REAL ESTATE COMMISSION
STATE OF HAWAII

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
1010 Richards Street
P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

PALM COURT, INCREMENT III

EWA BEACH, HAWAII

Registration No. 2015

Issued: February 6, 1989
Expires: March 6, 1990

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of January 13, 19 89 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:

__X__ PRELIMINARY: (yellow) — 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.

____ FINAL: (white) — The developer has legally created a condominium and has filed complete information with the Commission.
[ ] Supersedes all prior public reports
[ ] Must be read together with _____

____ SUPPLEMENTARY: (pink) — Updates information contained in the
[ ] 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 [X] 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 previous reports have been issued for Palm Court, Increment III.

SPECIAL ATTENTION:

The developer has disclosed that this project is part of an overall project which will consist of 400 apartments (upon the completion and merger of all of the increments) and will be governed by one declaration and by-laws and apartment owners in the increments will be entitled to use the common element of the other increments (See page 17, paragraph k).

The prospective purchaser is cautioned to carefully review the documents for further information with regard to the foregoing.

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GE. .AL INFORMATION ON CONDOMI..MS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Horizontal 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 land, 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

(cite to appropriate pages in text of report)

Interest to be Conveyed to Buyer: The residential apartments will be conveyed to purchasers by means of a fee simple apartment deed along with an appurtenant undivided interest in the common elements of the project. Each purchaser of an apartment will be issued an Apartment Deed by the Developer.

Type of Project:

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

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
810	20	2/2	810	**(See Note Below)
874	20	2/2	874	

Total Apartments: 40

*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:

	Number of Stalls
Assigned Stalls (Individual Units)	80
Guest Stalls	1
Unassigned Stalls	--
Extra Stalls Available for Purchase	--
Other: _____	--
Total Parking Stalls	81

7. Recreational amenities: There are no recreational amenities within the Palm Court, Increment III Project itself; however, in a future increment the Developer intends to construct recreational facilities, the exact nature and extent of which will be determined as the planning for the overall Palm Court project progresses.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: **GENTRY HOMES, LTD.** Phone: **(808) 671-6411** (Business)

Name

94-539 Puahi Street

Business Address

Waipahu, Hawaii 96797

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

Real Estate Sales Agent: **GENTRY REALTY, LTD.** Phone: **(808) 671-6411** (Business)

Name

94-539 Puahi Street

Business Address

Waipahu, Hawaii 96797

Escrow: **SECURITY TITLE CORPORATION** Phone: **(808) 671-6411** (Business)

Name

1001 Bishop Street, 1200 Pacific Tower

Business Address

Honolulu, Hawaii 96813

Managing Agent: **As of the date of this Report, no managing agent has** Phone: _____ (Business)

Name

been selected by the Developer.

Business Address

Attorney for Developer: **HARVEY JAY MIGDAL**

Name

94-539 Puahi Street

Business Address

Waipahu, Hawaii 96797

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:

[X] Proposed
[ ] Recorded – Bureau of Conveyances – Book _____ Page _____
[ ] Filed – Land Court – Document Number _____

Amendment date(s) and recording/filing information:

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:

[X] Proposed
[ ] Recorded – Bureau of Conveyance Condo Map No. _____
[ ] Filed – Land Court Condo Map No. _____

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:

[X] Proposed
[ ] Recorded – Bureau of Conveyances – Book _____ Page _____
[ ] Filed – Land Court – Document Number _____

Amendment date(s) and recording/filing information:

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:
[x] 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 apartment owners who must vote for or give written consent to changes:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%	75%
Bylaws	65%	65%
House Rules	—	

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 as 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 Statues, 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.**

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.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

[X] Fee Simple: Individual apartments and the underlying land will be in fee simple.

[ ] Leasehold or Subleasehold: Individual apartments and the underlying land will be leasehold.

The leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations.

Lease Term Expires: _____
Rent Renegotiation Date(s): _____
_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi–Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per [ ] Month [ ] Year.

[ ] Individual Apartments in Fee Simple, Underlying Land in Leasehold or Subleasehold:

The leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners -- tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations.

Lease Term Expires: _____
Rent Renegotiation Date(s): _____
_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi–Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per [ ] Month [ ] Year.

[ ] Other:

For Subleaseholds:

[ ] Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is [ ] Cancelled [ ] Foreclosed.

[ ] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

B. Underlying Land:

Address: Not yet determined
Ewa Beach, Hawaii 96706

Tax Map Key: 9-1-12-29 (por.) (TMK)

[X] Address [X] TMK is expected to change because the property is in the process of being subdivided.

Land Area: 2.415 [ ] square feet [X] acre(s)

Zoning: A-1 (apartment)

Fee Owner: Gentry Development Company
name
94-539 Puahi Street
address
Waipahu, Hawaii 96797

Sublessor:
name
address

C. Buildings and Other Improvements:

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

2. Buildings: 5 Floors Per Building: 2

[ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[X] Concrete [ ] Hollow Tile [X] Wood

[X] Other Asphalt Shingles, Composition siding

4. Permitted Uses:

	No. of Apts.		No. of Apts.
[ ] Commercial		[ ] Industrial	
[X] Residential	40	[ ] Agricultural	
[ ] Timeshare/Hotel		[ ] Recreational	
[ ] 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:

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

[x] 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.

[x] 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 40

Elevators NONE Stairways (all exterior) Trash Chutes NONE

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
810	20	2/2	810	**(See Note Below)
874	20	2/2	874	" " "

*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 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: 81

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	40	40					80
Guest		1					1
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open	81						

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.

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

8. Recreational and Other Common Facilities:

[x] There are no recreational or common facilities.

[ ] Swimming pool

[ ] Recreation Area

[ ] Tennis Court

[ ] Storage Area

[ ] Laundry Area

[ ] 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.

9. Present Condition of Improvements
(For conversions of residential apartments in existence for 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. [X] 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.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

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.

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.

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

   [ ] described in Exhibit _____

   [X] 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 on the lanai (except for Apartment Type 874 which has no exterior storage closet).

   (e) Two or more 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.

   [X] 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 October 4, 1988.

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.

[x] 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.

Type of Lien	Effect on Buyer's Interest If Developer Defaults
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.

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.

[x] other Not selected yet.

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 E contains a schedule of maintenance fees and maintenance fee disbursements.

Exhibit E 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:

[ ] Electricity [ ] Television Cable

[ ] Gas [X] Water & Sewer

[ ] Other _____

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 is expected to be completed in the Fall of 1989.

K. Project Phases:

The developer [X] 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 administrative use after they have been completed into an overall project to consist of approximately 400 apartments to be known as Palm Court. Upon merger of all increments, the merged increments will become one condominium project 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. This administrative merger will NOT affect the percentage common interests of the owners in their respective increments.

The apartment 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 II is the first 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:

[X] Notice to Owner Occupants

[X] Specimen Sales Contract

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

[X] Escrow Agreement dated **Effective September 11, 1988.**

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

[ ] Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

The Developer has not yet determined whether the access road to the overall Palm Court project will be a private road or a public road.

If the access road to the project is a private road, the various Palm Court Associations of Apartment Owners, as well as the owners of the condominium project to be developed to the east of the access road, will share in the cost of maintaining the road. It has not yet been determined whether ownership of the private road will be held by the various condominium projects using the road, by the Ewa-by-Gentry Community Association, or some other appropriate entity. If ownership of the road is held by some other private entity other than the condominium associations, access easements will be given to each condominium project.

If the access road remains private, the Developer will reserve the right to 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.

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 Horizontal 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.

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Gloria Damron

GLORIA DAMRON, 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

Bldg. and Apt.	Apt. Type	Net Living Area
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
8-A	874	874
8-B	810	810
8-C	874	874
8-D	810	810
8-R	874	874
8-S	810	810
8-T	874	874
8-U	810	810
9-A	874	874
9-B	810	810
9-C	874	874
9-D	810	810
9-R	874	874
9-S	810	810
9-T	874	874
9-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
11-A	874	874
11-B	810	810
11-C	874	874
11-D	810	810
11-R	874	874
11-S	810	810
11-T	874	874
11-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 lanai, 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 lanai, and second story apartments have a limited common element lanai.

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

Model	Percentage Common Interest		Number in Project	Total Percentage of Common Interest
810	2.40%	x	20	48.00%
874	2.60%	x	20	52.00%
			40	100.00%

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%).

Apt. No.	Parking Stall Assignments Covered/Uncovered	
7-A	154	157
7-B	168	180
7-C	169	171
7-D	152	94
7-R	153	158
7-S	167	181
7-T	170	166
7-U	151	93
8-A	150	185
8-B	141	95
8-C	143	186
8-D	147	182
8-R	149	184
8-S	142	96
8-T	144	187
8-U	148	183
9-A	110	98
9-B	134	100
9-C	137	99
9-D	107	155
9-R	109	97
9-S	135	145
9-T	136	146
9-U	108	156
10-A	118	103
10-B	116	101
10-C	114	106
10-D	121	139
10-R	119	104
10-S	117	102
10-T	115	105
10-U	120	140
11-A	128	122
11-B	130	112
11-C	132	138
11-D	125	124
11-R	127	123
11-S	129	111
11-T	131	113
11-U	126	133

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, including uncovered parking stall No. 179 which is a visitor parking stall;

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. Grant dated May 25, 1960, in favor of Hawaiian Electric Company, Inc., filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 261268, granting an easement for utility purposes over, under, across and through the land covered by the Declaration; consent thereto filed as Documents Numbered 261269 and 261270 (also affects other property).

3. Lease of Right-of-Way in favor of Hawaiian Electric Company, Inc. dated December 6, 1960, filed in said Office of the Assistant Registrar as Document No. 272466 leasing and demising an easement to build, etc., pole and wire lines, said lease amended by instrument dated December 2, 1981, filed as aforesaid as Document No. 1122896; Consent thereto filed as Document No. 1122897 (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 said Office of the Assistant Registrar as Document No. 1256439.

5. Easement 1340 for utility purposes as shown on maps 367 and 371 as set forth by Land Court Order No. 71876 filed on November 23, 1984 (also affects other property).

6. Reservation by the Trustees under the Will and of the Estate of James Campbell, deceased, their successors in trust and assigns (the "Estate") of the right to an easement of such width as the Estate of its sole discretion may require for installation of underground pipes, lines and appurtenances for water, utilities, sewage, drainage or any other purposes whatsoever across the within lots bordering the public right-of-way known as Fort Weaver Road, as reserved in Deed dated January 15, 1985, filed in said Office of the Assistant Registrar as Document No. 1277743.

7. Unrecorded perpetual easement in favor of Hawaiian Electric Company as set forth in Campbell Estate Document No. 4841; as set forth in that certain Deed dated January 15, 1985, filed in said Office of the Assistant Registrar as Document No. 1277743.

8. Unrecorded easement in favor of Hawaiian Electric Company, expiring December 6, 2010, as set forth in Campbell Estate

Document No. 4889; as set forth in that certain Deed dated January 15, 1985, filed in said Office of the Assistant Registrar as Document No. 1277743.

9. Terms and conditions of that certain Replacement Development Agreement as set forth in that certain Deed dated January 15, 1985, filed in said Office of the Assistant Registrar as Document No. 1277743 (also affects other property).

10. Amended Final Order of Condemnation dated April 1, 1987, filed in said Office of the Assistant Registrar as Document No. 1455569. Re: Condemnation of abutter's rights of access appurtenant to Lot 4369, into and from Fort Weaver Road Realignment, Station 204 + 50 to Ewa Beach Shopping Center, Federal Aid Secondary Project No. S-RS-076(2), over and across the common boundaries (also affects other property).

11. Judgment and Final Order of Condemnation dated July 23, 1987, filed in said Office of the Assistant Registrar as Document No. 1483355. Re: Condemnation of abutter's rights of access from Fort Weaver Road Realignment, Federal Aid Secondary Project No. S-RS-0760 (2), Station 110 + 00 to Station 204 + 50, over and across the common boundary (also affects other property).

12. Financing Statement covering certain fixtures located on the real property given as security by Thomas Henry Gentry in favor of First Hawaiian Bank recorded on June 4, 1987 in the the Bureau of Conveyances of the State of Hawaii in Book 20746 at Page 369 (also affects other property).

13. Financing Statement covering certain fixtures located on the real property given as security by Thomas Henry Gentry in favor of First Hawaiian Bank recorded on September 11, 1987 in the the Bureau of Conveyances of the State of Hawaii in Book 21119 at Page 777 (also affects other property).

14. Financing Statement covering certain fixtures located on the real property given as security by Gentry Homes, Ltd. in favor of First Hawaiian Bank recorded on September 11, 1987 in the the Bureau of Conveyances of the State of Hawaii in Book 21119 at Page 783 (also affects other property).

15. Mortgage dated March 23, 1988, recorded in said Office of the Assistant Registrar as Document No. 1538355, made by Gentry Development Company, a Hawaii limited partnership, a Mortgagor, in favor of First Hawaiian Bank, a Hawaii corporation, as Mortgagee, to secure the repayment of the sum of $10,000,000 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 (also affects other property).

16. Additional Charge Mortgage dated September 10, 1987, recorded in said Office of the Assistant Registrar as Document No. 1484600, made by Thomas Henry Gentry, unmarried, as Mortgagor, in favor of First Hawaiian Bank, a Hawaii corporation, as Mortgagee, to secure the repayment of $500,000 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 (also affects other property).

17. Financing Statement covering certain fixtures located on the real property given as security by Gentry Development Company in favor of First Hawaiian Bank recorded on September 11, 1987 in the the Bureau of Conveyances of the State of Hawaii in Book 21758 at Page 353 (also affects other property).

18. Easement 1498, for water pipeline purposes, as shown on Map 430, as set forth by Land Court Order No. 89177, filed on April 13, 1988 (also affects other property).

19. Designation of the following Easements as shown on Map 435, as set forth by Land Court Order No. 89690, filed May 12, 1988, as amended, to-wit:

    (a) Easement 1526, area 22,450 square feet, for utility purposes (also affects other property).

    (b) Easements 1529, area 170 square feet, for electrical switching vault purposes.

    (c) Easement 1530, area 5,251 square feet, for sanitary sewer and drainage purposes.

    (d) Easement 1531, area 2,664 square feet, for electrical purposes.

    (e) Easements 1536 to 1540, inclusive, area 359 square feet each, for utility purposes.

    (f) Easement 1541, area 405 square feet, for utility purposes.

    (g) Easement 1542, area 841 square feet, for electrical purposes.

    (h) Easement 1649, area 438 square feet, for electrical purposes.

20. Grant of easement in favor of Hawaiian Electric Company, Inc., dated July 14, 1988, filed in the Office of said Assistant Registrar as Document No. 1566294, granting an easement for a switching vault over, across and through Easement 1529 and Easement 1649 for pullboxes, handholes and underground power lines over, across and through Easement 1649.

21. Ewa by Gentry Community Area Declaration of Covenants, Conditions and Restrictions dated July 21, 1988, recorded in said Office of the Assistant Registrar as Document No. 1568352.

END OF EXHIBIT "C"

EXHIBIT "D"

ESTIMATE OF INITIAL MAINTENANCE FEES AND ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee	x	12 months	=	Yearly Total
810	$ 56.88	X	20	=	$ 1,137.60
874	$ 61.62	X	20	=	$ 1,232.40

The foregoing maintenance fees do not include the Ewa by Gentry Community Association dues which at the present time amount to $10.00 a month.

[ ] Revised on _____

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Exhibit "D"

Estimate of Maintenance Fee Disbursements:

	Monthly x 12 months =	Yearly Total
Utilities and Services		
Air Conditioning		
Electricity		
[X] common elements only	250	3,000
[ ] common elements and apartments		
Gas		
Refuse Collection	150	1,800 (2 dumpsters)
Telephone		
Water and Sewer		
Maintenance, Repairs and Supplies		
Building	50	500
Grounds	350	4,200
	50	600
Management		
Management Fee	600	7,200
Payroll and Payroll Taxes		
Office Expenses	15	180
Insurance	480	5,760
Reserves	225	2,700
Taxes and Government Assessments		
Audit Fees	150	1,800
Miscellaneous Project Expense	50	600
Other		
TOTAL	$2,370.00	$28,440.00

~~XXXXX~~ Gentry Homes, Ltd., the Developer ~~XXXXXXXXXXXXXXXXXXXXXX~~ 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.

GENTRY HOMES, LTD.

By Harry Jay Nigdal

Its Assistant Vice President

Date: December 1, 1988

EXHIBIT "E"

Summary of Sales Contract

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

1. What the obligations are of the purchaser if the purchaser wants a mortgage loan to cover part of the purchase price.

2. That a purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

3. That a purchaser will not receive interest on deposits made under the Sales Contract.

4. That the apartment will be subject to various other legal documents which the purchaser should examine.

5. That the Project will be subject to ongoing construction and sales activities which may result in certain annoyances to purchaser.

6. That under certain circumstances where the apartment is ready for occupancy and the purchaser has not completed his financing arrangements for the purchase of the apartment, the Developer may require purchaser to take possession of and rent the apartment prior to closing. However, this provision does not apply to purchasers who are financing their purchase with an FHA or VA mortgage loan.

7. That the Developer has reserved the right to administratively merge the increments of Palm Court.

EXHIBIT "F"

Summary of Escrow Agreement

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

1. Escrow will let purchasers know when payments are due.

2. Escrow will arrange for purchasers to sign all necessary documents.

3. The Escrow Agreement says under what conditions a refund will be made to a purchaser.

4. The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract.

5. The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.