CONDOMINIUM PUBLIC REPORT

Prepared &
Issued by: Developer GENTRY HOMES, LTD.
Address 560 North Nimitz Highway, Honolulu, Hawaii 96817-5315

Project Name (*): AVALON, PHASE 5
Address: 91-1029 (Bldg. 17), 91-1021 (Bldg. 18), 91-1023 (Bldg. 19), 91-1027 (Bldg. 20) and 91-1025 (Bldg. 22) Laulauna Street, Ewa Beach, Hawaii 96706

Registration No. 4488

Effective date: September 6, 2000
Expiration date: October 6, 2001

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

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

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

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 by the developer when complete information is filed.

___ FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
[ ] No prior reports have been issued.
[ ] This report supersedes all prior public reports.
[ ] This report must be read together with _____

___ SUPPLEMENTARY (pink) This report updates information contained in the:
[ ] Preliminary Public Report dated: _____
[ ] Final Public Report dated: _____
[ ] Supplementary Public Report dated: _____

And [ ] Supersedes all prior public reports
[ ] Must be read together with _____
[ ] This report reactivates the _____
public report(s) which expired on _____

(*) Exactly as named in the Declaration

FORM: RECO-30 286/986/189/1190/892/0197/1098

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required and attached to this report [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 report if they wish to know the specific changes that have been made.

[X] No prior reports have been issued by the developer.

[ ] Changes made are as follows:

TABLE OF CONTENTS

		Page
Preparation of this Report		1
Expiration Date of Reports		1
Type of Report		1
Disclosure Abstract		2
Summary of Changes from Earlier Public Reports		2
Table of Contents		3
General Information on Condominiums		4
Operation of the Condominium Project		4
I.	PERSONS CONNECTED WITH THE PROJECT	
	Developer, Attorney for Developer, General Contractor, Real Estate Broker, Escrow Company, Condominium Managing Agent	5
II.	CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
	A. Declaration	6
	B. Condominium Map (File Plan)	6
	C. Bylaws	6
	D. House Rules	7
	E. Changes to Condominium Documents	7
III.	THE CONDOMINIUM PROJECT	
	A. Interest to be Conveyed to Buyer	8
	B. Underlying Land	9
	C. Buildings and Other Improvements	10
	D. Common Elements, Limited Common Elements, Common Interest	13
	E. Encumbrances Against Title	14
	F. Construction Warranties	15
	G. Status of Construction	16
	H. Project Phases	16
IV.	CONDOMINIUM MANAGEMENT	
	A. Management of the Common Elements	17
	B. Estimate of Initial Maintenance Fees	17
	C. Utility Charges for Apartments	17
V.	MISCELLANEOUS	
	A. Sales Documents Filed with the Real Estate Commission	18
	B. Buyer's Right to Cancel Sales Contract	18
	C. Additional Information Not Covered Above	20
	D. Signature of Developer	21

EXHIBIT A:	APARTMENT DESCRIPTION, PARKING STALL ASSIGNMENTS AND COMMON INTEREST
EXHIBIT B:	COMMON ELEMENTS
EXHIBIT C:	ENCUMBRANCES AGAINST TITLE
EXHIBIT D:	ESTIMATE OF INITIAL MAINTENANCE FEES
EXHIBIT E:	SUMMARY OF SALES CONTRACT
EXHIBIT F	SUMMARY OF ESCROW AGREEMENT

General Information on Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

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/tenants) 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 at the lessee's expense. 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.

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 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 project's 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.

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 the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the 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 important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer:	GENTRY HOMES, LTD. Name* 560 North Nimitz Highway Business Address Honolulu, Hawaii 96817	Phone: (808) 599-5558 (Business)

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

Norman H. Dyer -- President/CEO
Randolph K. Ouye -- Senior Vice President/COO
Toshimasa Hosoda -- Senior Vice President - Planning
Dawn Suyenaga -- Vice President/Secretary
John Shaw -- Vice President - Architecture
Linda F.K. Nakata -- Vice President - Accounting/Treasurer

Real Estate Broker*:	GENTRY HOMES, LTD. Name 560 North Nimitz Highway, Suite 210 Business Address Honolulu, Hawaii 96817	Phone: (808) 599-5558 (Business)
Escrow:	ISLAND TITLE CORPORATION Name 1132 Bishop Street, Suite 400 Business Address Honolulu, Hawaii 96813	Phone: (808) 531-0261 (Business)
General Contractor*:	GENTRY BUILDERS, LLC Name 560 North Nimitz Highway, Suite 213 Business Address Honolulu, Hawaii 96817	Phone: (808) 599-5558 (Business)
Condominium Managing Agent*	CERTIFIED MANAGEMENT, INC. Name 3179 Koapaka Street Business Address Honolulu, Hawaii 96819	Phone: (808) 836-0911 (Business)
Attorney for Developer	Dawn Suyenaga/Melinda Ching Name 560 North Nimitz Highway, Suite 210 Business Address Honolulu, Hawaii 96817	Phone: (808) 599-5558 (Business)

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

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. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the apartment owners with respect to the project and 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.

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: Document No. _____
Book_____ Page _____
[ ] Filed - Land Court Document No._____

The Declaration referred to above has been amended by the following instruments [state name of document, date 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 Conveyances Condo Map No. _____
[ ] Filed - Land Court Condo Map No._____

The Condominium Map has been amended by the following instruments [state name of document, date 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 manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

[X] Proposed
[ ] Recorded - Bureau of Conveyances: Document No. _____
Book_____ Page _____
[ ] Filed - Land Court Document No._____

The Bylaws referred to above have been amended by the following instruments [state name of document, date 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 limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. 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 common interest which 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	---	51%

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. Developer:

[ ] No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

[X] 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 Buyer, provided that the changes do not substantially impair the prospective use and enjoyment of the apartments; materially alter the arrangement of the rooms or reduce the usable space within the apartment; render unenforceable the Buyer's mortgage loan commitment; alter Buyer'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, 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 H, page 16 of this report.

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

[X] Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.

[ ] Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/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 regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

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

For Subleasehold:

[ ] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
[ ] Canceled [ ] 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 canceled or foreclosed.

[ ] Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Sub-leasehold:

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 at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

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

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

91-1029 (Bldg. 17), 91-1021 (Bldg. 18), 91-1023 (Bldg. 19)

Address: 91-1027 (Bldg. 20) and 91-1025 (Bldg. 22) Tax Map Key (TMK): (1) 9-1-102: 016 (por.) & 017 (por.)

Laulauna Street, Ewa Beach, Hawaii 96706

[ ] Address [X] TMK is expected to change because of pending subdivision

Land Area: 21,129 [X] square feet [ ] acre(s) Zoning: A-1

Fee Owner: GENTRY HOMES, LTD., a Hawaii corporation
Name
560 North Nimitz Highway
Address
Honolulu, Hawaii 96817

Lessor: Not Applicable
Name

Address

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 5 Floors Per Building 1 Floor for Bldg. 19; 2 Floors for Bldgs. 17, 18, 20 and 22.

   [ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

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

   [X] Other composition siding; composition shingles

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Determined By Zoning
[X] Residential	10	[X] Yes [ ] No	[ ] Ohana		[ ] Yes [ ] No
[ ] Commercial		[ ] Yes [ ] No	[ ] Industrial		[ ] Yes [ ] No
[ ] Mix Res/Comm		[ ] Yes [ ] No	[ ] Agricultural		[ ] Yes [ ] No
[ ] Hotel		[ ] Yes [ ] No	[ ] Recreational		[ ] Yes [ ] No
[ ] Timeshare		[ ] Yes [ ] No	[ ] Other:		[ ] Yes [ ] No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
[X] Yes [ ] No.

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the 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.

[ ] Number of Occupants:

[X] Other: Apartment cannot be used for transient or hotel use. The apartment cannot be sold, rented or used for "timeshare", "time interval", "vacation license" or "travel club membership".

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: None Stairways: One per apt. Trash Chutes: None

Apt. Type	Quantity	Br/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
1	8	3 Bdrm/2 Bath	988.15		
2	2	3 Bdrm/2 Bath	1,029.50		

Total Number of Apartments: 10

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

** NOTE: Fenced courtyard configurations and sizes may vary due to job site conditions.

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 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 or 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 fenced yard which is 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 only with the approval of the Board of Directors of the Association of Apartment Owners.

7. Parking Stalls:

Total Parking Stalls: 20 parking stalls are located in the Project. See Exhibit "A".

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for each unit)	10*	---	---	10*	---	---	20
Guest	---	---	---	---	---	---	---
Unassigned	---	---	---	---	---	---	---
Extra for Purchase	---	---	---	---	---	---	---
Other:	---	---	---	---	---	---	---
Total Covered & Open	10		10		-0-		20

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

* **Note:** Buyers with oversized vehicles (a van, a truck) or whose cars are not a compact size, should inspect the assigned parking stalls thoroughly to ensure that the parking stalls can accommodate their vehicles.

[ ] 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:

[ ] There are no recreational or common facilities.

[ ] Swimming pool [ ] Storage Area [ ] Recreational Area

[ ] Laundry Area [ ] Tennis Court [ ] Trash Chute/Enclosures(s)

[X] Other: park. [See Paragraph 6 on page 20B.]

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

[X] There are no violations. [ ] Violations will not be cured.

[ ] Violations and cost to cure are listed below. [ ] Violations will be cured by _____ (Date)

10. Conditions and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years):

NOT APPLICABLE.

11. 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 other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration are:

[X] described in Exhibit B

[ ] 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.

[X] The limited common elements and the apartments which use them, as described in the Declaration, are:

[ ] described in Exhibit _____.

[X] as follows:

(a) Parking garage and driveway appurtenant to the apartment;
(b) Mailbox bearing the same designations as the apartment;
(c) Yard areas as shown on the Condominium Map;
(d) Privacy fence surrounding the yard area. Privacy fences that run between neighboring apartments shall be shared.
(e) Roofs and exterior siding of each apartment; and
(f) All other common elements which are rationally related to less then all of the apartments in the Project.

NOTE: Each apartment and the limited common elements referenced above do not comprise a legally subdivided individual lot.

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 used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interest for the apartments in this project as described in the Declaration, are:

[X] described in Exhibit A

[ ] as follows:

E. **Encumbrance Against Title:** An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit C describes the encumbrances against the title contained in the title report dated July 6, 2000 and issued by Island Title Corporation.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien 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. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed **Prior to Conveyance**
Mortgage	Lender has priority over Buyer's rights under a sales contract, and has a right to terminate sales contracts upon foreclosure of its mortgage before an apartment sale is closed. Should the lender terminate Buyer's sales contract, Buyer shall be entitled to a refund of all deposits, less escrow cancellation fee.

F. **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 Buyer 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 in the Project is conveyed to a Buyer 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 Buyer of the respective manufacturers' or dealers' warranties , if any.

G. **Status of Construction and Date of Completion or Estimated Date of Completion:**

Construction commenced in September, 2000 and is expected to be completed in approximately December, 2000.

H. **Project Phases:**

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

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

Each phase of AVALON will be a separate condominium community. Developer will "merge" some or all of the phases of AVALON with other condominium communities on the property covered by the same Joint Development Agreement, including all phases of Lombard Way, Suncrest and The Shores at Suncrest (see page 20A, paragraph 5) for the purposes of sharing common area costs shared by the various communities (such as roadways, street lighting and landscaping). This means that the owners and occupants of the merged phases will share the use of the common elements and the common expenses of those phases. Certain common area costs unique to a particular condominium community which should not be shared with other communities will be allocated to the condominium community affected. Upon merger, Buyer will have a new percentage interest for voting and maintenance fee purposes only. Buyer's ownership interest will not be affected. Developer will record a certificate of administrative merger which will state the effective date of the new percentage interest. Developer is not obligated to merge all phases of AVALON. Developer may merge other phases into already merged phases of AVALON at a later time.

IV. CONDOMINIUM MANAGEMENT

A. **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 condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium 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 condominium managing agent for this project, named on page five (5) of this report, is:

[X] not affiliated with the Developer
[ ] self-managed by the Association of Apartment Owners
[ ] the Developer or the Developer's affiliate.
[ ] other_____

B. **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, a lien may be placed on your apartment and the apartment may be 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.

Exhibit D contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. **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:

[ ] None
[ ] Gas
[X] Water
[X] Electricity (X Common Elements only _____ Common Elements & Apartments)
(_____ Common Elements only _____ Common Elements & Apartments)
[X] Sewer
[ ] Television Cable
[X] Other Refuse Collection

V. MISCELLANEOUS

A. **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

[X] Specimen Sales Contract
Exhibit E contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated May 4, 2000
Exhibit F contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other_____

B. **Buyer's Right to Cancel Sales Contract:**

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales 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 or Supplementary Report to a Final Report: Sales made by the developer are binding if:

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

A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**
B) 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.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

   A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
   B) Declaration of Condominium Property Regime, as amended.
   C) Bylaws of the Association of Apartment Owners, as amended.
   D) House Rules, if any.
   E) Condominium Map, as amended.
   F) Escrow Agreement.
   G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
   H) Other Ewa by Gentry Community Area Declaration of Covenants, Conditions and Restrictions
      (See Paragraph 7 on page 20B)

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 Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 4488 filed with the Real Estate Commission on August 28, 2000.

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

[X] YELLOW paper stock [ ] WHITE paper stock [ ] PINK paper stock

C. ADDITIONAL INFORMATION NOT COVERED ABOVE

1. Developer must report certain information to the City and County of Honolulu (the "City") pursuant to affordable housing requirements imposed by the City. We will require information from you regarding income and household size to provide to the City for information purposes.

2. Construction of AVALON, PHASE 5 and other phases of AVALON (together "AVALON") will be ongoing for several months while units are being occupied. This ongoing construction will create dust, noise and increased traffic in the vicinity of occupied units. Certain hazardous conditions relating to the construction may also exist for a period of time. Additionally development of the areas around AVALON will cause dust in and around the Project for several years as development in Ewa by Gentry continues. Buyer understands that Developer will make efforts to minimize the dust but that it is an inevitable result of the ongoing construction.

3. Sales activities for AVALON and neighboring communities will be ongoing for several months. This may result in increased traffic and noise in the vicinity of the sales office. Portions of the common areas may be used for signage and other sales activities for a period of time while sales are ongoing.

4. Buyer understands and acknowledges that certain activities will occur on and about AVALON ("Activities Affecting AVALON") as follows:

(a) AVALON is bordered on the mauka side by SEA BREEZE, a single family community. The makai side borders Iroquois Point Road, a major roadway which is occasionally used by the Department of the Navy in transporting aircrafts and munitions. Holomua School and a future park site border the ewa side of AVALON. The land immediately adjacent to AVALON on the Diamond Head side is an area denoted by the Navy as an Explosive Safety Hazard Zone in connection with munitions that may be loaded onto ships at West Loch at the Lualualei Naval Magazine. This area, which extends to West Loch, will have restricted development required by the Navy. The Navy has leased portions of this area for agricultural use, which may create dust and noise. Because this area is undeveloped, there may also be pests such as cockroaches and other insects for a period of time.

(b) AVALON is located upon land previously used for the cultivation of sugar cane. Land near or adjacent to AVALON may continue to be used for the cultivation and harvesting of agricultural products, which may cause dust and noise. Crops may be burned when seasonally appropriate. 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.

(c) AVALON is located in the vicinity of the West Loch Branch of the Lualualei Naval Magazine ("West Loch") which in the event of military action may be a sensitive area.

(d) AVALON is located in the vicinity of a commercial airport (Honolulu International Airport) and a possible future airport at the former Barber's Point Naval Air Station and Buyer is aware that there is a likelihood of noise from planes passing overhead or nearby. The 1987 Noise Contour Map of the Honolulu International Airport Master Plan shows AVALON located in an area subject to the noise levels of 55 Ldn..

(e) AVALON is located near the Honouliuli Wastewater Treatment Plant, which generates odors and which will be expanded in the future to accommodate increased usage.

(f) The Federal Emergency Management Agency ("FEMA") has not yet reviewed AVALON area to determine whether the Property is within a flood hazard zone. If FEMA later determines that the Property is within a flood hazard area, then your lender may require you to obtain flood insurance.

(g) The Coral Creek Golf Course has been constructed on the west side of Fort Weaver Road. The property is also a designated flowage easement for drainage purposes which will be dedicated to the City and County.

There may be hazards that may cause injuries and damages to persons and/or property on AVALON such as periodic spraying or other treatment of the golf course area with pesticides, insecticides, herbicides, fungicides and fertilizers. Irrigation of the golf course may be with water from storm water retention basins or reclaimed water from the Honouliuli Wastewater Treatment Plant (used in accordance with Department of Health guidelines). There may also be noise emanating from the golf course in connection with play, irrigation, mowing and other maintenance and operation.

Owners in AVALON will not have an ownership interest, a right to use any facilities or a right to enter the property by virtue of their membership in the Ewa by Gentry Community Association.

(h) Coronado and Palm Villas multi-family communities have been developed as a combination of sale/rental units to meet the City affordable housing requirements. At this time, the locations of additional affordable housing communities have not been finally determined.

These Activities Affecting AVALON may cause some unpleasant odors, surface water runoff, noise, dust, smoke and other unpleasant effects that may bother or be a nuisance to Buyer and other occupants and invitees of the Project. In the Apartment Deed, each Buyer, for himself, his heirs, personal and legal representatives and assigns, will release, indemnify, defend and hold harmless Developer, the Thomas H. Gentry Trust, a California Trust dated February 11, 1986, as amended, and related entities, the Trustees of the Estate of James Campbell, Deceased, and Oahu Sugar Company, Limited, Coral Creek Golf, Inc. and any future owner and/or operator of the areas planned for golf course use, and their respective officers, directors, employees, agents, successors, successors-in-trust, and assigns from any and all liability, claims, losses, damages, or expenses, including attorneys' fees, arising from any such impairment of the use and enjoyment of the Property, loss of market value of the Property, or property damage or personal injury to the property or person of Buyer, or Buyer's tenants, lessees, family, servants, guests, invitees, licensees, agents, employees, or other persons who may use the Property. However, the person or entity whose actions or omissions are the direct cause of any damage to Buyer shall be responsible for the consequences or results of its own gross negligence, willful misconduct or violation of applicable law. Buyer hereby irrevocably agrees to suffer and permit all actions and consequences incident to the Activities affecting AVALON described above.

5. AVALON, PHASE 4 is part of an overall area covered by that certain Agreement for Issuance of Conditional Use Permit Under Section 4.40-21 of the Land Use Ordinance (LUO) dated September 24, 1996 and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2340815 (the "Joint Development Area"). The Joint Development Area currently includes AVALON, PHASES 2, 3 and 4; Lombard Way, Phases A, B, C, D, F, G, H, K, L, M, N, O and P, Suncrest, Phases A and B, the Suncrest Model Complex, The Shores, Phases 1, 2 and 3&4 and additional land to be developed in the future. The Joint Development Area was designed to operate as a cohesive, integrated multi-family community that includes shared common facilities and infrastructure, including but not limited to potable water, non-potable well system, irrigation, drain, sewer and electrical systems, visitor parking stalls, roadways and landscaping. Developer may alter development plans to address market conditions and may develop a separate condominium or rental community in the Joint Development Area differing in design and construction from AVALON. The use and cost of maintaining and operating the shared infrastructure and facilities will be shared among all owners on a pro rata basis.

6. Lot 12049, Map 902, and Lot 13043, Map 947, both of Land Court Application No. 1069 are open recreation areas ("Recreation Area") for the use of all residents living in the Joint Development Area. Lot 13043 is part of LOMBARD WAY, PHASE M's common elements. The various condominium communities within the Joint Development Area will acquire an interest in said Lot 13043 upon being administratively merged with AVALON, PHASE 5. Developer intends to either convey said Lot 12049 to the several associations of apartment owners within the Joint Development Area as tenants in common or it may be added to a future phase of development in the Joint Development Area. Each association's share of the Recreation Area shall be based upon the association's proportionate share of the total number of apartments in the Joint Development Area. The several associations of apartment owners within the Joint Development Area shall have the duty and obligation to accept and maintain the Recreation Area at the common expense of all of the owners of apartments within the Joint Development Area.

7. All apartment owners in AVALON are automatically members of the Ewa by Gentry Community Association, a non-profit Hawaii corporation. All owners are therefore subject to the restrictions, covenants and conditions of the Ewa by Gentry Community Area Declaration of Covenants, Conditions and Restrictions which govern the entire Ewa by Gentry community. The Community Association enforces the provisions of the Declaration of Covenants, Conditions and Restrictions to ensure a well maintained, safe and aesthetically pleasing community. Each owner pays dues to the Community Association in the amount of approximately $39 per quarter.

8. The sizes and configurations of the limited common areas and common areas reflected on the Condominium Map are approximations only. Actual sizes and configurations may vary due to the placement and location of utilities and due to varying terrain surrounding each building.

9. Each unit in AVALON has two (2) assigned parking spaces. Owners must park in their assigned spaces only. Parking is not allowed in the roadways or any common areas. Buyers with oversized vehicle (a van, a truck) or whose cars are not a compact size, should inspect the assigned parking stalls thoroughly to ensure that the parking stalls can accommodate their vehicles.

10. Water used to irrigate the common area landscaping in the community (which include portions of the front yard of each unit) will come from either a nonpotable well service or may be from reclaimed water from the Honouliuli Wastewater Treatment Plant. Any reclaimed water has been treated according to Department of Health guidelines.

11. Homes in AVALON will not have curbside trash collection. There will be a trash collection bin as shown on the Condominium Map.

12. AVALON is part of a private drainage system that connects to the City and County of Honolulu's municipal sewer system. As such, Federal regulations prohibit the following from being discharged into the Project's drainage system:

(a) domestic wastewater;

(b) industrial wastewater;

(c) any debris, refuse or solid waste or yard waste;

(d) chlorinated swimming pool water;

(e) washwater from vehicle and equipment cleaning; and

(f) oil and petroleum products.

Owners are prohibited from discharging any of the above into the Project's drainage system.

The Association is solely responsible for the maintenance and upkeep of the Project's drainage system. It shall cooperate with the Developer in assuming the Developer's National Pollutant Discharge Elimination System (NPDES) Permit No. H10021229 and shall be responsible for enforcing the terms and conditions of the NPDES Permit.

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

GENTRY HOMES, LTD.
Printed Name of Developer

By _____ August 21, 2000
Duly Authorized Signatory* Date

DAWN SUYENAGA, Vice President/Secretary
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City & County of Honolulu
Planning Department, City & County of Honolulu

**Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership(LLP) by the general partner; Limited Liability Company(LLC) by the manager or member; and for an individual by the individual.*

10/98

EXHIBIT "A"

DESCRIPTION OF APARTMENT TYPES AND DESIGNATIONS

Bldg. and Apt.	Apt. Plan	Net Living Area (sq. ft.)	1st Stall (Carport)	2nd Stall (Open)
17-A	1	988.15	110	126*
17-B	1	988.15	109	123*
18-A	1	988.15	108	118*
18-B	1	988.15	107	120*
19-A	2	1,029.50	114	119*
19-B	2	1,029.50	113	117*
20-A	1	988.15	112	125*
20-B	1	988.15	111	122*
22-A	1	988.15	116	124*
22-B	1	988.15	115	121*

* Denotes compact stalls.

Residents of AVALON, PHASE 5 will be able to use visitor stalls designated in other condominium communities in the Joint Development Area merged with AVALON, PHASE 5.

Plan 1 (3 Bedroom/2 Bath) (988.15 sq. ft.)

Two story three bedroom, two bath apartment with the living room, dining room, kitchen, bedroom and bathroom on the ground floor, connected by an interior stairway to the second floor which has a master bedroom, master bathroom, an additional bedroom and laundry area. All apartments have a limited common element concrete lanai and fenced courtyard area.

Plan 2 (3 Bedroom/2 Bath) (1,029.50 sq. ft.)

One story three bedroom, two bath apartment with a master bedroom, master bathroom, two additional bedrooms, an additional bathroom, laundry area, a living room, dining room and kitchen. All apartments have a limited common element concrete lanai and fenced courtyard area.

NOTE: The sizes and configurations of the lanais and courtyards reflected on the Condominium Map are approximations only. Actual sizes and configurations may vary due to the placement and location of utilities and due to varying terrain surrounding each building.

BREAKDOWN OF MODELS
AND PERCENT OF COMMON INTEREST FOR AVALON, PHASE 5
(Ownership Interest)

Plan	Percent of Common Interest	Number in Project	Total Percent of Common Interest
1	9.92%	8	79.36%
2	10.32%	2	20.64%
		10	100.00%

As nearly as practicable, the common interest for each residential apartment was determined by dividing the net floor area of the particular apartment by the total net interior floor area of all apartments in the Project and multiplying that amount by 100%.

ADMINISTRATIVE MERGER

The Developer may administratively merge phases of AVALON with other condominium communities within the Joint Development Area. The Developer may also merge other condominium communities within the Joint Development Area into the already merged phases of AVALON at a later date. Upon administrative merger, the apartment owners in each of the merged condominium communities will have a new common interest which will be the apartment owners' new interest for voting and maintenance fee allocation purposes only in the merged project. The apartment owners' ownership interest will not be altered or affected in any way. The Developer will record a certificate of administrative merger which will state the new administrative common interest and its effective date. Each apartment owner's new administrative common interest will be computed by dividing the square footage for each apartment by the total square footage of the sum of all apartments in the entire merged project.

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 load-bearing walls (except for the inner decorated surfaces within each apartment) and the roofs of the buildings; the attic crawlspace; all walkways, exterior stairways, landings, railings and the fences enclosing the fenced courtyard areas of said buildings;
3. All yards, gardens, planting areas, fences, trash collection areas, walkways, walkway lights and building exterior lights;
4. All carports, loading zones, access lanes, roads, curbs, sidewalks and street lights;
5. 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, drainage, telephone, radio and television signal distribution, if any;
6. Any apparatus and installations existing for common use, such as tanks, pumps, motors, fans, compressors, ducts, vents and other such installations and apparatus; and
7. All other parts of the Project necessary or convenient to its existence, maintenance and safety or normally in common use.

END OF EXHIBIT "B"

EXHIBIT "C"

ENCUMBRANCES AGAINST TITLE

1. Title to all minerals and metallic mines reserved to the State of Hawaii.

2. Restrictions, covenants and conditions as contained in that certain 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, as amended by instrument dated May 30, 1989, recorded in the Office of said Assistant Registrar as Document No. 1652869, as further amended by instrument dated June 21, 1991, recorded in the Office of the Assistant Registrar as Document No. 1888053, and as may be further amended from time to time. The Project was made subject to the above Declaration of Covenants, Conditions and Restrictions by that certain Declaration of Addition of Real Property dated October 25, 1996 and recorded in said Office of the Assistant Registrar as Document No. 2345905.

3. Rights, easements, privileges and reservation thereof and certain terms, conditions and provisions as contained in Limited Warranty Deed dated May 22, 1991, recorded in said Office of the Assistant Registrar as Document No. 1821997. *[Developer intends to release this document and replace it with a Declaration and Confirmation of Restrictions, Reservations, Conditions and Covenants that will keep certain provisions contained in the Limited Warranty Deed, while omitting the rest of the provisions.]*

4. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in the Declaration of Land Use Commission Conditions, dated July 12, 1991, recorded in said Office of the Assistant Registrar as Document No. 1836142.

5. Terms and provisions of that certain Unilateral Agreement and Declaration of Conditional Zoning dated July 12, 1994 and recorded in said Office of the Assistant Registrar as Document No. 2163448.

6. Mortgage made by Gentry Development Company (now known as Gentry Investment Properties) and Gentry Homes, Ltd. in favor of Bank of Hawaii, a Hawaii corporation, as agent dated August 24, 1995 and recorded in said Office of the Assistant Registrar as Document No. 2258188. *[Developer intends to record a document to release this encumbrance prior to conveyance of apartment to buyer.]*

7. Financing Statement made by Gentry Development Company (now known as Gentry Investment Properties) and Gentry Homes, Ltd. in favor of Bank of Hawaii, a Hawaii corporation, as agent recorded on September 1, 1995 in said Bureau of Conveyances as Document No. 95-113317. Said Financing Statement was amended by instrument recorded on May 17, 1996 in said Bureau of Conveyances as Document no. 96-069398. *[Developer intends to record a document to release this encumbrance prior to conveyance of apartment to buyer.]*

8. Assignment of Sales Contracts and Sales Proceeds made by Gentry Homes, Ltd. in favor of Bank of Hawaii, a Hawaii corporation, as agent recorded on September 1, 1995 in said Bureau of Conveyances as Document No. 95-113318. Said assignment was amended by that certain instrument dated January 13, 1996 and recorded in said Bureau of Conveyances as Document No. 96-005441. *[Developer intends to record a document to release this encumbrance prior to conveyance of apartment to buyer.]*

9. Easement 6094, for access and utility purposes, as shown on Map 859 of Land Court Application No. 1069, as set forth by Land Court Order No. 125606, recorded on September 19, 1996.

10. Terms and provisions of that certain Agreement for Issuance of Conditional Use Permit Under Section 4.40-21 of the Land Use Ordinance (LUO) dated September 24, 1996 and recorded in said Office of the Assistant Registrar as Document No. 2340815.

11. Grant of Easement in favor of Hawaiian Electric Company, Inc., a Hawaii Corporation, and GTE Hawaiian Telephone Company, Incorporated, a Hawaii corporation dated January 28, 1998, recorded in said Office of the Assistant Registrar as Land Court Document No. 2451812, assigned as additional security by Document No. 2451813.

12. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the Declaration of Condominium Property Regime of AVALON, PHASE 5 dated _____, recorded in said Office of the Assistant Registrar as Document No. _____ and Condominium Map No. _____, to which reference is hereby made.

13. By-Laws of the Association of Apartment Owners of AVALON, PHASE 5 dated _____ and recorded in said Office of the Assistant Registrar as Document No. _____.

14. Real property taxes due and payable, refer to Director of Finance, City and County of Honolulu.

Note: The name of Gentry Development Company, a Hawaii limited partnership has been legally changed to Gentry Investment Properties, a Hawaii limited partnership, as set forth by Land Court Order No. 123770, recorded March 25, 1996.

END OF EXHIBIT "C"

EXHIBIT "D"

AVALON, PHASE 5
(8 units)

ESTIMATE OF INITIAL MAINTENANCE FEES
(Prior to Merger)

APARTMENT PLAN TYPE	APPROXIMATE NET LIVING AREA (SQ. FT.)	MONTHLY FEE	x	12 MONTHS	=	YEARLY TOTAL
Plan 1	988.15	$111.50				$1,338.00
Plan 2	1,029.50	$116.00				$1,392.00

Gentry Homes has reserved the right to merge some or all of the phases of AVALON as set forth in Section 16 of the Declaration. Lombard Way, Phases A thru D, F, G, H & K; Suncrest, Phases A and B and Suncrest Model Complex; The Shores at Suncrest, Phase 5 and Phases 3 & 4 have already been administratively merged effective March 1, 2000. Gentry Homes does not know at this time when phases of AVALON can be merged. Should any phases be merged, the maintenance fees will be recalculated based upon the expenses for the merged phases. No budget or estimate of maintenance fees for AVALON after the merger of all of the phases is available at this time.

The foregoing maintenance fees do not include the dues payable to the Ewa by Gentry Community Association. At the present time, those dues are $39 per quarter for a total of $156 a year.

EXHIBIT "A"
AVALON, Phase 5
Estimated Annual Common Expense

	Monthly	Annual
Utilities and Services		
Television		
Air Conditioning		
Electricity (common elements only)	$50.00	$600.00
Gas		
Water and Sewer	$410.00	$4,920.00
Refuse Collection	$46.00	$552.00
Telephone/Communication		
Maintenance, Repairs, and Supplies		
Building		
Grounds	$325.00	$3,900.00
Management		
Management Fee	$40.00	$480.00
Payroll and Payroll Taxes		
Office Expenses	$19.00	$228.00
Insurance	$172.00	$2,064.00
Reserves	$58.00	$696.00
Taxes and Government Assessments	$2.00	$24.00
Professional Services - Audit	$2.00	$24.00
Other - Legal Expenses		
Security		
Amenities		
TOTAL	$1,124.00	$13,488.00

I, TONI FLOERKE-POLITSCH, as agent and employed by CERTIFIED MANAGEMENT, INC., the condominium managing agent or the developer, for the condominium project AVALON, Phase 5, hereby certify that the above estimates of initial maintenance fees assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

07-Aug-00

Toni Floerke-Politsch — Date
Vice President of the Community Association Management Division

AVALON, Phase 5
Certification of Reserve Study

I, TONI FLOERKE-POLITSCH, as agent and employed by CERTIFIED MANAGEMENT, INC., the condominium managing agent or the developer, for the condominium project, AVALON, Phase 5, hereby certify that a reserve study has been conducted in accordance with 514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Toni Floerke-Politsch
Vice President of the Community Association Management Division

07-Aug-00
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 states the following:

1. Seller is selling AVALON pursuant to affordable housing requirements imposed by the City and County of Honolulu (the "City"). Seller will require information from Buyer regarding income and household size to provide to the City for information purposes.

2. Buyer must live in the apartment for at least 365 consecutive days.

3. Buyer has certain obligations if Buyer wants a mortgage loan to cover part of the purchase price.

4. Buyer's money will be held in escrow, under the terms of the Escrow Agreement.

5. Buyer will not receive interest on deposits made under the Sales Contract.

6. The apartment will be subject to various other legal documents which Buyer should examine.

7. The Project will be subject to ongoing construction and sales activities which may result in certain annoyances to Buyer.

8. Seller has no control over certain activities on adjacent property owned by others including agriculture, military, utility and aviation. These activities may cause some inconveniences to Buyer. Buyer will indemnify Seller and the owners of the properties involved except in cases of negligence or willful misconduct.

9. Under certain circumstances where the apartment is ready for occupancy and Buyer has not completed his financing arrangements for the purchase of the apartment, Buyer will be responsible for all of Seller's expenses as a result of Buyer's delay.

10. Seller has reserved the right to merge some or all of the phases of AVALON. If such merger takes place, the percentage common interests for the apartments will change.

11. In the event of default under the sales contract:

By Buyer:

a. Seller may cancel the sales contract and retain Buyer's initial deposit;

b. Seller may file a lawsuit for damages;

c. Seller may file a lawsuit for "specific performance"; and

d. Buyer shall be responsible for expenses incurred.

By Seller:

a. Buyer may file a lawsuit for "specific performance";

b. Buyer may cancel the sales contract and Seller will return all deposits, without interest;

c. Buyer has all remedies available at law and in equity.

END OF EXHIBIT "E"

EXHIBIT "F"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement describes the arrangement under which the deposits a buyer makes under a Sales Contract will be held by a neutral party ("Escrow"). The following are relevant terms stated in the agreement:

1. Interest on Buyer's deposits will accrue in favor of the Seller and not the Buyer unless the parties specifically provide otherwise.

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

3. The Escrow Agreement describes the conditions upon which a refund will be made to a buyer.

4. The Escrow Agreement describes what will happen to a buyer's funds if a party defaults under the Sales Contract.

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

END OF EXHIBIT "F"