misconduct.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

1. The Developer delivers to the buyer a copy of:
 - a. Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report;
AND
 - b. Any other public report issued by the Commission prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
2. The buyer is given an opportunity to read the report(s); and
3. One of the following has occurred:
 - a. The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - b. Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - c. The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Condominium Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other _____

If these documents are not in final form, the buyer should ask to see the most recent draft.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs.

This Public Report is a part of Registration No. 2015 filed with the Real Estate Commission on
December 23, 1988.

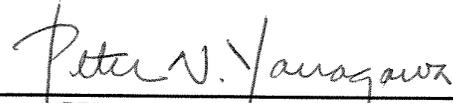
Reproduction of Report. When reproduced, this report must be on:

yellow paper stock

white paper stock

pink paper stock

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.



PETER N. YANAGAWA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances
Department of Finance, City and County of Honolulu
Planning Department, City and County of Honolulu
Federal Housing Administration
Escrow Agent

EXHIBIT "A"

APARTMENT DESCRIPTION, PARKING STALL ASSIGNMENTS
AND COMMON INTEREST

<u>Bldg. and Apt.</u>	<u>Apt. Type</u>	<u>Net Living Area</u>
7-A	874	874
7-B	810	810
7-C	874	874
7-D	810	810
7-R	874	874
7-S	810	810
7-T	874	874
7-U	810	810
10-A	874	874
10-B	810	810
10-C	874	874
10-D	810	810
10-R	874	874
10-S	810	810
10-T	874	874
10-U	810	810

DESCRIPTION OF APARTMENT TYPES:

Type 810 (2 Bedroom/2 Bath) (810 sq. ft.)

Two bedroom, two bath apartment containing a living room/dining room, kitchen, two bathrooms and two bedrooms. All Type 810 apartments contain 810 square feet of NET LIVING AREA. In addition, first story apartments have a limited common element fenced courtyard area, including a concrete walkway within the courtyard area, and second story apartments have a limited common element lanai. Each apartment has a storage closet located adjacent to the lanai.

Type 874 (2 Bedroom/2 Bath) (874 sq. ft.)

Two bedroom, two bath apartment containing a living room/dining room, kitchen, two bathrooms and two bedrooms. All Type 874 apartments contain 874 square feet of NET LIVING AREA. In addition, first story apartments have a limited common element fenced courtyard area, including a concrete walkway within the courtyard area, and second story apartments have a limited common element lanai.

BREAKDOWN OF MODEL TYPES
AND PERCENTAGE COMMON INTEREST FOR PALM COURT, INCREMENT IC

<u>Model</u>	<u>Percentage Common Interest</u>		<u>Number in Project</u>	<u>Total Percentage of Common Interest</u>
810	6.01%	x	8	48.08%
874	6.49%	x	<u>8</u> 16	<u>51.92%</u> 100.000%

As nearly as practicable, the percentage of common interest for each residential apartment is determined by calculating what percentage of the total interior net floor area of all of the residential apartments is represented by the net floor area of the particular apartment and multiplying the percentage thus obtained by one hundred percent (100%).

<u>Apt. No.</u>	<u>Parking Stall Assignments Covered/Uncovered</u>	
7-A	153	97
7-B	169	166
7-C	167	96
7-D	156	94
7-R	154	95
7-S	170	158
7-T	168	157
7-U	155	93
10-A	109	100
10-B	108	99
10-C	113	106
10-D	116	111
10-R	110	101
10-S	107	98
10-T	114	105
10-U	115	112

END OF EXHIBIT "A"

Exhibit "B"

Common Elements

1. The land described in Exhibit "A" of the Declaration;
2. All structural components, such as foundations, girders, beams, supports, unfinished perimeter walls and loadbearing walls (except for the inner decorated surfaces within each apartment) and the roofs of the buildings; all exterior stairways, walkways, landings, railings and the fences enclosing the fenced courtyard areas of said buildings;
3. All yards, gardens, planting areas, fences, trash collection areas and all parking areas, carports, driveways and access lanes;
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 Project 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. All other parts of the Project necessary or convenient to its existence, maintenance and safety or normally in common use.

Exhibit "C"

Encumbrances Against Title

1. Real Property Taxes as may be due and owing; reference is made to the Office of the Finance Director, City and County of Honolulu.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Grant in favor of Hawaiian Electric Company, Inc., a Hawaii corporation, dated May 25, 1960, filed in said Office of the Assistant Registrar as Document No. 261268; consent thereto filed as Documents Numbered 261269 and 261270 (also affects other property).
4. The terms and provisions of that certain Unilateral Agreement and Declaration for Conditional Zoning dated September 4, 1984, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1256439.
5. Easement 1540, area 359 square feet, for utility purposes, as shown on Map 435, as set forth by Land Court Order No. 89690, filed on May 12, 1988, as amended.
6. Easement 1541, area 405 square feet, for utility purposes, as shown on Map 435, as set forth by Land Court Order No. 89690, filed on May 12, 1988, as amended.
7. The covenants, conditions, limitations and restrictions as contained in that certain Ewa by Gentry Community Area Declaration of Covenants, Conditions and Restrictions, dated July 21, 1988, recorded in the Office of said Assistant Registrar as Document No. 1568352, as amended May 30, 1989, recorded in the Office of said Assistant Registrar as Document No. 1652870.
8. A 40-foot building setback line from Exclusion 2, as shown on Map 461, as set forth by Land Court Order No. 93000, filed March 20, 1989.
9. Easement 2095, area 13,308 square feet, for access and utility purposes, as shown on Map 461, as set forth by Land Court Order No. 93000, filed on March 20, 1989.
10. Conditional Use Permit-Joint Development and Agreement for Issuance of Conditional Use Permit under Section 4.40-21 of Land Use Ordinance (LUO) dated October 12, 1989, filed in said Office of the Assistant Registrar as Document No. 1677011.

11. Reservations in favor of Gentry Development Company, a Hawaii limited partnership, as contained in that certain deed dated November 21, 1989, filed in said Office of the Assistant Registrar as Document No. 1685338.
12. Restrictions, covenants and conditions as contained in that certain deed dated November 21, 1989, filed in said Office of the Assistant Registrar as Document No. 1685338.
13. Mortgage dated November 21, 1989, recorded in said Office of the Assistant Registrar as Document No. 1685339 made by Gentry Homes, Ltd., a Hawaii corporation, a Mortgagor, in favor of First Hawaiian Bank, a Hawaii banking corporation, as Mortgagee, to secure the repayment of the sum of \$25,000,000.00 and any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor therein referred to.
14. Financing Statement covering all right, title and interest of the Debtor in and to that certain Escrow Agreement, etc., given as security by Gentry Homes, Ltd., in favor of First Hawaiian Bank, recorded on November 24, 1989, in the Bureau of Conveyances of the State of Hawaii in Book 23912, Page 642.
15. Grant in favor of Hawaiian Electric Company, Inc., a Hawaii corporation, dated November 14, 1989, filed in said Office of the Assistant Registrar as Document No. 1689582, for an easement to construct, etc., for pull boxes, handholes and underground power lines (also affects other property), Consent thereto filed as Document No. 1689583.
16. Declaration of Condominium Property Regime dated February 13, 1990, recorded on February 15, 1990 in said Office of the Assistant Registrar as Document No. 1706161.
17. By-Laws of the Association of Apartment Owners of "Palm Court, Increment IC" dated February 13, 1990, recorded on February 15, 1990 in said Office of the Assistant Registrar as Document No. 1706162.
18. Condominium Map No. 759, filed in said Office of the Assistant Registrar on February 15, 1990.

In addition, the Developer has advised that it recorded an amendment to the Declaration on March 19, 1990, as follows:

First Amendment to Declaration of Condominium Property Regime of Palm Court, Increment IC dated March 16, 1990, recorded in said Office of the Assistant Registrar as Document No. 1714420.

END OF EXHIBIT "C"

PALM COURT INCREMENT IC

ESTIMATE OF INITIAL MAINTENANCE FEES

<u>MODEL TYPE</u>	<u>MONTHLY MAINTENANCE FEE</u>	<u>DEVELOPER'S MONTHLY SUBSIDY*</u>	<u>PORTION OF MONTHLY MAINTENANCE FEES PAID BY BUYER</u>	<u>ANTICIPATED MONTHLY MAINTENANCE FEE AFTER MERGER*</u>
810	\$163.00	\$42.18	\$120.82	\$116.85
874	\$176.00	\$45.95	\$130.05	\$126.35

*The Developer will subsidize the maintenance fees for this Project to make them equal to the maintenance fees paid by apartment owners in the Palm Court, Increment IB project adjacent to this Project. The Developer will continue to pay the subsidy until Increments IB, IC and ID of the Palm Court Project have been administratively merged. The Developer anticipates that this will take place some time in mid to late summer of 1990.

In addition to the merger of Palm Court, Increments IB, IC and ID, the Developer has reserved the right to merge all of the increments of Palm Court as set forth in the Declaration. However, the Developer does not know at this time when all of the Palm Court increments will be able to be merged, although it anticipates that it will be some time during 1991. A budget for the entire Palm Court Project after merger of all of the increments is not available at this time.

It is anticipated that a resident manager for the Project will be hired when approximately 200 units are occupied. The Developer anticipates this will occur in the last quarter of 1990. The expenses related to the Resident Manager have not been included in the attached budget, nor have they been included in the foregoing monthly maintenance fees. Until the Palm Court Association makes a decision regarding the purchase of an apartment for the Resident Manager an apartment will be rented for the Resident Manager from the Developer.

The Developer anticipates that the Recreation Area will be ready for use in the last quarter of 1990. The expenses relating to the Recreation Area have not been included in the attached budget, nor have they been included in the foregoing monthly maintenance fees.

Once the resident manager is hired and the recreation center ready for use, the maintenance fees will increase. Although it is not possible to predict with certainty how much the increase will be, it is estimated that the increased amount due to these items will not exceed \$20/month per apartment unit.

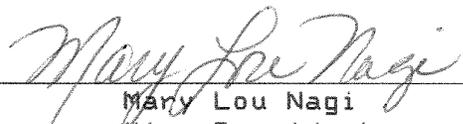
The foregoing maintenance fees do not include the dues payable to the Ewa by Gentry Community Association. At the present time, those dues are \$30 a quarter.

**PALM COURT - INCREMENT 1C
(16 UNITS)**

Estimate of Maintenance Fee Disbursements:

	<u>Monthly</u> x 12 months =	<u>Yearly Total</u>
Utilities and Services		
Air Conditioning	n/a	-0-
Electricity		
(X) common elements only	40	480
() common elements and apartments		
Gas	n/a	-0-
Refuse Collection	225	2,700
Telephone	n/a	-0-
Water & Sewer	350	4,200
Maintenance, Repairs and Supplies		
Building	200	2,400
Grounds	350	4,200
Management		
Management Fee (Physical/Fiscal Service)	797	9,564
Payroll & Payroll Taxes	n/a	-0-
Office Expenses	130	1,560
Insurance	200	2,400
Reserves	225	2,700
Taxes & Government Assessments	10	120
Audit Fees	100	1,200
Non-Potable Pump Maintenance	80	960
Other	-0-	-0-
TOTAL	\$ 2,707 =====	\$ 32,484 =====

We, Chaney, Brooks and Company, as managing agents for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



Mary Lou Nagi
Vice President
Central Oahu Branch Office

23 March 1990
DATE

EXHIBIT "E"

Summary of Sales Contract

The Sales Contract contains the price and other terms and conditions under which a buyer will agree to buy an apartment in the Project. Among other things, the Sales Contract says:

1. That the buyer of the apartment must live in the apartment for at least 12 months.
2. What the obligations are of the buyer if the buyer wants a mortgage loan to cover part of the purchase price.
3. That a buyer's money will be held in escrow, under the terms of the Escrow Agreement.
4. That a buyer will not receive interest on deposits made under the Sales Contract.
5. That the apartment will be subject to various other legal documents which the buyer should examine.
6. That the Project will be subject to ongoing construction and sales activities which may result in certain annoyances to buyer.
7. That the Seller has no control over certain activities on adjacent property owned by others including agriculture, military, utility and aviation; that these activities may cause some inconveniences to the buyers; and that the buyer will indemnify the Developer and the owners of the properties involved except in cases of negligence or willful misconduct.
8. That under certain circumstances where the apartment is ready for occupancy and the buyer has not completed his financing arrangements for the purchase of the apartment. Buyer will be responsible for all of the Seller's expenses as a result of buyer's delay.
9. That the Developer has reserved the right to administratively merge the increments of Palm Court.

End of Exhibit "E"

EXHIBIT "F"

Summary Of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement these things will or may happen:

1. Escrow will let buyers know when payments are due.
2. The Escrow Agreement says that interest on buyer's deposits will accrue in favor of the Developer and not the buyer unless the Sales Contract specifically provides that interest be credited to the buyer.
3. Escrow will arrange for buyers to sign all necessary documents.
4. The Escrow Agreement says under what conditions a refund will be made to a buyer.
5. The Escrow Agreement says what will happen to a buyer's funds upon a default under the Sales Contract.
6. The Escrow Agreement contains various other provisions and establishes certain charges with which the buyer should become acquainted.

Exhibit "F"