

**GENTRY HOMES LTD.
Ka'ulu by Gentry
Reserved Housing Sale
(Townhomes)**

SALES PROCESS

SALES PROCESS

1. The Pre-Sale Notice will be published in the “Honolulu Star Advertiser” on **Sunday, June 14, 2026, and Sunday, June 21, 2026.**

The Pre-sale Notice **lists 9** units. To abide with the State of Hawaii - City and County of Honolulu’s owner occupant requirement, THESE UNITS MUST BE SOLD TO OWNER OCCUPANTS ONLY.

2. The Reserved Housing Packet consists of:
 - a. Sales Process
 - b. Applicant’s Packet
 - c. Additional Documents (If applicable)
 - d. “Attention Buyers” sheet regarding parking and the best management practices for washing vehicles disclosure.

A prequalification letter is required to participate in lottery.

3. **Reserved Housing** Sales packets will be available from the sales office on Sunday, June 14, 2026; also available on gentryhawaii.com website. **The deadline to submit the Owner-Occupant Affidavit and pre-qualification letter is Thursday, June 25, 2026, by 5:00 p.m.**
4. You can submit your documents in one of the following ways:
 - a. Hand deliver to the KA’ULU Sales Center at 91-1101 Franklin D. Roosevelt Avenue, Unit 227 (preferred method).
 - b. Email to kaulu@gentryhawaii.com on or before the deadline. Keep the original until a sales agent provides additional instructions.
 - c. Fax to (808) 447-8431 on or before the deadline. Keep the original until a sales agent provides additional instructions.
5. Home selection will be made via **lottery on Saturday, June 27, 2026, at 11:00 a.m.**
6. It is Buyer’s responsibility to make sure that all their completed paperwork has been entered into the log by the deadline date to include date of receipt, buyer’s first and last name, homesite selection(s), and contact numbers.

7. Names submitted, numerical orders issued and back up list are only applicable to Ka'ulu by Gentry III and IV. Each new release requires a repeat of the procedure noted above.
8. There may be homes not offered for sale to the public.
9. There will be no sale of home contingency sales.
10. Broker CO-OP to **all new** prospective buyers registered by a broker/agent on their first visit will be 2% of the Base Price of the home. Broker must accompany client on FIRST visit, **no exceptions**.

SELECTION OF HOMESITE

1. A lottery will be held on **Saturday, June 27, 2026, at 11:00 a.m.**
2. Lottery Process (letter a and b of the process below will be recorded for validity):

(Due to current circumstances, Gentry will have a closed lottery where no applicants will be present. Instead, applicants will be contacted by phone “☆”).
 - a. The lottery will begin at 11:00 a.m. and end at 12:30 p.m. You must be available by phone during this time.
 - b. Names will be drawn to establish the order of the applicants.
 - ☆ c. The agent(s) will call applicants in the order they were pulled, and until the last unit is sold.
 - d. If you are called and there is no answer, the agent will leave you a message. You will have 5 minutes to return the call. If you do not return the call within 5 minutes of the voice message, your name will be placed at the bottom of the back-up list.
 - e. When you speak with the agent, you will have five minutes to provide your choice of Plan and homesite number. Therefore, it is imperative that you complete the homesite selection form prior to being contacted.
 - f. The agent will then provide you with additional instructions.
3. Buyer(s) must complete the reservation and submit a **\$500.00** deposit check made payable to First American Title within 48 hours of home selection. An additional **\$1,000** deposit will be required in the contract.

If buyer(s) is unable to fulfill the above requirements, then buyer(s) will forfeit reservation of home and be placed at the bottom of the list.

4. Once a unit is selected, the Purchase Contract must be completed within 7 days.
5. If a prospect desires a specific plan or homesite that is not available, the prospect will be placed on the back-up list.

Should a unit become available, the agent(s) will review the back-up list and offer the unit to the first prospect whose stated interest coincides with the available unit. The

prospect will have 24 hours to accept the unit. If the prospect accepts the unit but does not execute the Reservation and submit the deposit check within 48 hours of home selection, the prospect will be placed at the bottom of the back up list. If the prospect does not accept the unit, the prospect will be placed at the bottom of the back-up list.

6. Buyer(s) cannot transfer to another homesite unless they cancel their current unit and are placed at the bottom of the back-up list to await another unit.
7. For any questions, please call the sales agents at (808) 447-8430.

Applicant's Packet

1. Housing Information Circular
2. Uniform Residential Loan Application (Obtain a copy of the application from your lender.)
3. Reserved Housing Application Form and Affidavit (must be signed and notarized)
4. Copy of Presale Notice
5. Price List of Reserved Housing Units
6. Site Map Showing Location of Reserved Housing Units
7. Additional Documents (if applicable) (Please obtain these documents from your lender.)
 - a. Co-signer Affidavit
 - b. Custody of Children
 - c. Real Estate Disclosure
 - d. Gift Letter
8. Department of Business, Economic Development, and Tourism = Chapter 15-216, Kalaeloa Reserved Housing Rules



KA'ULU BY GENTRY RESERVED HOUSING INFORMATION CIRCULAR

Thank you for your interest in purchasing a Reserved Housing Unit in Gentry's newest residential community, **Ka'ulu by Gentry** ("Ka'ulu"). Conveniently located in Kalaeloa, **Ka'ulu** will feature beautiful, energy-efficient designs that are trademarks of a Gentry home. 74 of the 390 units will be priced at levels affordable to households earning up to 140% of Oahu's median income and will be sold in cooperation with the State of Hawaii, Hawaii Community Development Authority ("HCDA") through a public lottery (the "**Lottery**") at the Ka'ulu Sales Office located at 91-1101 Franklin D. Roosevelt Avenue, Kapolei, Hawaii. Application packet due dates and lottery dates for various phases will be as specified in the Presale Notice.

Note that sales are subject to certain restrictions.

WHAT'S INCLUDED IN THE RESERVED HOUSING APPLICATION PACKET

This Reserved Housing Information Circular contains information that spells out the buyer's eligibility requirements to purchase a Reserved Housing Unit in Ka'ulu, an explanation of the forms and documents that you will need to submit in order to be eligible to participate in the lottery, as well as an explanation of the restrictions that will be imposed on buyers of Reserved Housing Units. It also briefly explains the sales process, including the unit selection process.

Your Sales Packet includes the following documents:

- A. Ka'ulu by Gentry Reserved Housing Information Circular;
- B. Uniform Residential Loan Application (*See your lender for this.*)
- C. Reserved Housing Application Form and Affidavit (must be signed and notarized);
- D. Copy of Presale Notice;
- E. Price List of Reserved Housing Units; and
- F. Site Map Showing Location of Reserved Housing Units

STEPS TO PARTICIPATE IN THE RESERVED HOUSING LOTTERY

STEP 1 – DETERMINE IF YOU MEET THE GENERAL ELIGIBILITY REQUIREMENTS

The first step is to determine whether you are eligible to purchase a discounted Reserved Housing Unit. Applicants must meet all of the eligibility requirements of Sections 15-216-30 through 15-216-33 of Chapter 216, Hawaii Administrative Rules, entitled "Kalaeloa Reserved Housing Rules" ("Rules"). A copy of the Rules is attached as Exhibit 1 to the Housing Application Form and Affidavit. The eligibility and program requirements are generally summarized below.

1. Applicants, including their spouse and dependent children, must not have a majority interest in a principal residence for at least three years prior to the date of the Applicant's housing application.
2. Applicants must be at least 18 years old.
3. Applicants must have a bona fide intent to reside in the unit purchased for at least two years and must be able and willing to abide by the two-year buy-back restrictions and shared equity requirements as mandated by the Rules. Renting, selling, leasing, offering to rent, sell or lease, or changing title to a reserved housing unit are restricted under the Rules. (See the Section on buy-back restrictions and shared equity requirements for more information.) In other words, you must be an owner-occupant at all times during the two-year buy-back restriction period.

- Applicant's Annual Gross Household Income and Assets must not exceed the maximum limits based on household size listed below or as updated by HCDA. Gross Household Income shall be all income earned during the most current calendar year preceding the date of application to purchase and shall be verified by submittal of most recent current State or Federal tax returns. Gross Household Income includes the total income (before taxes and personal deductions) received by all members of applicant's household, including but not limited to: wages, social security payments, retirement benefits, unemployment benefits, welfare benefits, and interest/dividend payments."

Assets shall not exceed 135% of the applicable household income limit and includes all cash, securities and real and personal property at current fair market value, less any outstanding liabilities secured by such assets. Assets include any portion of retirement accounts that are used for down payment purposes, and any cash gifts. Note that retirement account funds that are not used for down payment purposes are not considered "assets" under the HCDA Kalaeloa Reserved Housing Program.

Household Size	1	2	3	4	5	6	7
140% Income Limit	\$130,700	\$149,400	\$168,100	\$186,750	\$201,700	\$216,650	\$231,550
Asset Limit	\$176,445	\$201,690	\$226,935	\$252,113	\$272,295	\$292,478	\$312,593

900

- Applicants must have the ability to finance the purchase with their own resources, including cash requirements and qualifying for the mortgage loan. A gift letter is acceptable as long as the gift amount does not cause the buyer's household assets to exceed the allowable limit. Applicants may also be assisted by co-signer(s) who may own other lands in fee simple or leasehold suitable for dwelling purposes; however, the co-signer cannot reside in the dwelling unit, will not have an interest in the property, and will not be on title to the property deed. The income and assets of a Co-signer will not be counted in determining eligibility of the qualified resident.
- Applicant's household size must not exceed maximum occupancy, based on number of bedrooms. The Reserved Housing Units being offered are two- and three-bedroom units. The Rules specify a maximum occupancy of five persons for a two-bedroom unit and seven persons for a three-bedroom unit.

Household Size	1	2	3	4	5	6	7
Eligible Home Size (by # of bedrooms)	2 or 3 bdrms	2 or 3 bdrms	2 or 3 bdrms	2 or 3 bdrms	2 or 3 bdrms	3 bdrms	3 bdrms

STEP 2 – FILL OUT THE REQUIRED FORMS (3)

To be eligible to participate in the Lottery for a reserved housing unit, you must completely fill out the following three forms. NOTE THAT THE RESERVED HOUSING APPLICATION AND AFFIDAVIT MUST BE NOTARIZED.

- Uniform Residential Loan Application;
- Reserved Housing Application and Affidavit of Eligibility and Acceptance of Restrictions (Must be notarized); and
- Page 8 of this Housing Information Circular that has been signed and dated by all applicants.

STEP 3 – TURN IN THE COMPLETED APPLICATIONS AND OTHER REQUIRED DOCUMENTS TO ONE OF THE PREFERRED LENDERS LISTED BELOW

1. Gather the following required documents:
 - Uniform Residential Loan Application**
 - Signed and Notarized Housing Application and Affidavit**
 - Signed and Dated Housing Information Circular (page 8 of this document)**
 - Income Documentation** for all household members (scanned/mailed copies preferred)
 - a) Current pay stubs (1-month history) for all sources of employment including part-time work
 - b) 2025 and 2024 W-2 Forms (all sources of income)
 - c) 2025 and 2024 State and Federal Income Tax Returns (signed) or other income verification forms acceptable to HCDA
 - d) Business tax returns and K-1s, if applicable
 - e) Documentation for other forms of income such as: Child Support, Alimony, Social Security, Pension, Bonus, VA Benefits and other forms of income earned by household members
 - f) A Letter of Explanation (LOE) is required for all household members reporting no income, except for minor children
 - Asset Documentation** for all household members, except minors (scanned/mailed copies preferred)
 - a) Bank Statements (provide 1 month, all pages)
 - b) Investment/brokerage statements (provide 1 month, all pages)
 - c) If applicable, value of any real property owned (most recent tax bill[s]) and current outstanding mortgage balance, if any
 - Gift Letter (if applicable)**, as well as a confirmation of available funds from Donor (i.e., bank statement, bank certification or lender confirmation).
 - Affidavit of Applicant and Co-signer (if applicable).**
2. Turn in all of the documents itemized in the previous section to one of the following Lenders of your choice. If you do not have a preference, a Lender will be assigned to you. Note that applicants submitting incomplete application packets may be disqualified from the lottery.

Lender	Address	Loan Officer	Phone	Email
Bank of Hawaii	91-712 Farrington Hwy. Waipahu, HI 96797	Desiree Julian	(808) 694-1418	Desiree.Julian@boh.com
Central Pacific Bank	225 Queen Street 5 th Floor Honolulu, HI 96813	Rusty Rasmussen	(808) 544-1977	Rusty.Rasmussen@cpb.com
Gentry HomeLoans	225 Queen Street 6 th Floor Honolulu, HI 96813	Betty Lewis	(808) 781-4678	blewis@gentryhl.com

SALES PROCESS

1. Applicants who desire to participate in the lottery offering must complete and submit to Lender ALL OF THE REQUIRED DOCUMENTS itemized in the previous section by the date specified in the Presale Notice. If an applicant does not fully complete the forms and return all of them, together with specified personal data required, the applicant may not participate in the lottery.
2. The Presale Notice will be published in the Honolulu Star-Advertiser on two consecutive Sundays prior to the date of sale.
3. The Presale Notice lists the Reserved Housing Units that will be available for sale.
4. All designated Reserved Housing Units will be offered for sale through a lottery to pre-qualified applicants. **The lottery will be held at the Ka 'ulu Sales Office on the date and time specified in the Presale Notice. All applicants must be present at the lottery.**

SELECTION OF UNIT

5. If selected through the lottery, the applicant must select a unit, complete the reservation form, and submit a \$500 deposit check made payable to "First American Title" at the time of unit reservation. Unit reservation will take place either on the day of the lottery or two (2) days after lottery. Once a unit is selected, the Purchase Contract must be completed within five (5) days, and an additional \$1,000 deposit will be required. If applicant is unable to fulfill the above requirements, then applicant will forfeit reservation of unit and will be placed at the bottom of the back-up list.
6. If applicant desires a specific unit that is not available, the applicant will be placed on the back-up list.

Should a unit become available, the Ka'ulu sales agent(s) will review the back-up list and offer the unit to the first prospect on the list. If the applicant accepts the unit but does not execute the Reservation and submit the deposit check within three (3) calendar days of unit selection, the applicant will be placed at the bottom of the back-up list. If the applicant does not accept the unit, the applicant will be placed at the bottom of the back-up list.

7. Applicant cannot transfer to another unit unless the applicant first cancels the current unit. The applicant will then be placed at the bottom of the back-up list.
8. All of the applicant's completed forms and financing details will be reviewed by the applicant's lender, Gentry Kalaeloa, LLC, and HCDA to determine eligibility. In the event the applicant's gross income or family size is obviously outside the qualifying ranges, or if the lender otherwise determines in its sole discretion the applicant is not eligible or qualified, such applicant's completed forms will not be entered into the lottery.
9. Throughout this process, it is each applicant's responsibility to stay in touch with the applicant's lender to assure any Loan Pre-Qualification Letter remains valid.

IMPORTANT NOTES

1. Before submitting a form, every blank must be filled in. If blanks do not apply to you, write the word “none” or “n/a” in the blank. Applicants submitting incomplete forms may be disqualified.
2. At all stages of the application process, buyer is responsible for notifying Gentry Kalaeloa, LLC of any changes in employment, assets, credit, mailing addresses and telephone numbers.
3. If made available, Broker’s Agent MUST accompany buyer on first visit to the sales office in order to qualify for the cooperating brokers referral fee. NO EXCEPTIONS.

TWO-YEAR BUY-BACK, OWNER-OCCUPANCY AND SHARED EQUITY PROVISIONS – Reserved Housing Units are subject to certain buy-back, owner-occupancy, and shared equity provisions. Please be sure that you understand these restrictions before signing on the dotted line.

4. Applicants must abide by the two-year buy-back restrictions, owner-occupancy, and shared equity requirements as mandated by the Rules. Renting, selling, leasing, offering to rent, sell, or lease, or changing title to a reserved housing unit are restricted under the Rules.
5. The Rules give HCDA the first option to buy back the Reserved Housing Unit sold to an eligible purchaser if the eligible purchaser seeks to rent, lease or sell the designated Reserved Housing Unit, among other items, during the buy-back restriction period. If circumstances require you to take one of these types of actions, you must first notify HCDA in writing of your circumstances. You must also provide HCDA the first option to purchase your unit. The purchase price shall be based on the lower of: (1) The current fair market value of the Reserved Housing Unit as determined by HCDA less HCDA’s share of equity in the unit as determined by HCDA’s equity sharing requirements (see no. 7. below); or (2) The Reserved Housing Unit price calculated based on the AMI at the time of sale of the unit. If HCDA does not wish to repurchase your unit, HCDA may request that you to sell your unit to a qualified buyer that has been approved by HCDA.
6. HCDA has the right to enforce your promise to reside in your unit for the restriction period and the right to enforce any condition imposed by HCDA in connection with the sale of your unit.
7. After the end of the two-year regulated term or if HCDA decides not to exercise the first option to purchase the reserved housing unit during the two-year regulated term, the original purchaser may sell the reserved housing unit without restrictions provided that the equity sharing amount is paid to HCDA. HCDA’s share of the equity in a Reserved Housing Unit shall be the higher of:
 - a. **Method 1 – Original Share Equity**
An amount equivalent to the difference between the original fair market price of the unit as determined by HCDA and its original sales contract price; or
 - b. **Method 2 – Percentage Share of Equity**
An amount equivalent to the percentage of net appreciation calculated as the difference between the original fair market price of the unit as determined by HCDA and its original contract price divided by the original fair market price of the unit.
 - c. **EXAMPLE (1):** An example of the calculation of HCDA’s share of the equity in the Reserved Housing Unit Plan 4 is as follows:

Original Fair Market Value	=	\$660,000
Original Sales Contract Price	=	\$610,000
Resale Fair Market Value	=	\$1,284,000

HCDA’s share of the equity in the reserved housing unit shall be the higher of:

Method 1 Calculation:

(a) Original Fair Market Value	\$660,000
(b) Original Sales Contract Price	<u>(\$610,000)</u>
(c) Original Share of Equity [a minus b]	\$50,000

The share of equity under Method 1 is \$50,000.

Method 2 Calculation

(a) Resale Fair Market Value	\$1,284,000
(b) Original Sales Contract Price	(\$610,000)
(c) Actual Sales Costs incurred	(\$ 77,040)
(d) Net Appreciation [(a) minus (b) minus (c)]	\$596,960
(e) Original Fair Market Value	\$660,000
(f) Original Sales Contract Price	(\$610,000)
(g) Original Discount [(e) minus (f)]	\$50,000

(h) Original Discount	\$50,000
(i) Original Fair Market Value	\$660,000
(j) HCDA's % Share of Net Appreciation [(h) ÷ (i)]	7.6%

(k) Net Appreciation	\$596,960
(l) HCDA's Percentage Share of Net Appreciation	7.6%
(m) Share of Equity [(k) multiplied by (l)]	\$45,224

The share of equity under Method 2 is \$45,224

HCDA's share of equity is \$50,000 (the higher of the amounts determined in Method 1 and Method 2).

- d. **EXAMPLE (2):** An example of the calculation of HCDA's share of the equity in the Reserved Housing Unit Plan 2 is as follows:

Original Fair Market Value	=	\$685,000
Original Sales Contract Price	=	\$735,000
Resale Fair Market Value	=	\$1,314,000

HCDA's share of the equity in the reserved housing unit shall be the higher of:

Method 1 Calculation:

(a) Original Fair Market Value	\$735,000
(b) Original Sales Contract Price	<u>(\$685,000)</u>

(c) Original Share of Equity [a minus b]	\$50,000
--	-----------------

The share of equity under Method 1 is \$50,000.

Method 2 Calculation

(a) Resale Fair Market Value	\$1,314,000
(b) Original Sales Contract Price	(\$685,000)
(c) Actual Sales Costs incurred	(\$ 78,840)
(d) Net Appreciation [(a) minus (b) minus (c)]	\$550,160
(e) Original Fair Market Value	\$735,000
(f) Original Sales Contract Price	(\$685,000)
(g) Original Discount [(e) minus (f)]	\$50,000

(h) Original Discount	\$50,000
(i) Original Fair Market Value	\$735,000
(j) HCDA's % Share of Net Appreciation [(h) ÷ (i)]	6.8%

(k) Net Appreciation	\$550,160
(l) HCDA's Percentage Share of Net Appreciation	6.8%
(m) Share of Equity [(k) multiplied by (l)]	\$37,426

The share of equity under Method 2 is \$45,224

HCDA's share of equity is \$50,000 (the higher of the amounts determined in Method 1 and Method 2).

- The Developer will provide a number of incentives to buyers of reserved housing units, including low deposit requirements; reduced sales prices; closing cost incentives; and a credit equal to 3% of the base sales price to applicants who use one of the following three Preferred Lenders for his/her/their mortgage loan: Bank of Hawaii, Central Pacific Bank, or Gentry HomeLoans. The 3% credit incentive may be reduced if an applicant chooses a Lender that is not one of the three Preferred Lenders listed above. Additionally, for applicants who are interested, Developer will underwrite the costs of educational and/or counseling services provided by the Hawaii HomeOwnership Center (HHOC). HHOC is a 501(c)(3) nonprofit organizations are HUD-certified homeownership counseling agencies that can better prepare applicants for sustainable homeownership.
- Applicants are advised that the making of any false statements knowingly, in connection with this application is a crime punishable by a fine of up to \$2,000.00 or imprisonment for up to one (1) year or both as applicable under the provisions of the Hawaii Penal Code, Part V, Section 710-1063.

If you have any questions, please call Gentry's Ka'ulu Sales Office at (808) 447-8430.

Rest of page left intentionally blank. Signature page to follow.

Application No. _____

Last Name(s) _____

IN WITNESS WHEREOF, the undersigned has/have read and will abide by the terms of this Housing Information Circular relating to the purchase of a Reserved Housing Unit in Ka'ulu by Gentry.

Applicant's Signature

Print Applicant's Name

Date

Applicant's Signature

Print Applicant's Name

Date

Applicant's Signature

Print Applicant's Name

Date

Applicant's Signature

Print Applicant's Name

Date

RECEIPT AND ACCEPTANCE:

Name of Preferred Lender: _____

By: _____

Date: _____

NOTE TO APPLICANT(S): Detach this page and turn it in to your Lender, along with other required documents.

FOR INTERNAL USE ONLY
Completed Reserved Housing Application Rec'd
DATE: _____ TIME: _____
Reviewed by: _____

Revised 6-12-2026



Application No. _____

Last Name(s) _____

RESERVED HOUSING APPLICATION AND AFFIDAVIT OF ELIGIBILITY AND ACCEPTANCE OF RESTRICTIONS RELATED TO THE PURCHASE OF A RESERVED HOUSING UNIT IN KA'ULU BY GENTRY

MUST BE FILLED IN COMPLETELY

APPLICANT:

Full Name _____
Last First Middle
Address _____
City State Zip
Res. Ph. No. Bus Ph No. Email
Social Security No. xxx-xx- Date of Birth
Marital Status: Single Married Divorced/Separated

CO-APPLICANT (If Applicant is married, Spouse must be listed as either a Co-Applicant or a member of the Household):

Full Name _____
Last First Middle
Address _____
City State HI Zip
Res. Ph. No. Bus Ph No. Email
Social Security No. xxx-xx- Date of Birth
Marital Status: Single Married Divorced/Separated
Relationship to Applicant: Spouse Other (please indicate relationship)

CO-APPLICANT (If Applicant is married, Spouse must be listed as either a Co-Applicant or a member of the Household):

Full Name _____
Last First Middle
Address _____
City State HI Zip
Res. Ph. No. Bus Ph No. Email
Social Security No. xxx-xx- Date of Birth
Marital Status: Single Married Divorced/Separated
Relationship to Applicant: Spouse Other (please indicate relationship)

CO-APPLICANT (If Applicant is married, Spouse must be listed as either a Co-Applicant or a member of the Household):

Full Name _____
Last First Middle
Address _____
City State HI Zip
Res. Ph. No. Bus Ph No. Email
Social Security No. xxx-xx- Date of Birth
Marital Status: Single Married Divorced/Separated
Relationship to Applicant: Spouse Other (please indicate relationship)

OCCUPANCY: Total number of persons who will live in the home _____ (List below information on all members of the household including APPLICANT and all CO-APPLICANT(s), minor children, full-time students and live-in aides who will live in the home.)

	Name(s)	Relationship to Applicant	Gross Income	Age	Last 4 Digits of SS#
1.		Applicant (self)			
2.					
3.					
4.					
5.					
6.					
7.					

ELIGIBILITY GUIDELINES:

	Applicant		Co-Applicant		Co-Applicant		Co-Applicant	
	Yes	No	Yes	No	Yes	No	Yes	No
DO YOU INTEND TO LIVE IN THE RESERVED HOUSING UNIT FOR THE REQUIRED TWO YEARS?	_____	_____	_____	_____	_____	_____	_____	_____
ARE YOU AT LEAST 18 YEARS OF AGE?	_____	_____	_____	_____	_____	_____	_____	_____
DO YOU, YOUR SPOUSE, OR A HOUSEHOLD MEMBER CURRENTLY OWN OR HAVE OWNED IN THE PAST 36 MONTHS, A MAJORITY INTEREST EITHER INDIVIDUALLY OR IN TRUST ANY PROPERTY SUITABLE FOR DWELLING PURPOSES?	_____	_____	_____	_____	_____	_____	_____	_____
HAVE YOU EVER BEEN DISPLACED FROM HOUSING AS A RESULT OF DEVELOPMENT OF THE KALAELOA COMMUNITY DEVELOPMENT DISTRICT?	_____	_____	_____	_____	_____	_____	_____	_____

APPLICANT/BUYER’S REAL ESTATE AGENT (if applicable):

Name of Agent: _____
 Phone #: _____ Email: _____
 Firm Name: _____
 Firm Address: _____

*Note: Real estate agent must accompany the applicant on initial visit to the Ka’ulu Sales Office in order to receive the cooperating broker’s referral fee. **No exceptions.***

ADDITIONAL REQUIRED DOCUMENTS: If you answer YES to any of the following, you must submit additional required documentation to your Lender.

Yes No

- | | | | |
|--------------------------|--------------------------|----|---|
| <input type="checkbox"/> | <input type="checkbox"/> | 1. | Did you get married within the past year or do your tax returns show a different name?
One copy of the marriage certificate must be submitted. |
| <input type="checkbox"/> | <input type="checkbox"/> | 2. | Has applicant or co-applicant been divorced within the last two years? One copy of the divorce decree (not divorce certificate) must be submitted. |
| <input type="checkbox"/> | <input type="checkbox"/> | 3. | Has applicant or co-applicant ever owned any type of residential real estate holdings within the past three years? One copy of the deed or proof of sale must be submitted, regardless of how much interest applicant owns or owned. A current mortgage balance statement must also be submitted if any mortgage is outstanding. |

The rest of page intentionally left blank.

I/We, the undersigned purchaser(s), on this ___ day of _____, 202__, do hereby declare that I/we have reviewed the applicable eligibility requirements; sales, owner occupancy and shared equity restrictions; and other regulations established under Chapter 216 of Title 15, Subtitle 4, Hawaii Administrative Rules, entitled “Kalaeloa Reserved Housing Rules” (“Rules”), as administered by the Hawaii Community Development Authority (“HCDA”), for the purchase of a unit designated for reserved housing (“**Reserved Housing Unit**”) in the Ka‘ulu by Gentry residential project, to be known as “Ka‘ulu by Gentry” (the “**Project**”). A copy of the Rules is attached hereto and made a part of this Reserved Housing Application (Exhibit “1”).

I/we confirm and certify to GENTRY KALAELOA, LLC, a Hawaii limited liability company (“Developer”), and HCDA as follows:

1. Developer will offer Reserved Housing Units in the Project for sale to prospective owner-occupants who are “Qualified Persons”. A Qualified Person means a person who meets all of the following qualifications:
 - (a) Is at least of legal age;
 - (b) Does not have a majority interest in a principal residence or a beneficial interest in a land trust on a principal residence within or without the State of Hawaii for a period of three (3) years immediately prior to the date of application for a Reserved Housing Unit in the Project;
 - (c) If married, whose spouse does not have a majority interest in a principal residence or a beneficial interest in a land trust on a principal residence within or without the State of Hawaii for a period of three (3) years immediately prior to the date of application for a Reserved Housing Unit in the Project;
 - (d) Shall be the owner and occupant of the Reserved Housing Unit for the 2-year regulated term applicable to the Reserved Housing Unit, pursuant to the Rules (the “**Regulated Term**”); and
 - (e) Has never purchased a Reserved Housing Unit under the Rules.

2. In addition to the foregoing qualifications, a Qualified Person must meet certain income and asset limitations set forth in Section 15-216-32 of the Rules, as follows:
 - (a) The gross household income shall not exceed 140% of median income.
 - i. The gross household income shall be the income earned during the most recent calendar year preceding the date of application to purchase a Reserved Housing Unit for which copies of filed state or federal tax returns are available.
 - ii. “Gross household income” means the total income, before taxes and personal deductions, received by all members of the eligible borrower's household, including, but not limited to, wages, social security payments, retirement benefits, unemployment benefits, welfare benefits, interest and dividend payments but not including business deductions.
 - iii. “Median income” means the median annual income, adjusted for household size, for households in the City and County of Honolulu as most recently established by the United States Department of Housing and Urban Development for the Section 8 Housing Assistance Payments Program.
 - (b) The household assets of a Qualified Person shall not exceed 135% of the income limit by household size. “Assets” include, but are not limited to, all cash, cash gifts, securities, and real

and personal property at current fair market value, less any outstanding liabilities secured by such assets. Assets do **not** include retirement account funds except when retirement accounts are used for down payment purposes.

- (c) The following are the income limits and asset limits by household size for the Project (or as updated from time to time by HCDA):

Household Size by No. of Persons	Median Income	Income Limit (140% of Median Income)	Asset Limit
1	\$93,400	\$130,700	\$176,445
2	\$106,700	\$149,400	\$201,690
3	\$120,050	\$168,100	\$226,935
4	\$133,400	\$186,750	\$252,113
5	\$144,050	\$201,700	\$272,295
6	\$154,750	\$216,650	\$292,478
7	\$165,400	\$231,550	\$312,593

3. I/we represent that I/we am/are a Qualified Person(s) and meet the eligibility requirements set forth in Sections 1 and 2 above.

4. I/We understand that my/our ability to be eligible to purchase a reserved housing unit in Ka'ulu by Gentry is subject to: (1) Developer and HCDA's receipt of a complete application packet from the Lender; (2) my/our eligibility to purchase; and (3) availability of units.

5. I/we intend to purchase a Reserved Housing Unit and I/we intend to comply with all of the requirements for purchase of Reserved Housing Units contained in the Rules.

6. I/we understand that the Rules require, among other things, that the Reserved Housing Unit I/we purchase must be occupied by me/us at all times and is not to be rented, unless otherwise approved by HCDA. The individuals listed on page 1 of this application will occupy the Reserved Housing Unit for the duration of the Regulated Term.

7. I/we agree to inform Developer of any changes after the date first stated above that affect my/our eligibility and/or household size.

8. I/we authorize Developer and its agents and representatives, including, without limitation, the designated Project Lenders (Bank of Hawaii, Central Pacific Bank, and Gentry HomeLoans) and HCDA, to periodically verify compliance with each of the provisions stated herein, and I/we acknowledge and agree that I/we will be required to provide Developer, its agents and representatives, and HCDA, with information relating to my/our household's income, composition, financial condition and status changes prior to admission to the reserved housing purchase program and at any other time as determined by HCDA. I/we acknowledge and agree that I/we may be required to provide documentation to verify information submitted to Developer and/or HCDA, including, but not limited to, verification of deposit, verification of employment, and a credit bureau report.

9. I/we understand and agree that on an ANNUAL basis, or as otherwise determined by HCDA, I shall be required to certify to HCDA that I am in compliance with the owner-occupant requirements by submitting a written certification to HCDA on a form that HCDA may from time to time require.

10. I/we understand and agree that the Regulated Term for Reserved Housing Units shall be two years from the date of issuance of certificate of occupancy pursuant to the Rules.

11. I/we further understand and agree that the applicable Regulated Term will be set forth in the condominium unit deed conveying the Reserved Housing Unit to me.

12. I/we understand and agree that if I/we fail to occupy my/our Reserved Housing Unit or wish to transfer title to my/our Reserved Housing Unit during the Regulated Term, HCDA shall have the first option to purchase my/our Reserved Housing Unit at a sales price based upon a formula set forth in Section 15-216-36 of the Rules and as will be set forth in the condominium unit deed conveying the Reserved Housing Unit to me/us.

13. I/we understand and agree that after the end of the Regulated Term, I/we may sell or assign my/our Reserved Housing Unit free from any transfer or price restrictions, except for applicable equity sharing requirements set forth in Section 15-216-41 of the Rules.

14. I/we understand and agree that I/we shall not sell or offer to sell, lease or offer to lease, assign or offer to assign, or otherwise transfer the Reserved Housing Unit, except as permitted under all applicable provisions of the Rules and as may be approved by HCDA.

15. I/we understand and agree that, during the Regulated Term, HCDA may, from time to time, request information and/or documentation to verify my owner-occupant status, and that if I am found to have willfully submitted false information, made misstatements, or withheld important information from HCDA with respect to such verification, HCDA shall have the right to recover any monies wrongfully gained by me and to any other recourse provided by law.

16. When required by context, each pronoun reference shall include all numbers (singular or plural) and each gender shall include all genders.

17. I/We hereby certify that the information provided in this Reserved Housing Application is true and correct to the best of my/our knowledge. I/We understand that I/we will be disqualified for submitting false information and may be subject to criminal sanctions outlined below.

18. I/We understand that my/our eligibility will be determined by one of the Project Lenders and Gentry Homes, and will be confirmed by HCDA.

19. I/We understand that the final determination as to whether or not I/we qualify to purchase will be made during the sales contract process.

20. I/We understand that the eligibility and the selection order cannot be contested by me/us for any reason.

21. I/We understand that any applicant who is found to have willfully submitted false information or made misstatements in this Affidavit, or withheld important information from this Affidavit, shall be subject to disqualification from purchasing a Reserved Housing Unit under the Rules, and HCDA shall have the right to recover any money wrongfully gained by said applicant. I/We further understand that any violation of the Owner-Occupant Law shall be subject to a misdemeanor charge with a fine not to exceed \$2,000, or by imprisonment of up to a year or both. I/We further understand that if I/we violate or fail to comply with the Owner-Occupant Law, I/we shall be subject to a civil penalty of up to \$10,000 or fifty percent (50%) of the net proceeds received or to be received from the sale, lease, rental, assignment or other transfer of the designated unit, whichever amount is greater.

(The remainder of this page is intentionally left blank. Signature page to follow.)

STATE OF HAWAII)
) ss.
CITY AND COUNTY OF HONOLULU)

On _____, before me personally appeared

_____, _____,
_____ and _____, to
me personally known, who being by me duly sworn or affirmed, did say that such person(s) executed
the foregoing instrument as the free act and deed of such person(s), and if applicable in the capacity
shown, having been duly authorized to execute such instrument in such capacity.

Printed Name: _____
Notary Public, State of Hawaii
My Commission Expires: _____

Doc. Date: _____	#Pages: _____
Name: _____	First Circuit
Doc. Description: <u>KA'ULU BY GENTRY Reserved Housing Application Form and Affidavit</u>	
Signature _____	Date _____
NOTARY CERTIFICATION	(Stamp or Seal)

Ka'ulu by Gentry

KA'ULU by Gentry III - Phase 22 & 23
KA'ULU by Gentry IV - Phase 24 & 26

Owner-Occupants' Presale Notice



This notice is published pursuant to Section 514B-95.5 of the Hawaii Revised Statutes, as amended, and Section 15-216-31(c), Hawaii Administrative Rules ("Kalaeloa Reserved Housing Rules" or "Rules") that are administered by the Hawaii Community Development Authority to announce that Gentry Kalaeloa, LLC, a Hawaii limited liability company, is developing and intends to offer for sale to prospective owner-occupant buyers two fee simple condominium projects to be known as KA'ULU BY GENTRY and KA'ULU BY GENTRY IV. KA'ULU BY GENTRY will be developed in 23 phases and will consist of a total of one hundred seventy-six (176) residential units, as follows: 60 single-family detached dwelling units and 116 multi-family dwelling units in seventy-six (76) buildings. KA'ULU BY GENTRY IV will be developed in 9 phases and will consist of a total of eighty (80) residential units, as follows: 26 single-family detached dwelling units and 54 multi-family dwelling units in thirty-four (34) buildings. Both projects will be located at 91-1101 Franklin D. Roosevelt Avenue, Kapolei, Hawaii 96707 [Tax Map Key Nos.: (1) 9-1-013:197 (por) and (1) 9-1-013:199 (por)].

PHASE 22 of KA'ULU BY GENTRY consists of eight (8) multi-family dwelling units in an 8-plex building. Two (2) of the units will be accessible as defined and interpreted in 24 C.F.R. Section 100 et seq.

PHASE 23 of KA'ULU BY GENTRY consists of six (6) multi-family dwelling units in an 6-plex building. Two (2) of the units will be accessible as defined and interpreted in 24 C.F.R. Section 100 et seq.

PHASE 24 of KA'ULU BY GENTRY IV consists of twelve (12) multi-family dwelling units with six (6) units located in a 6-plex building and the remaining six (6) units located in a separate 6-plex building. Four (4) of the units will be accessible as defined and interpreted in 24 C.F.R. Section 100 et seq.

PHASE 26 of KA'ULU BY GENTRY IV consists of eight (8) multi-family dwelling units in an 8-plex building. Two (2) of the units will be accessible as defined and interpreted in 24 C.F.R. Section 100 et seq.

Three (3) units in PHASE 22, two (2) units in PHASE 23, two (2) units in PHASE 24, and two (2) units in PHASE 26 have been designated by Gentry Kalaeloa, LLC for sale to prospective owner-occupants pursuant to Section 514B-95.5 of the Hawaii Revised Statutes. All units designated below are **reserved housing units** with a 2-year owner-occupancy requirement.

Approx. Net					
Unit No.	Plan	Bdrms/Baths	Living Area (sq. ft.)	Prices	
383	2-R	3 Bedrooms / 2 Baths	1,089	\$685,000	
385	4	2 Bedrooms / 2 Baths	877	\$610,000	
386	2	3 Bedrooms / 2 Baths	1,080	\$685,000	
393	2-R	3 Bedrooms / 2 Baths	1,080	\$685,000	
394	2	3 Bedrooms / 2 Baths	1,080	\$685,000	
303	2-R	3 Bedrooms / 2 Baths	1,080	\$685,000	
313	2-R	3 Bedrooms / 2 Baths	1,080	\$685,000	
474	4	2 Bedrooms / 2 Baths	877	\$610,000	
476	2-R	3 Bedrooms / 2 Baths	1,089	\$685,000	

The units listed in this Presale Notice will be offered through a public lottery to prospective owner-occupants. PURCHASERS OF RESERVED HOUSING UNITS AGREE TO RESIDE IN THEIR UNIT AS THEIR PRINCIPAL PLACE OF RESIDENCE FOR A MINIMUM OF TWO YEARS. OTHER RESTRICTIONS ALSO APPLY IN ACCORDANCE WITH STATE OF HAWAII, HAWAII COMMUNITY DEVELOPMENT AUTHORITY'S RESERVED HOUSING RULES FOR KALAELOA.

Beginning on **Sunday, June 14, 2026**, individuals interested in purchasing a reserved housing unit can contact Gentry Homes, Ltd., at the KA'ULU BY GENTRY Sales Office located at 91-1101 Franklin D. Roosevelt Avenue, Kapolei, HI 96707 (telephone: 808-447-8430), to obtain a reserved housing sales packet, which includes eligibility requirements and other information concerning the project. Sales office hours are Monday 12:00 p.m. to 5:00 p.m. and Tuesday through Sunday from 10:00 a.m. to 5:00 p.m. Reserved unit sales packets for PHASES 22, 23, 24, and 26 will also be available online at www.gentryhawaii.com on **Sunday, June 14, 2026**.

Qualifications to Purchase a Reserved Housing Unit

Developer will offer Reserved Housing Units in Ka'ulu by Gentry and Ka'ulu by Gentry IV for sale to prospective owner-occupants who are "Qualified Persons." A Qualified Person means a person who meets all of the following eligibility requirements as set forth in Section 15-21-30 of the Kalaeloa Reserved Housing Rules:

1. Shall be at least the age of majority;
2. Shall not have a majority interest in a principal residence or a beneficiary interest in a land trust on a principal residence within or without the State for a period of three years immediately prior to the date of application for a Reserved Housing Unit;
3. Shall not have a spouse or dependent child who has a majority interest in a principal residence or a beneficial interest in a land trust on a principal residence for a period of three years immediately prior to the date of application for a Reserved Housing Unit; and
4. Shall be the owner and occupant of the reserved housing unit.

Income and Asset Limits

In addition to the foregoing eligibility requirements, the adjusted household income of a Qualified Person purchasing a Reserved Housing Unit shall not exceed one hundred forty percent (140%) of median income, as set forth in the table below. For purposes of this requirement, "adjusted household income" means the total income, before taxes and personal deductions, received by all members of the eligible borrower's household, including, but not limited to, wages, social security payments, retirement benefits, unemployment benefits, welfare benefits, interest and dividend payments, but not including business deductions. The adjusted household income is based on the income earned during the most recent calendar year

preceding the date of application to purchase a Reserved Housing Unit for which copies of filed State and Federal tax returns are available. "Median income" means the median annual income, adjusted for household size, for households in the City and County of Honolulu as most recently established by the United States Department of Housing and Urban Development for the Section 8 Housing Assistance Payments Program.

Also, the household assets of a Qualified Person purchasing a Reserved Housing Unit shall not exceed one hundred thirty-five percent (135%) of the applicable income limit by household size, as set forth in the table below. For purposes of this requirement, "assets" include, but are not limited to, all cash, securities, and real and personal property at current fair market value, less (a) any outstanding liabilities secured by such assets, and any cash gifts. Note that retirement accounts that are not used for down payment purposes are not considered "assets" under the Kalaeloa Reserved Housing Program.

The following are the income limits and asset limits by household size for the Project.*

Household Size by No. of Persons	Median Income	Income Limit (140% of Median Income)	Asset Limit
1	\$90,500	\$126,700	\$171,045
2	\$103,450	\$144,800	\$195,480
3	\$116,350	\$162,900	\$219,915
4	\$129,300	\$181,000	\$244,350
5	\$139,650	\$195,500	\$263,925
6	\$150,000	\$209,950	\$283,433
7	\$160,350	\$224,450	\$303,008

*Based on figures issued by the United States Department of Housing and Urban Development in 2025 for the City and County of Honolulu, as interpreted by HCDA. Income and asset limits are subject to change.

Restrictions on Ownership, Use and Transfer; Shared Equity Requirements

Pursuant to Section 15-216-35 of the Rules, the Regulated Term for Reserved Housing Units that are for sale shall be five (5) years from the date of issuance of Certificate of Occupancy. During the Regulated Term, the HCDA Executive Director shall approve any initial or subsequent mortgage placed on a Reserved Housing Unit which does not exceed eighty per cent (80%) of the original purchase price of the unit. After the end of the Regulated Term, the owner may sell the unit or assign the property free from any transfer or price restrictions except for applicable Shared Equity requirements set forth in Section 15-216-41 of the Rules.

If the owner of the Reserved Housing Unit wishes to sell the unit during the Regulated Term, HCDA or an entity approved by HCDA shall have the first option to purchase the unit. The purchase price shall be the lower of:

- (1) The current fair market price of the Reserved Housing Unit as determined by the HCDA, less HCDA's Share of Equity in the unit as determined by Section 15-216-41 of the Rules; or
- (2) The Reserved Housing Unit price calculated based on the AMI at the time of sale of the unit.

Reserved Housing Units shall be occupied by the prospective owner-occupants at all times during the Regulated Term. Within the Regulated Term, rental of the Reserved Housing Unit shall not be allowed. If a prospective owner-occupant fails to occupy the Reserved Housing Unit or wishes to transfer title to the Reserved Housing Unit during the Regulated Term, HCDA shall have the first option to purchase the Reserved Housing Unit under certain conditions and at a sales price based upon a formula set forth in Section 15-216-36 of the Rules.

If the prospective owner-occupant sells the Reserved Housing Unit after the Regulated Term, or if HCDA waives its first option to repurchase the Reserved Housing Unit during the Regulated Term, HCDA shall be entitled to receive a Shared Equity payment in accordance with the formulas set forth in Section 15-216-41 of the Rules. The Shared Equity payment requirement never expires and must be paid in full to the HCDA upon sale or transfer of the Reserved Housing Unit.

Permissible Household Sizes

Pursuant to Section 15-216-33(a)(3) of the Rules, the Applicant's household size must not exceed maximum occupancy limits, based on number of bedrooms. The maximum occupancy limit for a two-bedroom Reserved Housing Unit is five (5) persons and the maximum occupancy limit for a three-bedroom unit is seven (7) persons. Permissible household sizes for the Reserved Housing Units are as follows:

Household Size	1	2	3	4	5	6	7
Eligible Home Size (by # of bedrooms)	2 or 3 bdrms	2 or 3 bdrms	2 or 3 bdrms	2 or 3 bdrms	2 or 3 bdrms	3 bdrms	3 bdrms

Lottery for Reserved Housing Units

Gentry Homes, Ltd. will accept completed reserved housing application forms and other required documents for Phases 22, 23, 24 and 26 until **5:00 p.m. on Thursday, June 25, 2026**.

Gentry Homes, Ltd. will compile and maintain a list of all pre-qualified prospective reserved housing owner-occupants who have submitted the required documents for participation in the public lottery, which will be held **on Saturday, June 27, 2026, at 11:00 a.m.** at 91-1101 Franklin D. Roosevelt Avenue, Kapolei, Hawaii 96707.

To qualify for a 2% cooperating broker referral fee, a broker's agent MUST accompany the buyer on the first visit. **NO EXCEPTIONS.**

For further information, contact the project broker, Gentry Homes, Ltd., at telephone: **(808) 447-8430** or visit www.gentryhawaii.com.

KA'ULU BY GENTRY

Reserved Housing Price Listing

Saturday, June 27, 2026

Bldg. No.	Unit No.	Plan No.	Living Area		Base Price * (+ lot premium, if any)	Includes	Total Price
38	383	2-R	1,089	sf	\$685,000	<ul style="list-style-type: none">• Cabinets Standard Doors: Abiqua Pine Prism TFL Slab• Kitchen Countertop: Combination 1 Standard; Color: Artic White• Accent Paint Color: Pure White• LVP = Color: Mango• Carpet; Color: Ecru• GE Top Load washer and dryer• GE Stainless Steel Appliance Package	\$685,000
38	385	4	877	sf	\$610,000	<ul style="list-style-type: none">• Cabinets Standard Door: Abiqua Pine Prism TFL Slab• Kitchen Countertops: Combination 1 Standard; Color: Artic White• Accent Paint Color: Pure White• LVP = Color Mango• Carpet = Color: Ecru• GE Top Load washer and dryer• GE Stainless Steel Appliance Package	\$610,000
38	386	2	1,080	sf	\$685,000	<ul style="list-style-type: none">• Cabinets Standard Door: Abiqua Pine Prism TFL Slab• Kitchen Countertop: Combination 1 Standard; Color: Artic White• Accent Paint Color: Pure White• LVP = Color: Mango• Carpet = Color: Ecru• GE Top Load washer and dryer• GE Stainless Steel Appliance Package	\$685,000
39	393	2-R	1,080	sf	\$685,000	<ul style="list-style-type: none">• Cabinets Standard Door: Abiqua Pine Prism TFL Slab• Kitchen Countertop: Combination 1 Standard; Color: Artic White• Accent Paint Color: Pure White• LVP = Color: Mango• Carpet = Color: Ecru• GE Top Load washer and dryer• GE Stainless Steel Appliance Package	\$685,000

39	394	2	1,080	sf	\$685,000	<ul style="list-style-type: none"> • Cabinets Standard Door: Abiqua Pine Prism TFL Slab • Kitchen Countertop: Combination 1 Standard; Color: Artic White • Accent Paint Color: Pure White • LVP = Color: Mango • Carpet = Color: Ecru • GE Top Load washer and dryer • GE Stainless Steel Appliance Package 	\$685,000
30	303	2-R	1,080	sf	\$685,000	<ul style="list-style-type: none"> • Cabinets Standard Door: Abiqua Pine Prism TFL Slab • Kitchen Countertop: Combination 1 Standard; Color: Artic White • Accent Paint Color: Pure White • LVP = Color: Mango • Carpet = Color: Ecru • GE Top Load washer and dryer • GE Stainless Steel Appliance Package 	\$685,000
31	313	2-R	1,080	sf	\$685,000	<ul style="list-style-type: none"> • Cabinets Standard Door: Abiqua Pine Prism TFL Slab • Kitchen Countertop: Combination 1 Standard; Color: Artic White • Accent Paint Color: Pure White • LVP = Color: Mango • Carpet = Color: Ecru • GE Top Load washer and dryer • GE Stainless Steel Appliance Package 	\$685,000
47	474	4	877	sf	\$610,000	<ul style="list-style-type: none"> • Cabinets Standard Door: Abiqua Pine Prism TFL Slab • Kitchen Countertop: Combination 1 Standard; Color: Artic White • Accent Paint Color: Pure White • LVP = Color: Mango • Carpet = Color: Ecru • GE Top Load washer and dryer • GE Stainless Steel Appliance Package 	\$610,000
47	476	2-R	1,089	sf	\$685,000	<ul style="list-style-type: none"> • Cabinets Standard Door: Abiqua Pine Prism TFL Slab • Kitchen Countertop: Combination 1 Standard; Color: Artic White • Accent Paint Color: Pure White • LVP = Color: Mango • Carpet = Color: Ecru • GE Top Load washer and dryer • GE Stainless Steel Appliance Package 	\$685,000

Ka'ulu by Gentry

SINGLE-FAMILY

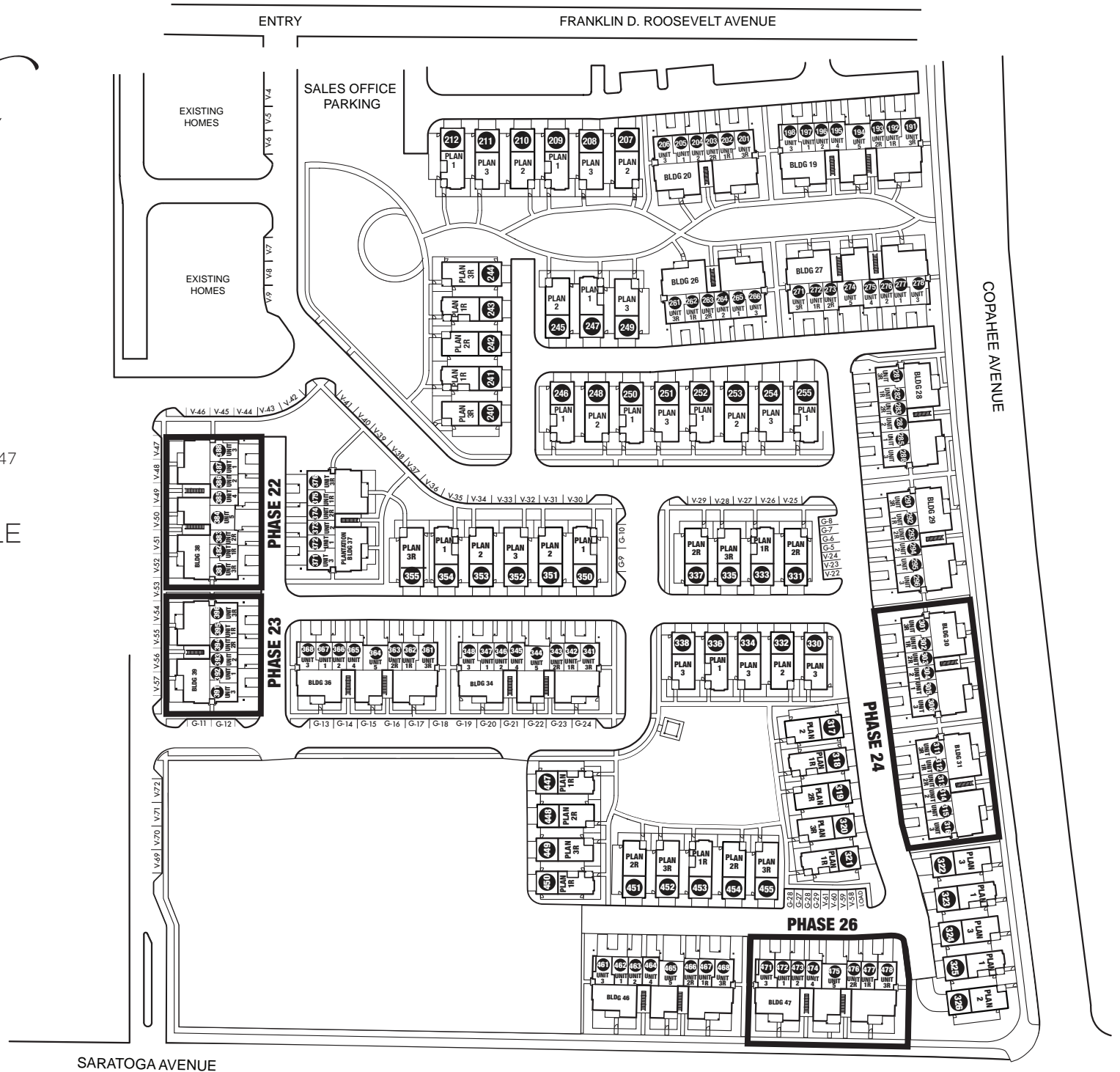
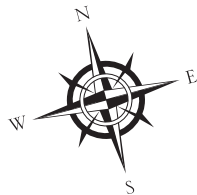
- AUKAI, Plan 1
- MAKALI'I, Plan 2
- HOKU, Plan 3

TOWNHOMES

- CRAFTSMAN: BUILDING 31, 38
- PLANTATION: BUILDING 30, 39, 47

RESERVED FOR SALE

- PHASE 22:**
Bldg. 38 - Units 383, 385 & 386
- PHASE 23:**
Bldg. 39 - Units 393 & 394
- PHASE 24:**
Bldg. 30 - Unit 303
Bldg. 31 - Unit 313
- PHASE 26:**
Bldg. 47 - Units 474 & 476



SARATOGA AVENUE

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND
TOURISM

Repeal of Chapter 15-200 and Adoption of
Chapter 15-216
Hawaii Administrative Rules

September 11, 2012

SUMMARY

Chapter 200 of Title 15, Hawaii Administrative Rules, entitled "Rules for Health and Safety within the Kalaeloa Community Development District" is repealed.

HAWAII ADMINISTRATIVE RULES

TITLE 15

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND
TOURISM

SUBTITLE 15

BARBERS POINT NAVAL AIR STATION REDEVELOPMENT
COMMISSION

CHAPTER 200

RULES FOR HEALTH AND SAFETY WITHIN THE KALAELOA
COMMUNITY DEVELOPMENT DISTRICT

Repealed

§§15-200-1 to 15-200-7 Repealed. [**OCT 27 2012**]

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND
TOURISM

Repeal of Chapter 15-200 and Adoption of
Chapter 15-216
Hawaii Administrative Rules

September 11, 2012

SUMMARY

Chapter 216 of Title 15, Hawaii Administrative Rules, entitled "Kalaeloia Reserved Housing Rules" is adopted.

HAWAII ADMINISTRATIVE RULES

TITLE 15

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND
TOURISM

SUBTITLE 4

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

CHAPTER 216

KALAELOA RESERVED HOUSING RULES

Subchapter 1 General Provisions

- §15-216-1 Purpose and intent
- §15-216-2 Administration
- §15-216-3 Severability
- §15-216-4 Interpretation by the executive
director
- §15-216-5 Definition of terms
- §§15-216-6 to 15-216-16 Reserved

Subchapter 2 Reserved Housing Requirements

- §15-216-17 Requirement for reserved housing
units
- §15-216-18 Adjustments to height, density, and
general development requirements
for reserved housing units
- §§15-216-19 to 15-216-28 Reserved

Subchapter 3 Sale and Rental of Reserved
Housing Units

- §15-216-29 Purpose
- §15-216-30 Qualifications for reserved housing

§15-216-1

§15-216-31	Sale and rental of reserved housing units
§15-216-32	Income
§15-216-33	Occupancy requirements
§15-216-34	Affordability criteria
§15-216-35	Term of reserved housing requirements
§15-216-36	First option to purchase
§15-216-37	Sale or transfer of reserved housing units
§15-216-38	Foreclosure
§15-216-39	Transfers of title pursuant to a mortgage foreclosure
§15-216-40	Incorporation in deed
§15-216-41	Equity sharing requirements
§15-216-42	Deferral of equity sharing
§15-216-43	Effects of subsequent rule amendments
§§15-216-44 to 15-216-54	Reserved

SUBCHAPTER 1

GENERAL PROVISIONS

§15-216-1 Purpose and intent. The purpose of these rules is to establish an increased supply of housing for residents of low- or moderate-income within the Kalaeloa community development district. Such reserved housing shall be required as a condition of new residential development or redevelopment within the Kalaeloa community development district.

[Eff ~~OCT 27 2012~~] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§15-216-2 Administration. The authority, through its executive director, shall administer the provisions of this chapter. [Eff ~~OCT 27 2012~~] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§15-216-3 Severability. If a court of competent jurisdiction finds any provision or provisions of this chapter to be invalid or ineffective in whole or in part, the effect of that decision shall be limited to those provisions which are expressly stated in the decision to be invalid or ineffective, and all other provisions of these rules shall continue to be separately and fully effective. [Eff **OCT 27 2012**] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§15-216-4 Interpretation by the executive director. (a) In administering this chapter, the executive director may, when deemed necessary, render written interpretations to clarify or elaborate upon the meaning of specific provisions of this chapter for intent, clarity and applicability to a particular situation.

(b) A written interpretation shall be signed by the executive director and include the following:

- (1) Identification of the section of this chapter in question;
- (2) A statement of the problem;
- (3) A statement of interpretation; and
- (4) A justification statement.

(c) A written interpretation issued by the executive director shall be the basis for administering and enforcing the pertinent section of this chapter. All written interpretations rendered pursuant to these rules shall be public record, and shall be effective on the date signed by the executive director. [Eff **OCT 27 2012**] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§15-216-5 Definition of terms. As used in this chapter, the following words and terms shall have the following meanings unless the context shall indicate another or different meaning or intent:

"Area median income" or "AMI" means area median income for Honolulu that is provided to Fannie Mae by the Federal Housing Finance Agency;

"Authority" or "HCDA" means the Hawaii community development authority established by section 206E-3, HRS;

"Developer" means a private person or an entity who has legal rights to perform or cause to be performed any man-made change over, upon, under, or across improved or unimproved real property within the Kalaeloa CDD;

"Eligible borrower" means any person or family, irrespective of race, creed, national origin, or sex, who:

- (1) Has never before obtained a loan under this part; and
- (2) Meets other qualifications as established by rules adopted by the authority;

"Executive director" means the executive director of the authority;

"Gross household income" means the total income, before taxes and personal deductions, received by all members of the applicant's household, including, but not limited to, wages, social security payments, retirement benefits, unemployment benefits, welfare benefits, interest and dividend payments;

"HRS" means the Hawaii Revised Statutes;

"Land trust" means a recorded instrument as defined in chapter 558, HRS;

"Licensed life care facilities" means licensed assisted living facilities as defined in section 321-15.1, HRS;

"Multi-family dwelling" means a residential building consisting of more than one residential unit;

"Net appreciation" means the resale fair market value of a reserved housing unit less the original contract price of the same and actual sales costs incurred, if any;

"Reserved housing" means housing designated for residents in the low-income or moderate-income ranges who meet such eligibility requirements as the authority may adopt by rule;

"Reserved housing unit" means a room or rooms connected together, constituting an independent dwelling that is designated for reserved housing; and

"Residential floor area" means the gross total residential floor area including the dwelling unit(s) and limited common areas such as lobby, hallways, storage, covered recreation area, and similar areas set aside for the residents. [Eff **OCT 27 2012**]
 (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§§15-216-6 to 15-216-16 (Reserved).

SUBCHAPTER 2

RESERVED HOUSING REQUIREMENTS

§15-216-17 Requirement for reserved housing units. (a) Every developer applying for a development permit for approval to construct multi-family dwelling units on a lot greater than 40,000 gross square feet shall construct and reserve at least twenty per cent of the total residential floor area as reserved housing units. The percentage of residential floor area developed as reserved housing shall be fifteen per cent if the units are developed as rental units.

(b) Such reserved housing units shall be sold or rented to persons qualifying under the terms and conditions set forth under subchapter 3. The developer shall execute agreements with the authority as are appropriate to conform to this requirement and subject to the authority's approval, and such agreements shall be binding upon the developer and any successors in interest, and shall run with the land. The agreement shall provide that the developer must provide certification to the authority as to the compliance of the requirements herein to qualify for a

certificate of occupancy for the project for which provisions of this chapter are applicable.

(c) Occupants of reserved housing units shall have access to and use privileges for the same amenities as all other occupants of the development. Reserved housing units shall be distributed in the building in such a manner that they do not form an isolated section of the project.

(d) If the authority so determines, it may allow the developer to meet the requirement of subsection (a) above through the following alternatives instead of providing reserved housing units within the development:

- (1) By providing such reserved housing units elsewhere within the Kalaeloa CDD; or
- (2) By providing such reserved housing units elsewhere on the island of Oahu. The authority may impose additional reserved housing requirements in approving transfer of reserved housing from the Kalaeloa CDD to other locations within the island of Oahu. Such additional reserved housing requirements shall be determined on a case-by-case basis by the authority at the time of approval of the development permit.

(e) No certificate of occupancy shall be approved by the authority for any project subject to this chapter unless the developer delivers the required reserved housing units.

(f) The delivery of the required reserved housing units shall be secured by the developer with a financial guaranty bond from a surety company authorized to do business in Hawaii, an acceptable construction set-aside letter, or other financial instruments acceptable to the authority prior to the approval of the building permit by the authority.

(g) Licensed life care facilities shall be exempt from the reserved housing requirement. In a proposed development that includes licensed life care facilities as well as residential dwelling units, the reserved housing requirements shall apply only to the residential dwelling portion of the development.

(h) No construction shall commence for any development within the Kalaeloa CDD on a lot greater than 40,000 square feet unless the development conforms to the provisions of this chapter and the authority has certified that the development complies with the requirements of this chapter.

(i) The authority may require guarantees, may enter into recorded agreements with developers and with purchasers and tenants of the reserved housing units, and may take other appropriate steps necessary to assure that these housing units are provided and that they are occupied by qualified persons for the required duration.

(j) The authority may suspend these requirements for reserved housing for a limited duration, if, in its sole judgment, it determines that these requirements may unduly impede, preclude, or otherwise negatively impact the primary objective of the authority to promote redevelopment within the Kalaeloa CDD. [Eff **OCT 27 2012**] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§15-216-18 Adjustments to height, density, and general development requirements for reserved housing units. (a) Except as otherwise provided, any developer who applies for a permit proposing a multi-family residential project on a lot greater than 40,000 square feet who meets applicable provisions of this chapter shall be entitled to adjustments in allowable floor area and general development requirements as follows:

- (1) Residential floor area for reserved housing shall be excluded from calculations of allowable floor area;
- (2) Residential floor area for reserved housing shall be exempt from the provisions of Hawaii administrative rules, section 15-215-64 (dedication of public facilities); and

(3) For reserved housing units, the off-street parking space requirement shall be one stall per unit.

(b) The authority may also consider modifying the following requirements of the Kalaeloa CDD as an incentive to providing additional reserved housing by a developer:

- (1) Building height;
- (2) Street setbacks; and
- (3) Loading space. [Eff **OCT 27 2012**] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§§15-216-19 to 15-216-28 (Reserved).

SUBCHAPTER 3

SALE AND RENTAL OF RESERVED HOUSING UNITS

§15-216-29 Purpose. The rules set forth in this subchapter shall govern the sale, rental or transfer of reserved housing provisions of subchapter 2.

[Eff **OCT 27 2012**] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§15-216-30 Qualifications for reserved housing. The following shall be qualifications for purchasing or leasing of reserved housing units by a buyer or a tenant. The buyer or the tenant:

- (1) Shall be at least the age of majority;
- (2) Shall not have a majority interest in a principal residence or a beneficial interest in a land trust on a principal residence within or without the State for a period of three years immediately prior to the date of application for a reserved housing unit under this section;

- (3) Shall not have a spouse or dependent child who has a majority interest, in a principal residence or a beneficial interest in a land trust on a principal residence for a period of three years immediately prior to the date of application for a reserved housing unit under this section;
- (4) Shall be the owner or lessee and occupant of the reserved housing unit; and
- (5) Shall not have a record or history of conduct or behavior, including past rent payments, which may prove detrimental to other tenants or the authority. This criterion shall be applied within parameters set by federal laws on discrimination, including the Americans with Disabilities Act. [Eff **OCT 27 2012**] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§15-216-31 Sale and rental of reserved housing units. (a) The authority may advertise the sale or rental of reserved housing units and qualify and select persons for reserved housing units. It may also permit the developer of such units, or the developer's designated representative, to be responsible for advertising, qualifying, and selecting persons subject to the provisions of this chapter.

(b) Applications for the purchase or rental of reserved housing units shall be accepted on a first-come, first-served or on a lottery basis. The applications shall be submitted in person by the applicant. Only completed applications shall be acceptable. Applicants shall not be required to submit a deposit amount exceeding \$500.

(c) Notice of the proposed sale or rental of reserved housing units shall be published in a newspaper of general circulation on two separate days. The notice shall include, but not be limited to, the following:

- (1) General description of the project in which the reserved housing units are located including its location, number of reserved housing units, size of the reserved housing units by number of bedrooms, and sales prices or rental rates;
- (2) Qualification requirements for purchase of reserved housing units including maximum income limits, restrictions on ownership of property, the authority's first option to purchase and shared equity requirements for reserved housing units for sale, and permissible household sizes;
- (3) A statement that buyers or renters shall be selected on a first-come, first-served or on a lottery basis, whichever is applicable;
- (4) Where and when applications may be obtained and the first date, including time and place, when applications will be accepted, and subsequent dates, times, and places for submission of applications;
- (5) Deadline for submission of applications; and
- (6) In the case of a reserved housing unit for sale, the deposit amount and mode of acceptable payment.

The time period between publication of the notice and the first acceptance of applications shall not be less than fourteen business days. The period shall be computed from the first day of publication of the notice.

(d) Priority shall be given to applicants who have been displaced from housing as a result of development in the Kalaeloa CDD.

(e) Applicants shall be allowed to select a reserved housing unit based on maximum income limits, qualifying income, preference, permissible household sizes, and availability of the reserved housing unit.

(f) In the event the developer, or the developer's designated representatives have accepted and processed applications and selected applicants for reserved housing units, a certification shall be submitted to the authority that the selection was made

on a first-come, first-served or a lottery basis. Applicants shall be listed in the order in which the applications were accepted and the list shall be available for inspection by the authority. The final applications for those persons selected shall be made available to the authority and the authority shall review the applications to ensure that the applicants meet the eligibility requirements established under this chapter.

(g) Reserved housing applicants shall provide financial and family information with the reserved housing application.

(h) The authority may also require applicants to provide documentation to verify information submitted to the authority, including but not limited to:

- (1) Asset verification;
- (2) Verification of deposit;
- (3) Verification of employment; and
- (4) Credit bureau report.

(i) An applicant found to have willfully submitted false information, made misstatements, or withheld important information shall be disqualified from purchasing or renting a reserved housing unit under this chapter. The authority retains its right to recover any money wrongfully gained by the applicant or to any other recourse provided by law.

[Eff **OCT 27 2012**] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§15-216-32 Income. (a) The gross household income of the applicant shall not exceed one hundred forty per cent of the AMI as determined by the United States Department of Housing and Urban Development.

(b) The gross household income shall be the income earned during the most current calendar year preceding the date of application to purchase or rent a reserved housing unit and shall be verified by submittal of most current State or Federal tax returns.

(c) The assets of the applicant shall not exceed one hundred thirty-five per cent of the applicable

income limit set forth in subsection (a) above. As used herein, assets include, all cash, securities and real and personal property at current fair market value, less any outstanding liabilities secured by such assets. [Eff **OCT 27 2012**] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§15-216-33 Occupancy requirements. (a) The following are occupancy requirements for reserved housing units:

- (1) Applicants for reserved housing shall certify that, if selected, all applicants will be occupants of the reserved unit;
- (2) The purchaser or lessee shall physically occupy the reserved unit; and
- (3) The city and county of Honolulu maximum occupancy limits for a residential dwelling unit shall apply.

(b) Violation of subsection (a) shall be sufficient reason for the authority, at its option, to purchase the unit as provided in section 15-216-36 (first option to purchase) or evict the renter from the unit, as applicable.

(c) Any deed, lease, agreement of sale, mortgage, or other instrument of conveyance issued for the reserved housing unit shall expressly contain the restrictions on use prescribed in this section.

(d) The restriction prescribed in subsection (a) above shall not apply if the authority waives its option to purchase the reserved housing unit or subsequent to the expiration of the option to purchase period. [Eff **OCT 27 2012**] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§15-216-34 Affordability criteria. (a) The following criteria shall be used in determining price and income equivalencies of units for sale:

- (1) Down payment amount shall not exceed ten per cent of the purchase price;

- (2) Monthly payments, which consist of principal and interest, real property taxes, insurance, and fees and costs required by the bylaws of a condominium property regime, shall not exceed thirty-three per cent of gross monthly income or some other percentage approved by the United States Department of Housing and Urban Development; and
- (3) Interest rate shall be derived by taking the average of the interest rate on thirty year fixed rate mortgages posted for major Honolulu banks in the first week of each of the preceding six months.

(b) The following criteria shall be used in determining price and income equivalencies of units for rent: monthly rent and all utilities and other building operating costs (excluding telephone, cable television and internet service) shall not exceed thirty-three per cent of the renter's gross monthly income. [Eff **OCT 27 2012**] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§15-216-35 Term of reserved housing *

requirements. (a) The regulated term for reserved housing units that are for sale shall be five years from the date of issuance of certificate of occupancy. Reserved housing rental units shall be regulated for fifteen years. The authority may suspend or modify regulated term and qualifying income requirements on a project by project basis, if, in its sole judgment, it determines that these requirements are negatively impacting the sale or rental of reserved housing units as the primary objective of the authority to promote redevelopment within the Kalaeloa CDD.

(b) During the regulated term, a reserved unit owner shall not purchase additional limited common elements or personal property.

(c) During the regulated term, the executive director shall approve any initial or subsequent mortgage placed on a reserved unit which does not

* - Regulated term adjusted to two years for remaining units pursuant to meeting conditions set forth in HCDA Findings of Fact, Conclusions of Law, and Decision and Order Application No. KAL 25-010 dated January 7, 2026.

exceed eighty per cent of the original purchase price of the unit.

(d) After the end of the regulated term, the owner may sell the unit or assign the property free from any transfer or price restrictions except for applicable equity sharing requirements set forth in section 15-216-41 (equity sharing requirements).

[Eff **OCT 27 2012**] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§15-216-36 First option to purchase. If the owner of a reserved housing unit wishes to sell the unit during the regulated term, the authority or an entity approved by the authority shall have the first option to purchase the unit. The purchase price shall be based on the lower of:

- (1) The current fair market price of the reserved housing unit as determined by the authority less the authority's share of equity in the unit as determined by section 15-216-41 (equity sharing requirements); or
- (2) The reserved housing unit price calculated based on the AMI at the time of sale of the unit. [Eff **OCT 27 2012**] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§15-216-37 Sale or transfer of reserved housing units. Sale or transfer of reserved housing units during the regulated term shall be as follows:

- (1) The authority or an entity approved by the authority shall have the first option to purchase the unit in the manner indicated in section 15-216-36 (first option to purchase);
- (2) The owner shall notify the authority in writing of the intent to sell the reserved housing unit;
- (3) The authority shall notify the owner of its decision within sixty days of receipt of the

- owner's notification required in subsection (2) above. The authority may:
- (A) Wave its option to purchase the unit,
 - (B) Agree to purchase the unit, or
 - (C) Designate another buyer for the unit;
- (4) If the authority fails to notify the owner of a decision in the manner prescribed in subsection (3), the authority shall have waived its first option to purchase the unit;
- (5) The authority may purchase the unit either outright, free and clear of all liens and encumbrances; or by transfer subject to an existing mortgage. If by outright purchase, the owner shall ensure that all existing mortgages, liens, and encumbrances have been satisfactorily paid; and
- (6) In any purchase by transfer subject to an existing mortgage, the authority shall agree to assume and to pay the balance on any first mortgage created for the purpose of enabling the owner to obtain funds for the purchase of the unit and any other mortgages which were created with the approval and consent of the authority. In these cases, the amount to be paid to the owner by the authority shall be the difference between the price as determined in section 15-216-36 (first option to purchase) (1) or (2) and the principal balance of all mortgages outstanding and assumed at the time of transfer of title to the authority.
- [Eff **OCT 27 2012**] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§15-216-38 Foreclosure. In the event of a foreclosure, any law to the contrary notwithstanding, a mortgagee under a mortgage covering a reserved housing unit and land or leasehold interest subject to the restrictions of sections 15-216-35 (term of

reserved housing requirements), 15-216-36 (first option to purchase), and 15-216-37 (sale of transfer of reserved housing units), shall, prior to commencing mortgage foreclosure proceedings, notify the authority of:

- (1) Any default of the mortgagor under the mortgage within ninety days after the occurrence of the default; and
- (2) Any intention of the mortgagee to foreclose the mortgage under chapter 667, HRS.

The authority shall be a party to any foreclosure action, and shall be entitled to all proceeds remaining in excess of all customary and actual costs and expenses of transfer pursuant to default, including liens and encumbrances of record. The person in default shall be entitled to any amount remaining provided the amount shall not exceed the lower of the amounts computed in section 15-216-35 (term of reserved housing requirements).

[Eff **OCT 27 2012**] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§15-216-39 Transfers of title pursuant to a mortgage foreclosure. The conditions prescribed in sections 15-216-35 (term of reserved housing requirements), 15-216-36 (first option to purchase), and 15-216-37 (sale of transfer of reserved housing units) shall be automatically extinguished and shall not attach to subsequent transfers of title pursuant to a mortgage foreclosure, foreclosure under power of sale, or a conveyance in lieu of foreclosure after a foreclosure action is commenced. [Eff **OCT 27 2012**] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§15-216-40 Incorporation in deed. The provisions of sections 15-216-33 (occupancy requirements), 15-216-35 through 15-216-37, 15-216-40 (incorporation in deed) and section 15-216-41 (equity sharing requirements) shall be incorporated in any

deed, lease, mortgage, agreement of sale, or other instrument of conveyance for reserved housing units.

[Eff **OCT 27 2012**] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§15-216-41 Equity sharing requirements.

(a) The authority's share of the equity in the reserved housing unit shall become due upon resale of the reserved housing unit.

(b) The authority's share of the equity in the reserved housing unit shall be the higher of:

- (1) An amount equal to the difference between the original fair market price of the unit as determined by the authority and its original sales contract price; or
- (2) An amount equivalent to the percentage of net appreciation calculated as the difference between the original fair market price of the unit as determined by the authority and its original contract price divided by the original fair market price of the unit.

(c) At its sole discretion, the authority may allow the project developer to buy out the shared appreciation provisions for all or a portion of the reserved housing units by making a cash payment to the authority of an amount equal to the amount for equity sharing calculated in subsection (b) above.

(d) The owner of the reserved housing unit shall provide financial documents acceptable to the authority before the cost of improvements made by the owner can be deducted from the sale price.

(e) The authority, in its sole discretion, shall determine the fair market value of the reserved housing unit at the time of original sale and also at the time of resale.

(f) The resale price and terms shall be approved by the authority. [Eff **OCT 27 2012**] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§15-216-42 Deferral of equity sharing. The authority may consider deferring the equity sharing in case an owner of a reserved housing unit wishes to transfer title to the unit by devise or through the laws of descent to a family member who would otherwise qualify for purchase of a reserved housing unit under this chapter. [Eff **OCT 27 2012**] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§15-216-43 Effects of subsequent rule amendments. (a) In the case of subsequent rule amendments, reserved housing owners shall be permitted at their election to:

- (1) Remain subject to the rules in effect at the time of the purchase of the unit, or
- (2) Be governed by the amended rules.

(b) The authority, or any other entity that the authority transfers the reserved housing to shall notify all reserved housing owners of any change made by law, ordinance, rule or regulation within one hundred eighty days of such changes. Such notice shall clearly state the enacted or proposed new provisions, the date upon which they are to be effective and offer to each owner of reserved housing units constructed and sold prior to the effective date, an opportunity to be governed by such new provision.

(c) No reserved housing unit owner shall be entitled to modify the restrictions or conditions on use, transfer, or sale of the reserved housing unit, without the written permission of the holder of a duly-recorded first mortgage on the unit and the owner of the fee simple or leasehold interest in the land underlying the unit.

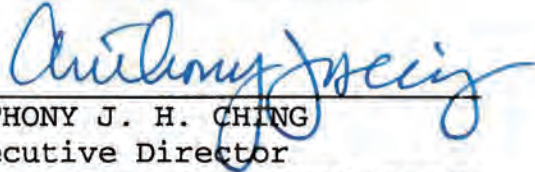
(d) This section shall apply to all reserved housing units developed, constructed and sold pursuant to this chapter. [Eff **OCT 27 2012**] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

§§15-216-44 to 15-216-54 (Reserved).

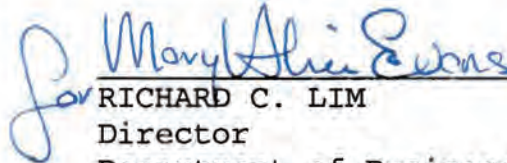
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND
TOURISM

Repeal of chapter 15-200 and adoption of chapter 15-216, Hawaii Administrative Rules, on the Summary Page dated September 11, 2012, were adopted on September 11, 2012, following public hearings held on May 18, 2011, August 16, 2012, and September 11, 2012, after public hearing notices were given in the Honolulu Star Advertiser, Hawaii Tribune-Herald, The Maui News, West Hawaii Today, and The Garden Island, on April 16, 2011 and July 16, 2012.

These rules shall take effect ten days after filing with the Office of the Lieutenant Governor.

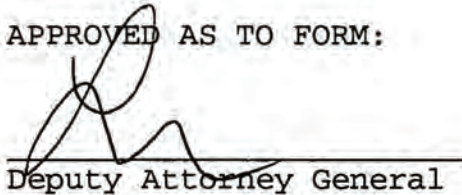


ANTHONY J. H. CHING
Executive Director
Hawaii Community Development
Authority



RICHARD C. LIM
Director
Department of Business,
Economic Development, and
Tourism

APPROVED AS TO FORM:


Deputy Attorney General

NEIL ABERCROMBIE
Governor
State of Hawaii

Date: 10-16-12

Filed



ATTENTION BUYERS

Buyers should inspect the garage and driveway thoroughly to ensure that the garage and/or driveway can accommodate their vehicle(s), **before** selecting a home. Visitor parking stalls will not be available to homeowner's for everyday use. Visitor parking stall M-1 is reserved 24 hours a day, 7 days a week for the exclusive use by the United States Postal Service and/or those acting on its behalf while servicing Ka'ulu by Gentry. Large parking stalls identified as "Load", are reserved 24 hours a day, 7 days a week for active loading and unloading by Residents or by or on behalf of the Association. No cars, trucks or other vehicles may be parked or left unattended at any such stalls for longer than 30 minutes without the permission of the Manager. The garage should be used for parking cars, and not only storage.

Parking is allowed on driveway in front of garage as long as it does not conflict with Section V.F. or any other Section of the Project Rules.

No parking is allowed on any roadway within Ka'ulu by Gentry. No vehicle parking in a visitor parking stall shall extend into any roadway within Ka'ulu by Gentry. Vehicles violating these restrictions shall be towed. The washing of automobiles, motorcycles and other motor vehicles is prohibited within Ka'ulu by Gentry.

Ka'ulu by Gentry Project Rules Excerpt:

- V.A. Limited Parking in the Project.** Proper and efficient use of the space in Ka'ulu by Gentry requires that Residents park their vehicle(s) only in their garage and, if applicable, the tandem parking stall directly in front of their garage, so Residents must not use any other parking stalls in the Project at any time. There are no other options for Residents to park their vehicles, because all of the on-street common element parking stalls in Ka'ulu by Gentry are reserved for visitor use only. If all of the vehicles of a Unit's Owners and Residents will not fit in the Unit's garage or tandem parking stall, then such Owner should not purchase, and such Resident should not reside in, a Unit in Ka'ulu by Gentry. Ka'ulu by Gentry only works if all Owners and Residents park their vehicles in the Unit's garage or tandem parking stall.
- V.F. Method of Parking; No Blocking of Sidewalks or Roadways.** No vehicle belonging to any Resident or to any Resident's family member, guest, employee, service person or delivery person is allowed to be stopped or parked in such a manner so as to prevent the exit from or entrance to any portion of Ka'ulu by Gentry. No vehicle parked or stopped in a driveway, appurtenant parking stall or in a visitor parking stall is allowed to protrude beyond the driveway apron or to block or extend into any landscaped area, sidewalk or roadway within Ka'ulu by Gentry. All sidewalks must remain clear at all times. Tandem parking and double-parking are not allowed on any streets within Ka'ulu by Gentry. Curbside parking outside of designated visitor parking stalls is not allowed. Vehicles violating these restrictions are subject to being towed.

Buyer may read the Developer's Public Report and the Ka'ulu by Gentry condominium documents (which include the Project Rules) by typing the following in the address box at the top left of your screen:

www.gentryhawaii.com/kaulu-docs