

LAND USE COMMISSION
STATE OF HAWAII

2008 SEP -4 P 2:37

GENTRY EWA MAKAI

Docket No. A03-738

SLUC ANNUAL REPORT

2006 and 2007

Submitted by

GENTRY INVESTMENT PROPERTIES

(Formerly known as Gentry Development Company)

BACKGROUND/PROJECT STATUS

The 283-acre Ewa Makai development is part of Ewa by Gentry, a 1,283-acre master planned residential community that will consist of approximately 9,100 homes at build-out. Of the total, approximately 1,675 homes (853 single family and 820 single family condominiums) are planned for the Ewa Makai project area.

Ewa by Gentry consists of lands that were reclassified by the State Land Use Commission from the Agricultural District to the Urban District under three separate dockets: Docket No. 074-22 ("Hirano Brothers"); Docket No. A88-627 ("Ewa by Gentry"); and Docket No. A03-738 ("Ewa Makai"). Although the lands were reclassified under three separate dockets, the project areas are being master planned and developed as one community called "Ewa by Gentry." (Note: Ewa by Gentry, as used in this report, generally refers to the entire master planned community of Ewa by Gentry, not just the area that was reclassified in 1988.) This report focuses on the status of conditions set forth in Docket No. A03-738, "Ewa Makai."

As of December 31, 2007, 490 homes have been built and sold in Ewa Makai as shown in the following table. Base prices started at \$294,000 for Montecito, \$344,900 for Tuscany, and \$399,900 for Tuscany II, all of which are single family condos. Base prices for the single family communities of Prescott II, WoodBridge II, Haleakea, and Cypress Point started at \$349,900, \$549,900, \$624,900, and \$950,000, respectively.

Area	Type	Project	Status	Units Sold & Closed
33	SF Condo	Montecito	Completed	134
33	SF Condo	Tuscany	Completed	97
39	SF Condo	Tuscany II	Ongoing	99
34	SF	WoodBridge II	Completed	42
34	SF	Prescott II	Completed	15
36	SF	Haleakea	Ongoing	85
36	SF	Cypress Point	Ongoing	18
Total				490

It is anticipated that slightly over 100 homes will be sold and closed in 2008 in Ewa Makai.

The projected build-out of Ewa by Gentry under our 2008 Land Use Plan (Appendix 1) extends through the year 2015, with the schedule being dependent upon market conditions. Ultimately, Ewa by Gentry will include a broad range of housing types, including homes for sale and for rent; a championship daily fee golf course that is available for community and public play; public and private parks; private recreation centers; an expanded Ewa Mahiko District Park in the neighboring Ewa Villages; Holomua Elementary School (which opened in August 1996); an 18-acre DOE middle school (scheduled to open in 2011); a seven-acre neighborhood commercial center (which opened in the summer of 1999); 44 acres of light industrial and commercial uses; and lots of open space.

LAND USE CONDITIONS COMPLIANCE

The following summarizes the Petitioner's progress as of December 31, 2007, in complying with conditions imposed by the Land Use Commission under the subject docket (conditions are italicized, with descriptions immediately following):

Condition 1: Affordable Housing. *Petitioner shall provide affordable housing opportunities for low, low-moderate, and gap group income residents of the State of Hawai'i to the satisfaction of the City and County of Honolulu. The location and distribution of the affordable housing or other provisions for affordable housing shall be under such terms as may be mutually agreeable between Petitioner and the County.*

Progress Report: Petitioner executed an affordable housing agreement with the City and County of Honolulu dated November 19, 2004. It is included as (Appendix 2.) Also included as part of Appendix 2 is a letter from the Department of Planning and Permitting dated August 1, 2007, which amends the November 2004 Agreement. Based upon the revised agreement, the Petitioner has fulfilled its affordable housing requirements for Ewa Makai. (See matrix entitled "Calculation of City's Affordable Housing Requirements" which is also included as part of Appendix 2.)

Condition 2: Public School Facilities. *Petitioner shall contribute to the development, funding, and/or construction of school facilities, on a fair-share basis, as determined by and to the mutual satisfaction of Petitioner and the Department of Education. Terms of the contribution shall be agreed upon in writing by Petitioner and the Department of Education prior to obtaining County rezoning.*

Progress Report: A written agreement dated July 23, 2003, was executed by the Petitioner and the Department of Education (DOE) for the contribution of 18 acres, more or less, for a public middle school. (See Appendix 3 for a copy of the agreement.) Transfer of the property to the State is proceeding satisfactorily, and should be completed by the fall of 2008.

Condition 3: Wastewater Facilities. *Petitioner shall fund and construct adequate wastewater transmission and disposal facilities, as determined by the City and County of Honolulu Department of Environmental Services and the State Department of Health.*

Progress Report: Capacity at HWWTP has been reserved for developments proposed in Ewa Makai. Petitioner is also working with the Department of Environmental Services and the State Department of Health in the development of a sewer pump station to service homes, businesses, the middle school and other facilities in Ewa Makai. Petitioner continues to fund and construct wastewater collection and transmission facilities in accordance with the requirements of the City's Department of Planning and Permitting. Applicable wastewater system facility charges are also being paid to the City.

Condition 4: Transportation. *Petitioner shall participate in the pro-rata funding and construction of local and regional transportation improvements and programs necessitated by the proposed development according to the regulatory scheme and factors covered by the City and County of Honolulu's impact fee ordinance – Chapter 33A, Revised Ordinances of Honolulu, and as determined by the State Department of Transportation.*

Petitioner shall undertake subsequent mitigative measures that may be required by the Department of Transportation or the City and County of Honolulu. The mitigative measures shall be coordinated with and approved by the Department of Transportation and the City and County of Honolulu, as appropriate.

Petitioner in coordination with DOT shall provide briefing and update on regional and local traffic improvement projects to the 'Ewa community on a semi-annual basis in conjunction with this project.

Progress Report: Since October 30, 2002 (when Ordinance 02-52 went into effect) through December 31, 2007, Petitioner has paid a total of \$1,972,015.98 in impact fees to help pay for Ewa highway improvements. In addition, Petitioner built a portion of Kapolei Parkway, for which it has received \$359,856 in credits as of December 31, 2007.

Petitioner and/or DOT have periodically made presentations at the Ewa Neighborhood Board and other community meetings to update the community on regional and local traffic improvements.

Condition 5: Landscaped Building Setback. *Petitioner shall provide a landscaped building setback (approximately 12 feet) along the Project's Fort Weaver Road frontage to provide flexibility in accommodating future transportation needs along the route and to buffer roadway noise.*

Progress Report: Petitioner is providing a landscaped building setback of at least 12' along the Fort Weaver Road frontage in compliance with this condition.

Condition 6: Archaeological Inventory Survey. *Should any previously unidentified burials, archaeological or historic sites such as artifacts, marine shell concentrations, charcoal deposits, or stone platforms, pavings or walls be found, Petitioner, developers and/or landowners of the affected properties shall comply with all applicable statutory provisions of Chapter 6E, Hawai'i Revised Statutes, and administrative rules of the Department of Land and Natural Resources.*

Progress Report: Petitioner has not encountered and is not likely to encounter any archaeological resources in the project area since it was under sugar cane cultivation prior to development. However, should any significant archaeological resource be encountered, the Petitioner, developers and/or landowners of the affected properties will comply with the applicable statutory provisions of Chapter 6E, Hawaii Revised Statutes, and administrative rules of the DLNR.

Condition 7: Historic Preservation Mitigation Plan. *Petitioner shall coordinate and discuss with the Office of Hawaiian Affairs the incorporation of Hawaiian cultural elements such as trail alignments, if deemed appropriate, and the use of proper place names for the proposed development.*

Progress Report: Petitioner has attempted to schedule a meeting with the Office of Hawaiian Affairs to discuss the appropriateness of incorporating cultural elements in Ewa Makai, as well as the use of proper place names for the proposed development. After several unsuccessful attempts by telephone, a written request was sent to the Administrator in order to comply with this condition. We are still awaiting a response.

Condition 8: Solid Waste Management Plan. *Petitioner shall develop a Solid Waste Management Plan in conformance with the Integrated Solid Waste Management Act, Chapter 342G, Hawai'i Revised Statutes. Petitioner's Solid Waste Management Plan shall be approved by the City and County of Honolulu Department of Environmental Services. The Plan shall address and encourage an awareness of the need to divert the maximum amount of waste material caused by developments away from the County's landfills.*

Progress Report: Although a Solid Waste Management Plan has not been developed, per se, all of the Petitioner's development plans have been reviewed and approved by the City's Department of Environmental Services. In addition, Petitioner has been attempting to minimize the amount of waste material caused by its new development in its efforts to build "green".

Condition 9: Air Quality Monitoring. *Petitioner shall participate in an air quality monitoring program as specified by the State Department of Health.*

Progress Report: The Petitioner will continue to work with the Department of Health to ensure that fugitive construction dust is controlled and that air quality standards are in compliance with Department of Health regulations.

Condition 10: Drainage Improvements. *Petitioner, its successors, and assigns shall coordinate the design and construction of drainage improvements on the Property required as a result of the development of the Property to the satisfaction of Federal, State, and City agencies with the goal of executing an agreement on the interim and ultimate regional drainage plan as soon as possible. Petitioner, its successors and assigns shall participate in the planning and coordination of offsite improvements with all landowners and developers in the Kalo'i drainage basin, and other Federal, State, and City agencies.*

Progress Report: Petitioner prepared drainage master plans for Ewa Makai East and Ewa Makai West, which have been approved by the City's Department of Planning and Permitting. Petitioner also continues to participate in Kalo'i Gulch Regional Drainage discussions hosted by the Department of Planning and Permitting, City and County of Honolulu.

Condition 11: Regional Drainage Solutions. *Petitioner, its successors, and assigns, agrees to work with the City to implement interim and long-term regional drainage solutions as follows:*

- a. Petitioner shall submit an updated drainage master plan if required for the Property to the City for its review and approval prior to any subdivision approvals other than for minor matters, such as easements.*
- b. Drainage solutions for the Property shall be compatible with the drainage designs for other developments in the Kalo'i drainage basin and shall conform to applicable Federal, State, and City laws, rules, regulations, and standards.*
- c. Drainage improvements for the Property shall be consistent with the policies and principles in the `Ewa Development Plan.*
- d. Petitioner shall be responsible for maintaining previously constructed drainage improvements which limit channelized runoff to 2,500 cubic feet per second at the Property's southern boundary (specifically at the property boundary between Petitioner's Property and Haseko's property) for events up to a 100-year storm. Petitioner shall also take reasonable measures to minimize non-channelized flows from the Property by construction of berms, detention basins, or other appropriate methods. These requirements shall remain in force until long-range regional drainage improvements are in place in accordance with the approved drainage master plan for the Project.*
- e. Petitioner has or shall enter into a Letter Agreement with Hawaii Prince to mutually address the drainage issues as it pertains to the Hawaii Prince Golf Course.*

Progress Report

- 1a. Petitioner prepared drainage master plans for Ewa Makai East and Ewa Makai West, which plans have been approved by the City's Department of Planning and Permitting.
- 1b. Drainage improvements called for in the drainage master plan for Ewa Makai West have taken this requirement into consideration. As previously noted, Petitioner continues to participate in Kaloi Gulch Regional Drainage meetings held by the City's Department of Planning and Permitting.
- 1c. As previously noted, drainage master plans for Ewa Makai East and Ewa Makai West have been approved by the City's Department of Planning and Permitting and are in accordance with the Ewa Development Plan.
- 1d. The drainage master plan for Ewa Makai West has taken into account this requirement. Petitioner is phasing development and providing interim drainage solutions until the ultimate downstream drainage capacity of Kaloi is achieved.

- 1e. Petitioner entered into a letter agreement with Hawaii Prince Hotel in 2003 which mutually addressed drainage issues.

Condition 12: Water Resources Allocation and Permits. *Petitioner shall participate in the funding and construction of adequate water source, storage, and transmission facilities and improvements to accommodate the proposed Project. Water transmission facilities and improvements shall be coordinated and approved by appropriate State and County agencies.*

Progress Report: Petitioner has constructed and continues to construct water system improvements as required by the Honolulu Board of Water Supply. Petitioner also continues to pay water systems facilities charges imposed by the Honolulu Board of Water Supply.

Condition 13: Avigation and Noise Easement. *Petitioner shall grant to the State of Hawai'i an avigation (right of flight) and noise easement in a form prescribed by the State Department of Transportation of any portion of the Property subject to aircraft noise contours exceeding 55 Ldn.*

Progress Report: The Petitioner is working on a grant of avigation and noise easement to the State DOT for portions of the property that are subject to aircraft noise contours exceeding 55 Ldn.

Condition 14: Sound Attenuation. *Petitioner shall not construct residential units within areas exposed to Honolulu International Airport and Naval Station Barbers Point noise levels of 65 Ldn or greater.*

Progress Report: Petitioner will not construct residential units within areas exposed to Honolulu International Airport and Naval Station Barbers Point noise levels of 65 Ldn or greater.

Condition 15: Civil Defense Systems. *Petitioner, developers and/or landowners of the Property shall fund and construct adequate solar powered civil defense systems as determined by the County and State Civil Defense agencies.*

Progress Report: The Petitioner funded and constructed a solar powered civil defense system in Ewa Makai-East in accordance with recommendations made by the Oahu Civil Defense and State Civil Defense agencies. Included as Appendix 4 is a letter from the State Civil Defense stating that the inspection of the Area 19 siren was conducted on August 5, 2005, and found the siren to be acceptable.

Condition 16: Energy Conservation Measures. *Petitioner shall implement energy conservation measures such as the use of solar energy and solar heating and incorporate such measures into the Project.*

Progress Report: The Petitioner, a leader in green building, now includes a number of environmentally-friendly components as standard features in all of their new homes, including solar water heaters. Because of the Petitioner's incorporation of solar water heaters in all of its new homes, the company was recently honored as the first major Oahu residential developer to earn the U.S. Environmental Protection Agency's coveted ENERGY STAR® for its commitment to building energy efficient homes. The ENERGY STAR is a prestigious rating that recognizes companies and their voluntary commitment to promoting energy efficiency, consumer savings and protecting the environment.

Other "green" features include use of sustainable Borate-treated termite-resistant lumber from managed forests; use of exterior Hardiplank cement siding which is termite-resistant rather than a wood exterior for superior durability and longevity; use of building materials and products that contain no ozone destroying chemicals; water conservation features in exterior landscaping; photovoltaic systems as an optional feature; interior spaces that are arranged to promote good airflow and cross ventilation; use of HECO-approved 120-gallon solar water heaters with automatic timers; Icynene open cell foam insulation; Dual Glaze / Low E high performance vinyl windows with superior UV protection; GE Profile Energy Star Rated appliances; compact fluorescent lighting throughout 90% of the home, dual flush toilets and other energy efficient features such as low flow plumbing fixtures for interior water conservation.

Condition 17: Compliance with Representations to the Commission. *Petitioner shall develop the Property in substantial compliance with the representations made to the Commission. Failure to develop the Property may result in reversion of the Property to its former classification, or change to a more appropriate classification.*

Progress Report: The Petitioner confirms its commitment to develop the Property in substantial compliance with representations made to the Commission.

Condition 18: Notice of Change to Ownership Interests. *Petitioner shall give notice to the Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interests in the Property, prior to development of the Property.*

Progress Report: Petitioner will so notify the Commission.

Condition 19: Annual Reports. *Petitioner shall timely provide without any prior notice, annual reports to the Commission, the Office of Planning, and the City and County Department of Planning and Permitting in connection with the status of the Project and Petitioner's progress in complying with the conditions imposed herein. The annual report shall be submitted in a form prescribed by the Executive Officer of the Commission.*

Progress Report: This report has been prepared and will be distributed in compliance with this requirement.

Condition 20: Release of Conditions Imposed by the Commission. *The Commission may fully or partially release the conditions provided herein as to all or any portion of the Property upon timely motion and upon the provision of adequate assurances of satisfaction of these conditions by Petitioner.*

Progress Report: Not applicable at this time.

Condition 21: Recording of Conditions. *Within 7 days of the issuance of the Commission's Decision and Order for the subject reclassification, Petitioner shall (a) record with the Bureau of Conveyances a statement that the Property is subject to conditions imposed herein by the and Use Commission in the reclassification of the Property, and (b) shall file a copy of such recorded statement with the Commission.*

Progress Report: The Petitioner complied with this Condition and filed a copy of the recorded statement with the Commission on December 22, 2003.
(See Appendix 5.)

Condition 22: Recording of Conditions. *Petitioner shall record the conditions imposed herein by the Commission with the Bureau of Conveyances pursuant to section 15-15-92, Hawai'i Administrative Rules.*

Progress Report: The conditions imposed by the State Land Use Commission were recorded with the Bureau of Conveyances on February 11, 2004, as Land Court Document No. 3068154. The original certified copy was transmitted to the State Land Use Commission on May 24, 2004. (A copy of the Declaration of Land Use Conditions is included as Appendix 6.)

TABLE OF CONTENTS

PROJECT STATUS	1
LAND USE CONDITIONS COMPLIANCE	2

LIST OF APPENDICES

APPENDIX 1:	2008 Land Use Plan for Ewa by Gentry
APPENDIX 2:	Affordable Housing • Ewa Makai by Gentry Affordable Housing Agreement dated November 19, 2004 • Letter dated August 1, 2007 from Department of Planning and Permitting amending the November 2004 Agreement • Ewa by Gentry, Calculation of City's Affordable Housing Requirements
APPENDIX 3:	Education Contribution Agreement for Gentry Ewa Makai dated July 23, 2003
APPENDIX 4:	Final Inspection of Area 19 Siren
APPENDIX 5:	Notice of Imposition of Conditions by the Land Use Commission for Ewa Makai, Docket No. A03-738
APPENDIX 6:	Declaration of Land Use Conditions

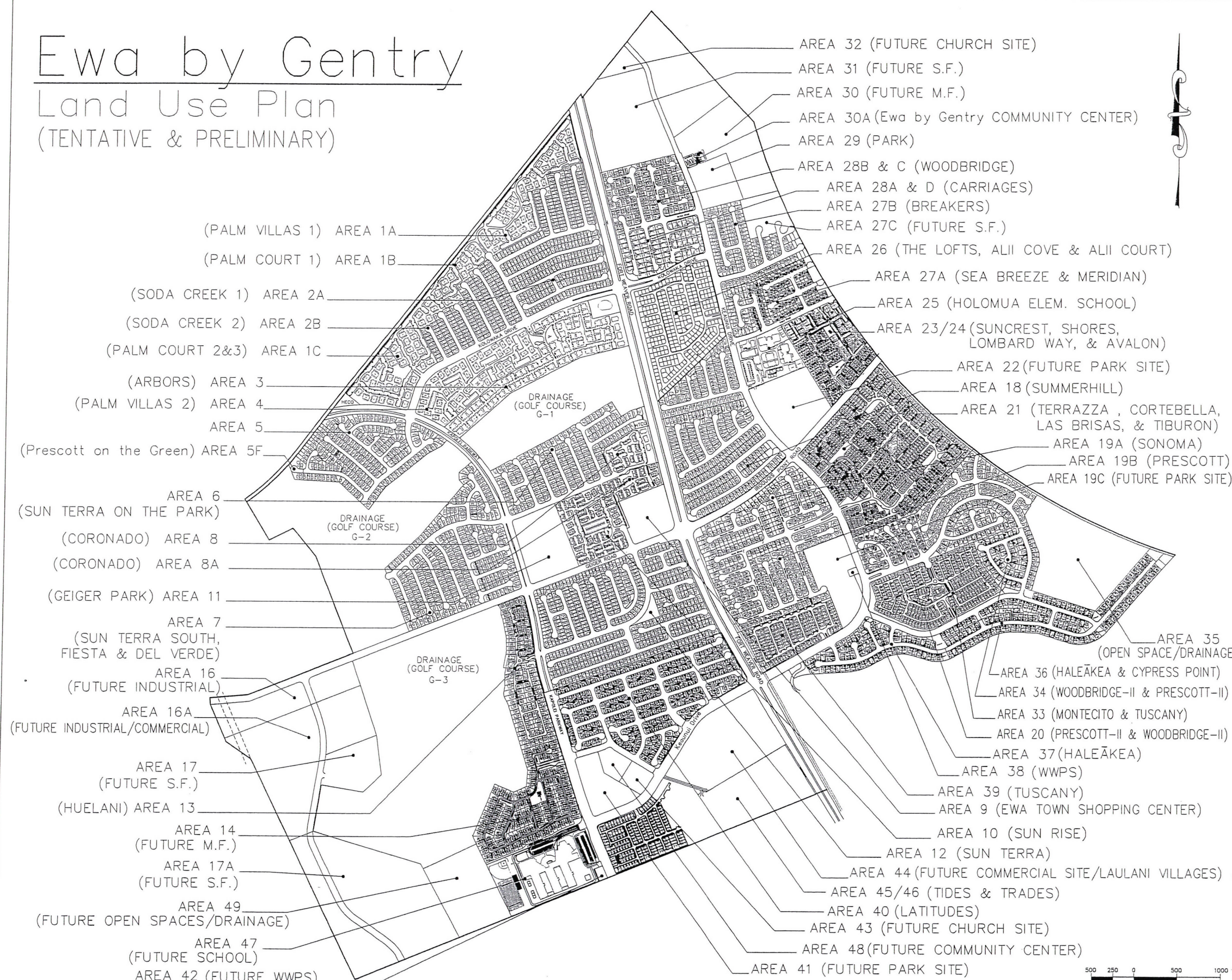
APPENDIX 1

2008 Land Use Plan for Ewa by Gentry

Ewa by Gentry

Land Use Plan

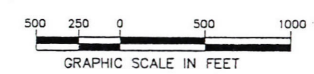
(TENTATIVE & PRELIMINARY)



ACREAGE & UNITS

PARCEL	PRODUCT TYPE	ACRES	UNITS
AREA 1A	MULTI-FAMILY	15.39	352
AREA 1B	MULTI-FAMILY	4.70	88
AREA 1C	MULTI-FAMILY	16.70	312
AREA 2A	SINGLE FAMILY	41.88	413
AREA 2B	SINGLE FAMILY	4.52	46
AREA 3	MULTI-FAMILY	21.44	289
AREA 4	MULTI-FAMILY	15.67	384
AREA 5	SINGLE FAMILY	26.63	193
AREA 5F	SINGLE FAMILY	1.06	6
AREA 6	SINGLE FAMILY	23.22	182
AREA 7	SINGLE FAMILY	37.07	289
AREA 8	MULTI-FAMILY	5.53	156
AREA 8A	MULTI-FAMILY	3.86	100
AREA 9	COMMERCIAL	6.67	---
AREA 10	MULTI-FAMILY	11.71	408
AREA 11	PARK SITE	10.07	---
AREA 12	CLUSTER	52.06	451
AREA 13	MULTI-FAMILY	12.55	101
AREA 14	FUTURE MULTI-FAMILY	22.62	148
AREA 16	FUTURE INDUSTRIAL	12.08	---
AREA 16A	FUTURE INDUSTRIAL/COMMERCIAL	31.88	---
AREA 17	FUTURE SINGLE FAMILY	7.37	39
AREA 17A	FUTURE SINGLE FAMILY	43.23	310
AREA 18	SINGLE FAMILY	39.10	305
AREA 19A	SINGLE FAMILY	22.70	129
AREA 19B	SINGLE FAMILY	22.20	153
AREA 19C	FUTURE PARK SITE	2.47	---
AREA 20	SINGLE FAMILY	34.20	203
AREA 21	SINGLE FAMILY-CONDO	50.33	612
AREA 22	FUTURE PARK SITE	12.05	---
AREA 23/24	MULTI-FAMILY/SF-CONDO	16.39	289
AREA 25	SCHOOL SITE	8.02	---
AREA 26	SINGLE FAMILY-CONDO	24.62	316
AREA 27A	SINGLE FAMILY	13.37	109
AREA 27B	SINGLE FAMILY	14.26	113
AREA 27C	FUTURE SINGLE FAMILY	7.51	60
AREA 28A & D	SINGLE FAMILY	12.14	70
AREA 28C & B	SINGLE FAMILY	15.50	89
AREA 29	PARK SITE	6.00	---
AREA 30	FUTURE MULTI-FAMILY	14.97	181
AREA 30A	COMMUNITY CENTER	0.80	---
AREA 31	FUTURE SINGLE FAMILY	36.67	284
AREA 32	FUTURE CHURCH SITE	2.00	---
AREA 33	SINGLE FAMILY - CONDO	22.09	240
AREA 34	SINGLE FAMILY	9.45	57
AREA 35	OPEN SPACE	23.94	---
AREA 36	SINGLE FAMILY	25.60	133
AREA 37	SINGLE FAMILY	14.22	68
AREA 38	PUMP STATION	0.20	---
AREA 39	SINGLE FAMILY - CONDO	12.04	116
AREA 40	SINGLE FAMILY	42.53	285
AREA 41	FUTURE PARK SITE	6.20	---
AREA 42	FUTURE PUMP STATION	0.36	---
AREA 43	FUTURE CHURCH SITE	2.00	---
AREA 44	FUTURE COMMERCIAL	20.00	---
AREA 45/46	FUTURE SINGLE FAMILY - CONDO	35.02	410
AREA 47	FUTURE SCHOOL SITE	18.67	---
AREA 48	FUTURE COMMUNITY CENTER	2.00	---
AREA 49	FUTURE OPEN SPACE	13.94	---
EWA BY GENTRY TOTAL		1,030.58	8,489
TOTAL ACREAGE DOES NOT INCLUDE MAIN ROADS OR LANDSCAPE AREAS			
G-1	GOLF COURSE	31.34	---
G-2	GOLF COURSE	58.94	---
G-3	GOLF COURSE	102.27	---

DATA UPDATED 03/06/07



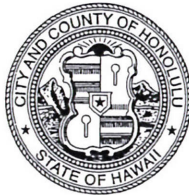
2008

APPENDIX 2

- **Ewa Makai by Gentry Affordable Housing Agreement dated November 19, 2004**
- **Letter dated August 1, 2007 from Department of Planning and Permitting amending the November 2004 Agreement**
- **Ewa by Gentry, Calculation of City's Affordable Housing Requirements**

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 768-8000 • FAX: (808) 527-6743
INTERNET: www.honolulu.gov • DEPT. WEB SITE: www.honoluludpp.org



MUFI HANNEMANN
MAYOR

HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUE
DEPUTY DIRECTOR

2007/ELOG-2129(rns)
2003/Z-9

August 1, 2007

RECEIVED

AUG 7 2007

Ms. Debra M. A. Luning
Director of Governmental Affairs
and Community Relations
Gentry Homes, Ltd.
P.O. Box 295
Honolulu, Hawaii 96809

Dear Ms. Luning:

Subject: Request for Amendment of the Gentry Ewa Makai Project
Affordable Housing Agreement

This letter responds to your June 8, 2007 letter, requesting approval for an amendment to the Affordable Housing Agreement for the Gentry Ewa Makai project which was approved and executed on November 19, 2004.

We are willing to approve your request that Section 3 of the November 2004 Agreement be amended to remove the limit on the amount of Excess Credits earned from the Ewa by Gentry project that can be applied to meet the affordable housing requirements of the Gentry Ewa Makai project.

However, in order to be in compliance with the language of the Ordinance 04-08 Unilateral Agreement Condition 2, you must earn credit for at least one (1) affordable unit at the Gentry Ewa Makai project site.

Please submit an amended signed affordable housing agreement with the changes for our review and signature.

If you have any questions, please contact Kathy Sokugawa at 768-8053.

Very truly yours,

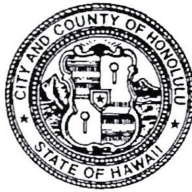
A handwritten signature in black ink, appearing to read "Henry Eng", is written over a horizontal line.

Henry Eng, FAICP, Director
Department of Planning and Permitting

HE:mo
556873

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 523-4414 • FAX: (808) 527-6743
DEPT. WEB SITE: www.honoluluodpp.org • CITY WEB SITE: www.honolulu.gov



JEREMY HARRIS
MAYOR

ERIC G. CRISPIN, AIA
DIRECTOR

BARBARA KIM STANTON
DEPUTY DIRECTOR

2004/ELOG-2199
2003/Z-9(DM)

November 19, 2004

Ms. Debra M. A. Luning
Director of Governmental Relations
and Community Affairs
Gentry Homes, Limited
P.O. Box 295
Honolulu, Hawaii 96809

RECEIVED

NOV 23 2004

Dear Ms. Luning:

Ewa Makai by Gentry Affordable Housing Agreement

Your approved affordable housing agreement is enclosed for your files. A copy has been retained for our files.

If you have questions, please call Dave Matsushima of our Development Plans and Zone Change Branch at 527-5872.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Eric G. Crispin", is written over a horizontal line.

ERIC G. CRISPIN, AIA
Director of Planning and Permitting

EGC:lh
/UAGentrymakai23.DOC

Enclosure

AGREEMENT

This Agreement is made as of September ___, 2004, by and between the CITY AND COUNTY OF HONOLULU, a municipal corporation of the State of Hawaii ("City"), the principal place of business and mailing address of which is Honolulu Hale, 530 South King Street, Honolulu, Hawaii 96813; GENTRY HOMES, LTD., a Hawaii corporation ("Gentry"), and GENTRY INVESTMENT PROPERTIES, a Hawaii limited partnership, a Hawaii corporation, the principal place of business and mailing address of both of which is 560 N. Nimitz Highway, Suite 300, Honolulu, Hawaii 96817.

PRELIMINARY STATEMENT

Gentry Investment Properties is the owner of approximately 283 acres of real property located at Ewa, Oahu, Hawaii, which is subject to a Unilateral Agreement dated March 16, 2004, recorded as Document No. 3084363, and entered into pursuant to Ordinance No. 04-08 (the "Unilateral Agreement"). Gentry is the developer of the subject real property, called the "Ewa Makai" project. Condition 2 of the Unilateral Agreement sets forth certain requirements relating to the provision of affordable housing in the Ewa Makai project as follows (the "Affordable Housing Condition"):

At least 30 percent of the units shall be delivered to households with incomes up to and including 120 percent of the median income levels or less; including no less than the equivalent of 10 percent of the units to be delivered to households with incomes up to and including 80 percent of the median income level or less ("affordable dwelling units"). "Median income level" means the median income for Honolulu, adjusted for family size, as determined by the United States Secretary of Housing and Urban Development.

Condition 2 also provides that a portion of the affordable housing requirement for Ewa Makai may be met by affordable housing units in the Ewa by Gentry project not needed to meet the requirements for Ewa by Gentry.

AGREEMENT

For and in consideration of the mutual promises stated below, the City, Gentry Investment Properties, and Gentry agree as follows:

1. Affordable Housing Program for Ewa Makai – General Guidelines.

Gentry agrees to fulfill the Affordable Housing Condition by (i) the sale and/or rental of affordable dwelling units to be developed in Ewa Makai and (ii) the application of affordable housing credits from units built in the Ewa by Gentry project, as set forth in Section 3 below. In connection with the development and sale of affordable dwelling units, Gentry will comply with the terms of Ordinance 99-51, as amended by Ordinance 01-33, and the City's Rules for the Terms of Unilateral Agreements Requiring Affordable Housing dated October 20, 1994, as amended, ("UA Rules"). Without limiting the foregoing, and subject to the applicable provisions of the referenced Unilateral Agreements and UA Rules, Gentry acknowledges and agrees that (a) subject to deviations allowed in the UA Rules, the types of affordable dwelling units in Ewa Makai shall be similar to or larger than the types of market units in Ewa Makai as defined by the number of bedrooms; (b) to the extent practicable, the affordable dwelling units shall be constructed and delivered simultaneously with the market units; and (c) all members of the public shall have an equal opportunity to apply for the affordable dwelling units.

2. Affordable Housing Program: Calculation of the Number of Affordable Units Required.

The total number of affordable dwelling units to be developed under this Agreement will be based on the total number of units to be developed in Ewa Makai. As of the date of this Agreement, Gentry plans to develop a total of 1849 residential units in Ewa Makai, so that the Affordable Housing Condition will require 185 units to be delivered to households with incomes up to and including 80 percent of the median income level (the "80% Category") and 370 units to be delivered to households with incomes up to and including 120 percent of the median income levels (the "120% Category") for a total of 555 required affordable housing units. These numbers are subject to change, and Gentry shall keep the City advised as to its current projections of residential units to be developed in Ewa Makai.

3. Application of Excess Credits from Ewa by Gentry.

Pursuant to the terms of Condition 2 of the Unilateral Agreement, a portion of the Affordable Housing Condition for Ewa Makai, not to exceed forty-nine percent (49%) will be satisfied by the application of affordable housing credits from dwelling units in the Ewa by Gentry project that are not needed to meet the affordable housing requirements for Ewa by Gentry ("Excess Credits"). Attachment A (which is attached to and made a part of this Agreement) shows that as of June 30, 2004, there were 384 Excess Credits in the 80% Category, and 42 Excess Credits in the 120% Category. The total number of Excess Credits may change, depending on the ultimate development of Ewa by Gentry.

Based on the current projected number of Excess Credits, Gentry plans to fulfill the Ewa Makai Affordable Housing Condition as follows: To fulfill the Ewa Makai estimated requirement of 185 affordable dwelling units in the 80% Category, 185 of the 384 Excess Credits from Ewa by Gentry 80% Category will be applied. To fulfill the estimated requirement of 370 units in the 120% Category, 45 Excess Credits in the Ewa by Gentry 80% Category and 42 Excess Credits in the Ewa by Gentry 120% Category will be transferred from Ewa by Gentry to Ewa Makai. The remaining requirement of approximately 283 units in the 120% Category will be fulfilled by affordable dwelling units to be constructed in Areas 33A, 33B, and 14 of Ewa Makai as follows:

Plan for Meeting Remaining Affordable Housing Requirements in Ewa Makai
(Numbers are subject to change)

Area	Type of Unit	Estimated Sales Price	Target Market	Est. No. of Aff. Units	Estimated 1 st Closing
Area 33A Montecito	Single family condominium	\$275,000 to \$300,000	120%	115	2005
Area 33B Tuscany	Single family condominium	\$300,000 to \$350,000	120%	90	2005
Area 45 To be named	Condominium	\$300,000s	120%	80	2007

The total number of required affordable housing credits, affordable dwelling units, and Excess Credits to be applied in each category shall be subject to change depending on the actual number of units developed and sold in Ewa by Gentry and Ewa Makai. Gentry shall provide annual reports to the City as to the status of its compliance with this Agreement and the Affordable Housing Condition based upon the current projections for development. Gentry reserves the right to build and sell more affordable units in the 80% and 120% categories in Ewa Makai that are in excess of its affordable housing obligations. With the approval of the City Department of Planning and Permitting, any Excess Credits in Ewa Makai may be used to fulfill the affordable housing requirements for other developments in the Ewa

Development Plan area, provided that the Excess Credits do not exceed 50% of the total affordable housing requirement for any particular development.

4. **Maximum Sales Prices.** In order to qualify for credits, the affordable housing units shall meet the sales price limits established annually by the City based on HUD income limits. The maximum sales prices established by the City as of April 20, 2004, are set forth below. These prices are subject to change based on future changes to the HUD income limits:

City Department of Planning and Permitting
Maximum Sale Prices for Credit
Effective April 20, 2004

	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
80% Category	\$166,455	\$205,008	\$242,671	\$272,736	\$304,877
120% Category	\$272,669	\$332,437	\$389,901	\$436,940	\$486,120
140% Category	\$325,776	\$396,151	\$463,516	\$519,041	\$576,741

5. **Compliance with Laws.** All affordable dwelling units in Ewa Makai shall be constructed in accordance with all applicable statutes, codes, and ordinances of the City, State, and Federal governments. All construction shall be performed in good and workmanlike manner and with new materials, with exterior materials being similar to those used in market units.

6. **Indemnification.** Gentry will indemnify the City, its officers, employees and agents and will hold them harmless against all claims, including attorneys' reasonable fees, made by any person or entity for: (a) failure of Gentry or its agents to make any required disclosures to a buyer or any other person, as required by law; (b) any misrepresentations made by Gentry or its agents, including, but not limited to, sales agents, to a buyer or any other person; (c) loss or damage, including death, personal injury, or damage to real or personal property, arising out of or in connection with the construction and development and sale/rental of an affordable dwelling unit during the performance of this Agreement caused, in whole or in part, by Gentry, its agents, employees, contractors, or subcontractors, or any failure by Gentry to keep its property or any improvements thereon in a safe condition; and (d) any warranty pertaining to the affordable dwelling units; so long as any such claim did not result from the negligence in whole or in part by the City, its agents, employees, contractors or subcontractors. The City will indemnify Gentry and hold Gentry harmless against all claims, including reasonable attorneys' fees, made by any person or entity relating to the City's determination of eligibility or non-eligibility to purchase an affordable dwelling unit under Gentry's Affordable Housing Program.

7. **Default.** If Gentry does not comply with the terms of the Affordable Housing Program in connection with the sale or rental of an affordable dwelling unit, then the City shall give written notice to Gentry describing the nature of the default, which dwelling units or transactions are affected, and an explanation that if such default remains uncured for thirty days after the written notice is mailed or delivered to Gentry, the City may declare the defaulting unit(s) to be ineligible for affordable housing credits under the Unilateral Agreement. The City may exercise any other remedy available to it in law or in equity.

8. Restriction on the Use, Sale, and Transfer of For-Sale Properties; Bonus Credits.

Affordable dwelling units that are developed in Ewa Makai and sold and closed within ninety (90) days after expiration of Ordinance 01-33, shall comply with the requirements of Ordinance 99-51, as amended by Ordinance 01-33, as well as applicable provisions of the UA Rules. Affordable dwelling units that are developed in Ewa Makai and sold and closed on or after the ninety-first (91st) day after expiration of Ordinance 01-33, shall comply with the requirements set forth in the UA Rules only. Such units shall also be eligible for bonus credits as permitted in the rules, as applicable.

9. Miscellaneous Provisions

A. Integration. This instrument contains all of the terms of the agreement of the parties pertaining to the subject matter stated in this instrument. Each party acknowledges that no person or entity has made any oral or written representation on which it has relied in entering into the agreement stated in this instrument which is not included as a term in it.

B. Amendment. The terms of this instrument may be amended only by each party signing a subsequent written instrument which states the amendment.

C. Authorization. Each party warrants to each other party that the individuals executing this instrument on behalf of the respective parties are authorized to do so.

D. Counterparts. This instrument may be executed by the parties in counterparts. The counterparts executed by the parties named in this instrument and, if necessary, properly acknowledged, taken together, shall constitute a single instrument.

E. Binding Effect. Upon its execution by each party, this instrument shall become binding and enforceable according to its terms. If more than one party is obligated by any terms stated in this instrument, those parties shall be jointly and severally liable for the performance of those obligations. The rights and obligations of each party named in this instrument shall bind and inure to the benefit of each party, their respective heirs, personal representatives, successors, and assigns.

F. Survival. The representations and warranties stated in this instrument made by each party shall survive the termination of the agreement stated in this instrument.

G. Assignment. Neither the entire agreement which is stated in this instrument nor any interest in it may be assigned by any party for any purpose without the prior written consent of each other party.

H. Consent, Subsequent Agreement. If a subsequent consent or agreement required of any party by the terms of this instrument is requested by a party, it shall not be unreasonably withheld by the party to whom the request is made.

I. Force Majeure. If any party is prevented from performing its obligations stated in this instrument by any cause not within the reasonable control of that party, including, but not limited to fire, an act of God, public enemy, or war, an act or failure to act of a government entity (except on the part of the City), unavailability of materials, or actions by or against labor unions, it shall not be in default of its obligations stated in this instrument. Provided, however, any party delayed by such an event requests an extension of time to perform its obligations stated in this instrument, it shall notify the party to which it is obligated within ten days following the event. If the notified party agrees that the event was the cause of the delay, the time to perform the obligations stated in this instrument shall be extended by the number of

days of delay the parties agree was caused by the event. If no notice is given by the delayed party, no time extension shall be granted.

J. Notice. Any notice required or permitted by the terms of this instrument to be given by a party to any other party, shall be written and shall be personally delivered or mailed postage prepaid by certified mail, return receipt requested, to each other party at the addresses and to the person designated by each party, stated below. No other method of notification shall be effective.

City and County of Honolulu
Department of Planning and Permitting
650 South King Street, 7th Floor
Honolulu, Hawaii 96813
Attention: Director

Gentry Homes, Ltd.
560 N. Nimitz Highway, Suite 300
Honolulu, Hawaii 96817
Attention: Tosh Hosoda, Senior Vice President - Planning

K. Severability. If any term stated in this instrument subsequently is determined to be invalid, illegal, or unenforceable, that determination shall not affect the validity, legality, or enforceability of the remaining terms stated in this instrument unless that is made impossible by the absence of the omitted term.

L. No Drafter. No party shall be deemed to have drafted this instrument. No term stated in this instrument shall be construed against any party as its drafter.

M. Applicable Law. The terms of this instrument shall be interpreted in accordance with the laws of the State of Hawaii as those laws are construed and amended from time to time.

N. Defined Terms. Certain terms where they initially are used in this instrument are set off by quotation marks inside parentheses and subsequently are capitalized. Those designated terms shall have the same meaning throughout this instrument, unless clearly inappropriate in the context.

O. Gender; Number. In this instrument, the use of any gender shall include all genders and the use of any number in reference to nouns and pronouns shall include the singular or plural, as the context dictates.

P. Paragraph Titles. The titles of each paragraph included in this instrument are included only for the convenience of the parties. They shall not be considered in the construction and interpretation of the terms stated in this instrument.

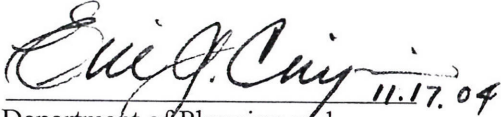
Q. Short-Form. If required by the provisions of this instrument or requested by any party, a short-form of this instrument shall be executed by the parties, the signatures properly acknowledged by a Notary Public, and recorded in the Bureau of Conveyances, State of Hawaii, or filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as is appropriate.

[End of text. Signatures begin on page 6.]

The City, Gentry Investment Properties and Gentry have executed this instrument on _____.

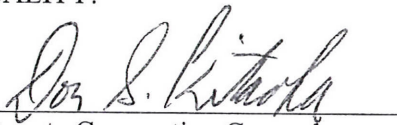
APPROVED AS TO CONTENTS

CITY AND COUNTY OF HONOLULU
Department of Planning and Permitting

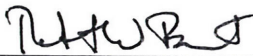
By  11.17.04
Department of Planning and
Permitting

By 
Its

APPROVED AS TO FORM AND
LEGALITY:

By 
Deputy Corporation Counsel
City and County of Honolulu

GENTRY HOMES, LTD.,
a Hawaii corporation

By 
Its President and Chief Executive Officer
Robert W. Brant

"Gentry"

GENTRY INVESTMENT PROPERTIES,
a Hawaii limited partnership
By Gentry-Pacific, Ltd., its general partner

By 
Dawn Suyenaga, Senior Vice President

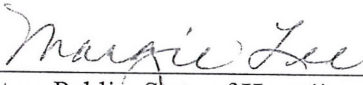
By 
Robert W. Brant, Vice President

[Agreement re Affordable Housing for Ewa Makai]

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

On this 19th day of November 2004, before me appeared ERIC G. CRISPIN to me personally known, who being by me duly sworn, did say that he is the DIRECTOR of the Department of Planning and Permitting of the CITY AND COUNTY OF HONOLULU, a municipal corporation, and that the seal affixed to said instrument is the corporate seal of said municipal corporation, and that the instrument was signed and sealed on behalf of said municipal corporation by authority of its City Council, and said ERIC G. CRISPIN acknowledged the instrument to be the free act and deed of said municipal corporation.

L.S.



Notary Public, State of Hawaii
My commission expires: August 1, 2005

STATE OF HAWAII)

) SS.

CITY AND COUNTY OF HONOLULU)

On SEP 27 2004, 2004, before me appeared ROBERT W. BRANT, 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(s) shown, having been duly authorized to execute such instrument in such capacity(s).



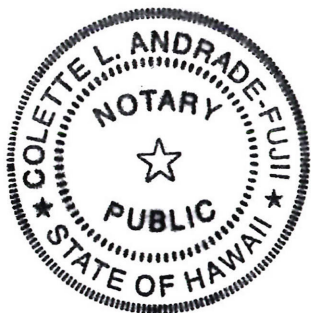
Colette L. Andrade-Fujii
Notary Public, State of Hawaii
Printed Name of Notary: COLETTE L. ANDRADE-FUJII
My commission expires: July 17, 2008

STATE OF HAWAII)

) SS.

CITY AND COUNTY OF HONOLULU)

On SEP 24 2004, 2004, before me appeared DAWN SUYENAGA, 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(s) shown, having been duly authorized to execute such instrument in such capacity(s).



Colette L. Andrade-Fujii
Notary Public, State of Hawaii
Printed Name of Notary: COLETTE L. ANDRADE-FUJII
My commission expires: July 17, 2008

EWA BY GENTRY

CALCULATION OF CITY'S AFFORDABLE HOUSING REQUIREMENTS
(Based on projected units as of 12/31/07)

Ewa by Gentry

1984 REZONING

Area	Name of Project	Units
1A (por)	Palm Villas (R)	112
1A (por)	Palm Villas (S)	240
1B & 1C	Palm Court	400
2A & 2B	Soda Creek	459
3	Arbors	289
4	Palm Villas 2	384
5	Kula Lei (Schuler Homes)	143
6	Sun Terra on the Park (portion)	171
7	Sun Terra South/Fiesta/Del Verde (portion)	17
8 & 8A	Coronado	256
10	Sunrise (portion)	101
		2572

1991 REZONING

5	Kula Lei (Schuler Homes)	19
6	SunTerra on the Park (portion)	11
7	Sun Terra South/Fiesta/Del Verde (portion)	187
10	Sunrise (portion)	307
12	Sun Terra	451
18 (por)	SummerHill	221
18 (por)	Trovare (Carr Development)	84
24 (por)	Avalon	6
24 (por)	Suncrest	64
24 (por)	The Shores at Suncrest	36
24 (por)	Lombard Way	37
26 (por)	The Lofts	45
26 (por)	Alii Cove	157
26 (por)	Alii Court	114
27A	Fiesta Sea Breeze	86
27A & 27B (por)	Meridian	57
27B (por)	The Breakers	79
27C	To be named	60
28A & D	The Carriages	70
28B & C	WoodBridge	89
30	Future multi-family	181
		2361

1994/2001 REZONING

5	Kula Lei (Schuler Homes)	31
5F	Prescott on the Green	6
7 (por)	Sun Terra South/Fiesta/Del Verde (portion)	85
13	Hu'elani	101
14 (por)	Future multi-family	94
19A	Sonoma	129
19B	Prescott	153
20	Prescott II & Woodbridge II	203
21(por)	Terrazza	167
21(por)	CorteBella	130
21(por)	Las Brisas	181
21(por)	Tiburon	134
23 (por)	Lombard Way	106
23 (por)	Avalon	40
31	Future single family	284
		1844

1998 REZONING

17, 17A (por)	Future single family	39
		39

TOTAL UNITS IN EWA BY GENTRY 6816

Total Estimated Affordable Housing Requirements for Ewa by Gentry
Affordable Units Sold as of 12/31/07 (See Exhibit 1.)
Estimated Remaining Requirements in EbG as of 12/31/07

Ewa Makai

2004/2006 REZONING

14 (por)	Future single family condos	54
17A	Future single family	310
33	Montecito & Tuscany	240
34	Woodbridge II/Prescott II	57
36	Haleakea & Cypress Point	133
37	Haleakea	68
39	Tuscany	116
40	Latitudes	285
45/46	Tides & Trades	410
		1673

TOTAL UNITS IN EWA MAKAI

8489

Total Estimated Affordable Housing Requirements for Ewa Makai
80% Affordable Credits Transferred from Ewa by Gentry
Up to 120% Affordable Credits Transferred from Ewa by Gentry
Affordable Units Sold in Ewa Makai as of 12/31/07
Total Affordable Credits in Ewa Makai as of 12/31/07
Estimated Remaining Requirements in Ewa Makai as of 12/31/07

Affordable Housing Requirements		
80%	81-120%	121-140%
10%		
257		

10%	30%	20%
236	708	472

10%	20%
184	369

10%	20%
4	8

682	1085	472
1097	1316	356
-415	-231	116

10%	20%
167	335

167	335
167	22
	231
0	82
167	335

0	0
---	---

Affordable Housing Credits Submitted to/Approved by City (as of 5/13/08)

EXHIBIT 1

EWA BY GENTRY

"Past Credits" Approved by City

			Total Aff	80%	120%	140%	Date Submitted	Date Approved
1A (por)	Palm Villas (R)	various	112	112			6/27/1991	7/2/1991
1A (por)	Palm Villas (S)	various	67	1	24	42	various	12/4/1995
1B & 1C	Palm Court I, II, III	various	10		5	5		
3	Arbors	various	10		3	7		
6	Sun Terra on the Park	various	6		4	2		
10	Sunrise	various	145		107	38		
12	Sun Terra	various	15		7	8	various	ongoing
8	Coronado (R)	F, G	100	100	0	0		
Credits Transferred from Campbell Estate			265	265			-	11/3/1995
			730	478	150	102		

Units Sold Prior to 8/5/99

7	STS	All	146	0	17	129	-	6/30/1998
8	Coronado (S)	A,B,C,D,E	139	30	109	0	-	6/30/1998
24(por)	Suncrest	A,B, Models	57	0	56	1	2/3/2000	3/13/2001
24(por)	Shores	1-9	29	0	27	2	9/7/1999	10/4/1999
23/24(por)	Lombard Way	A-H	45	0	42	3	3/26/2001	4/26/2001
23/24(por)	Lombard Way	Lots 8, 68, 77	3	0	3	0	4/26/2001	6/7/2001
26(por)	Lofts	Models & A	33	0	30	3	9/13/1999	10/13/1999
26(por)	Alii Court	1-4	36	0	29	7	2/1/2000	3/13/2001
26(por)	Alii Court	Lot 54 only	1	0	1	0	10/23/2000	11/2/2000
26(por)	Alii Court	Lot 30 only	1	0	1	0	4/26/2001	6/8/2001
26(por)	Alii Cove	1-4	36	0	23	13	-	6/30/1998
26(por)	Alii Cove	5-10	67	0	58	9	-	10/15/1998
26(por)	Alii Cove	11-13, 17	40	0	33	7	1/18/2000	3/13/2001
27A(por)	Sea Breeze	1-3	31	0	17	14	9/15/1999	9/27/1999
27A(por)	Meridian	A	16	0	15	1	4/7/2000	10/23/2000
27B(por)	Meridian	1&2	19	0	16	3	5/9/2000	10/23/2000
			699	30	477	192		

Units Closed During "Moratorium Period" (from 8/5/99 to 11/3/05)

8/6/99 to 12/31/99			Total Aff	80%	120%	140%	Date Submitted	Date Approved
26(por)	Alii Court		35	21	14	0	3/3/2000	4/10/2001
23/24(por)	Lombard Way		30	30	0	0		
27B(por)	Breakers		21	0	21	0		
7(por)	Del Verde		9	0	9	0		
27B(por)	Meridian		2	0	2	0		
			97	52	47	1		

1/1/00 to 6/31/00

26(por)	Alii Court	25	8	17	0	10/10/2000	3/16/2001
27B(por)	Breakers	28	0	28	0		
7(por)	Del Verde	1	0	1	0		
23/24(por)	Lombard Way	24	24	0	0		
27B(por)	Meridian	2	0	2	0		
26(por)	Shores	1	1	0	0		
18(por)	Trovare	10	0	10	0		
		91	33	58	0		

7/1/00 to 12/31/00

26(por)	Alii Court	9	2	7	0	7/18/2001	12/2/2001
23/24(por)	Avalon	2	2	0	0		
27B(por)	Breakers	29	0	29	0		
21(por)	Cortebella	4	2	2	0		
7(por)	Del Verde	1	0	1	0		
23/24(por)	Lombard Way	33	33	0	0		
26(por)	Shores	3	3	0	0		
21(por)	Terrazza	21	0	21	0		
18(por)	Trovare	8	0	8	0		
		110	42	68	0		

1/1/01 to 6/30/01

23/24(por)	Avalon	24	24	0	0	11/19/2001	4/30/2002
21(por)	Cortebella	21	21	0	0		
7(por)	Del Verde	1	0	1	0		
13	Hu'elani	5	0	5	0		
23/24(por)	Lombard Way	4	4	0	0		
21(por)	Terrazza	19	19	0	0		
		74	68	6	0		

7/1/01 to 12/31/01

23/24(por)	Avalon	19	19	0	0	5/16/2002	12/31/2002
21(por)	Cortebella	31	31	0	0		
13	Hu'elani	4	0	3	1		
19B	Prescott	14	0	14	0		
19A	Sonoma	17	0	17	0		
21(por)	Terrazza	31	29	2	0		
18(por)	Trovare	0	0	0	0		
		116	79	36	1		

1/1/02 to 6/30/02

21 (por)	CorteBella	37	37	0	0	4/24/2003	8/23/2004
13	Hu'elani	3	0	3	0		(72 units - 80%)
19B	Prescott	16	0	16	0	resubmitted 2/24/05 (1 unit ea - 80% & 120%)	(35 units - 120%)
19A	Sonoma	17	0	17	0		2/12/2008
21 (por)	Terrazza	36	36	0	0		(1 unit - 80%)
		109	73	36	0		(1 unit - 120%)

7/1/02 to 12/31/02

21 (por)	CorteBella	31	31	0	0	7/25/2003	9/15/2004
13	Hu'elani	16	0	16	0		(72 units - 80%)
19B	Prescott	43	0	43	0	2/9/05 resubmitted (2 units - 120%)	(82 units - 120%)
19A	Sonoma	24	0	24	0		3/1/2005
21 (por)	Terrazza	42	41	1	0		(2 units - 120%)
		156	72	84	0		

1/1/03 to 6/30/03

21 (por)	CorteBella	2	2	0	0	Rev. 6/28/04	9/16/2004 (86 units - 80%) (81 units - 120%)
21 (por)	Las Brisas	47	47	0	0		
19B	Prescott	36	0	36	0		
5F	Prescott on the Green	6	0	6	0		
21 (por)	Terrazza	11	10	1	0	Resubmitted 4/29/05 (3 units - 120%)	2/13/2006 (3 units - 120%)
21 (por)	Tiburon	33	27	6	0		
19A	Sonoma	35	0	35	0		
		170	86	84	0		

7/1-12/31/03

21 (por)	Las Brisas	48	45	3	0	4/8/2004	9/15/2004
19B	Prescott	27	0	27	0		(51 units - 80%)
13	Hu'elani	23	0	23	0		(84 units - 120%)
21 (por)	Tiburon	34	7	27	0	*Resubmitted 2/1/05 (1 unit 80%;20 units 120%)	5/13/2008
19A	Sonoma	23	0	23	0		(1 unit - 80%)
		155	52	103	0		(19 units - 120%)

Affordable Housing Credits Submitted to/Approved by City (as of 5/13/08)

EXHIBIT 1

"Past Credits" Approved by City

1/1-6/30/04

"Past Credits" Approved by City		Total Aff	80%	120%	140%	Date Submitted	Date Approved
1/1-6/30/04							
13	Hu'elani	21	0	15	6	7/23/2004 resubmitted in its entirety 1/19/05 Rev. 3/1/05	9/15/2004 (16 units - 80%) (75 units - 120%) (6 units - 140%) 7/18/2007
21 (por)	Las Brisas	29	11	18	0		
	Prescott II	17	0	17	0		
21 (por)	Tiburon	30	5	25	0		
		97	16	75	6		
7/1-12/31/04							

7/1-12/31/04

13	Hu`elani	17	0	8	9	1/11/2005	7/24/2007 (16 units - 80%) (72 units- 120%) (9 units - 140%)
21	Las Brisas	26	15	11	0		
	Prescott II	45	-	45	0		
21 (por)	Tiburon	9	1	8	0		
		97	16	72	9		

1/1-6/30/05

20	Prescott II	56	0	20	36	8/10/2005	8/2/2007 (20 units - 120%) (36 units - 140%)
		56	0	20	36		

7/1-12/31/05

	Prescott		9	0	0	9	1/19/2006 Resubmitted 7/17/06	7/27/2007 (9 units - 140%)
			9	0	0	9		

Ewa by Gentry Totals as of 6/30/08	1097	1316	356
------------------------------------	------	------	-----

EWA MAKAI

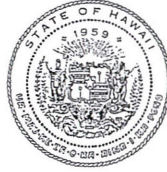
7/1-12/31/05

33A, 33B	Montecito/Tuscany	83	0	82	1	1/19/2006 Rev. 7/17/06	7/27/2007 (82 units - 120%) (1 unit - 140%)
		83	0	82	1		

Ewa Makai Totals as of 6/30/08	0	82	1
--------------------------------	---	----	---

APPENDIX 3

**Education Agreement
for Gentry Ewa Makai dated July 23, 2003**



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

OFFICE OF BUSINESS SERVICES

August 18, 2003

RECEIVED
AUG 19 2003

Ms. Debra Luning
Director of Governmental Affairs
Gentry Homes, Ltd.
560 North Nimitz Highway, Suite 300
Honolulu, Hawaii 96817

Dear Ms. Luning:

Subject: Education Contribution Agreement for Gentry Ewa Makai

Enclosed is a copy of the signed Education Contribution Agreement between the Department of Education (DOE) and Gentry Homes, Ltd.

Gentry's dedication of 18 acres, more or less, to the State of Hawaii will meet the DOE's fair-share school contribution for Gentry Ewa Makai based on the project's expected 1,865 units.

Sincerely,

A handwritten signature in cursive script, appearing to read "Raynor M. Minami".

for

Raynor M. Minami, Director
Facilities and Support Services Branch

RMM:hy

Enclosure

c: Rae M. Loui, OBS
Anthony Ching, SLUC
Abe Mitsuda, OP

Education Contribution Agreement for
GENTRY EWA MAKAI

THIS INDENTURE, made this 23rd day of July, 2003, by and between GENTRY HOMES, LTD., whose principal place of business and mailing address is 560 North Nimitz Highway, Suite 210, Honolulu, Hawaii 96817, and the State of Hawai'i DEPARTMENT OF EDUCATION, hereinafter referred to as "DOE," whose mailing address is Department of Education, Facilities and Support Services Branch, 809 8th Avenue, Honolulu, Hawai'i 96816.

WHEREAS GENTRY HOMES, LTD is the developer and recorded owner of that certain parcel of land comprised of approximately 283 acres and identified as Tax Map Key parcels 9-1-10:7 and 9-1-69:5, also known as "GENTRY EWA MAKAI;"

WHEREAS the GENTRY EWA MAKAI is anticipated to contain a total of 1,865 units in the entire project;

WHEREAS GENTRY HOMES, LTD. and DOE have mutually agreed that the educational contribution set forth in this Agreement will satisfy DOE's fair-share requirement for GENTRY EWA MAKAI, based on a total of 1,865 units;

NOW THEREFORE, GENTRY HOMES, LTD. and DOE agree as follows:

1. GENTRY HOMES, LTD's Land Contribution. GENTRY HOMES, LTD shall dedicate 18 acres, more or less, ("school site") to the State of Hawai'i.

- a. The location of the school site shall be as shown on the map attached hereto and incorporated herein as Exhibit "A."
- b. Use of the school site shall be limited to public school and ancillary school recreational uses.

- c. GENTRY HOMES, LTD shall commit to the completion of the following (up to the property line of the school site) prior to the start of construction of the school:
- (1) Potable water distribution systems for irrigation, domestic, and fire flow needs;
 - (2) Sewage collector, treatment and disposal systems;
 - (3) Drainage collector and disposal systems;
 - (4) Access roadway systems sufficient for bus and vehicular traffic (minimum 60-foot right-of-way);
 - (5) Electrical, telephone, CATV and any other telecommunication distribution systems.
- d. GENTRY HOMES, LTD shall secure adequate allocations of the above services prior to the start of construction of the school.
- (1) The potable water allocations for domestic use should be based on 60 gallons per person, per day (peak enrollment plus staff) for domestic use plus 4,000 gallons per day per acre for irrigation needs.
 - (2) A water capacity of 2,000 gallons per minute for a 2-hour duration (with residual critical pressure of 20 psi at the fire hydrants) is required for fire flow.
 - (3) Average sewage flow allocations should be based on 25 gallons per person, per day (peak enrollment plus staff) plus 1,250 gallons per acre per day for wet weather infiltration/inflow or plus 2,750 gallons per acre per day for wet weather if the sewer line is laid below the normal ground water table.
 - (4) Allocations or capacity requirements for drainage, power, telephone, CATV and any other telecommunication systems need to be determined on a case-by-case basis.

- e. GENTRY HOMES, LTD shall conduct a title search of the school site at no cost to the State of Hawai'i. Two copies of the report shall be provided to DOE.
- f. If the school site contains encumbrances deemed unnecessary by DOE, GENTRY HOMES, LTD shall clear such encumbrances prior to dedication at no cost to the State of Hawai'i.
- g. If necessary, GENTRY HOMES, LTD shall be responsible for rezoning the school site to an appropriate zone prior to dedication to the State of Hawai'i.
- h. GENTRY HOMES, LTD shall be responsible for the subdivision of the school site at no cost to the State of Hawai'i.
- i. GENTRY HOMES, LTD shall, prior to dedication, conduct a Phase I Level Hazardous Material study for the school site at no cost to the State of Hawai'i. The study shall satisfy the requirements of the State Department of Health. Two copies of the study shall be provided to DOE. If required by the State Department of Health, a mitigation plan shall also be prepared and implemented by GENTRY HOMES, LTD, prior to dedication, at no cost to the State of Hawai'i.
- j. The school site shall not contain any known historical or archaeological sites.
- k. The school site shall have a minimum of two vehicular access points.
- l. GENTRY HOMES, LTD shall provide a topographic map of the school site.

- m. GENTRY HOMES, LTD shall provide a metes and bounds description and map of the school site.
- n. The school site shall be conveyed to the State of Hawai'i at a date to be determined by DOE.
- o. Conveyance of the school site shall be via Warranty Deed.
- p. If requested by DOE, GENTRY HOMES, LTD shall grant a right-of-entry to the State of Hawai'i and its consultants for preliminary data gathering (archaeological, soil testing, topographic surveys, etc.) and construction on the school site prior to the transfer of title.
- q. GENTRY HOMES, LTD recognizes that the State's acquisition and disposition of private property is subject to approval by the Board of Land and Natural Resources.

2. This Agreement shall be binding upon GENTRY HOMES, LTD, or its successor in interest.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement the day and year first above written.

GENTRY HOMES, LTD

By Robert W. Brant
Robert W. Brant
Its President and CEO

Date: July 23, 2003

DEPARTMENT OF EDUCATION

By Patricia Hamamoto
Patricia Hamamoto
Its Superintendent

Date: 8.6.03

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

On this 6th day of August, 2003, before me personally appeared Patricia Hamamoto, Superintendent of the State of Hawai'i DEPARTMENT OF EDUCATION, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

Sylvia T. Hayashi
Notary Public, State of Hawai'i

My commission expires: 8-27-2004

STATE OF HAWAII)
COUNTY OF Honolulu) ss.

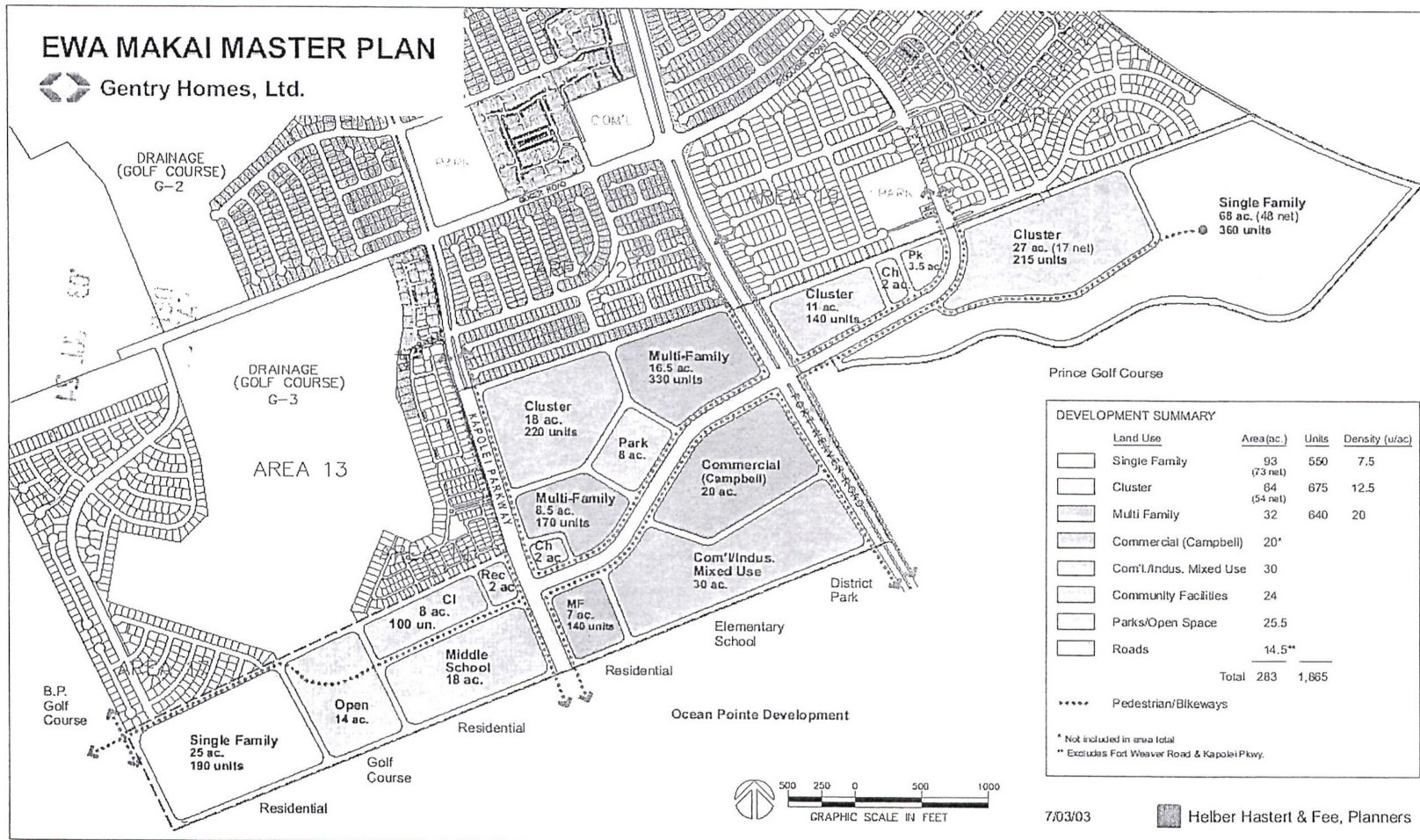
On this 23rd day of July, 2003, before me personally appeared Robert W. Brant, President and CEO of Gentry Homes, Ltd., to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Sylvia T. Hayashi
Notary Public, State of Hawai'i
SYLVIA T. HAYASHI

My commission expires: 10.26.03

EWA MAKAI MASTER PLAN

Gentry Homes, Ltd.



Prince Golf Course

DEVELOPMENT SUMMARY

Land Use	Area(ac.)	Units	Density (u/ac)
Single Family	93 (73 net)	550	7.5
Cluster	64 (54 net)	675	12.5
Multi Family	32	640	20
Commercial (Campbell)	20*		
Com'l/Indus. Mixed Use	30		
Community Facilities	24		
Parks/Open Space	25.5		
Roads	14.5**		
Total	283	1,865	

***** Pedestrian/Bikeways

* Not included in area total

** Excludes Fort Weaver Road & Kapolei Pkwy.

7/03/03

Helber Hastert & Fee, Planners

EXHIBIT A

APPENDIX 4

Final Inspection of Area 19 Siren

LINDA LINGLE
GOVERNOR

MAJOR GENERAL ROBERT G. F. LEE
DIRECTOR OF CIVIL DEFENSE

EDWARD T. TEIXEIRA
VICE DIRECTOR OF CIVIL DEFENSE



STATE OF HAWAII
DEPARTMENT OF DEFENSE
OFFICE OF THE DIRECTOR OF CIVIL DEFENSE
3949 DIAMOND HEAD ROAD
HONOLULU, HAWAII 96816-4495



PHONE (808) 733-4300
FAX (808) 733-4287

GENTRY HOMES, LTD.

August 10, 2005

Mr. Darian Chun
Project Engineer
Gentry Homes, Ltd.
560 N. Nimitz Highway, Suite 210
Honolulu, Hawaii 96817

Dear Mr. Chun:

Final Inspection, Gentry Homes, Ltd., Area 19 Siren

The inspection of Gentry Homes, Ltd., Area 19 siren was conducted on August 5, 2005, by Norman Ogasawara, State Civil Defense (SCD), Guy Miyashiro, Federal Signal (FS), and Mr. Chun, representing Gentry Homes.

The results of the inspection are as follows:

Site: EWA Gentry, Area 19, address 312B, siren model UVTDH, Serial No. 0021025, with 119 Dbc Omni directional MOD-3024 speaker array and Hawaii solar panel mount.

Status: Acceptable.

Problems found: None.

Time: 1:15 p.m.

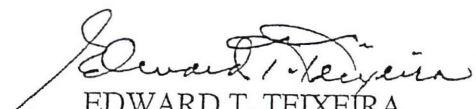
Conditions: Mostly sunny.

Batteries: Fully charged, used Public Address feature to test power output and put a partial drain on the batteries to start and check the solar regulator. Over the air, quiet. Test, good.

Mr. Darian Chun
August 9, 2005
Page 2

If there are any questions, please contact Mr. Norman Ogasawara at (808) 733-4300, ext. 531.

Sincerely,

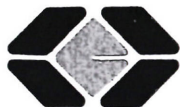

EDWARD T. TEIXEIRA
Vice Director of Civil Defense

c: Oahu Civil Defense Agency
Guy Miyashiro and Company
Radio Shop, SCD

APPENDIX 5

**Notice of Imposition of Conditions
by the Land Use Commission**

THE GENTRY COMPANIES



December 22, 2003

Mr. Anthony J. H. Ching, Executive Officer
State Land Use Commission
State Office Tower
235 South Beretania, 4th Floor
Honolulu, HI 96813

Re: *Certified Copy of Notice of Imposition of Conditions by the Land Use
Commission for Ewa Makai
Docket No. A03-738*

Dear Mr. Ching:

Enclosed is a certified copy of the Notice of Imposition of Conditions by the Land Use Commission for the area reclassified under Docket No. A03-738.

If you have any questions or need any further information, please call me at 599-8370.

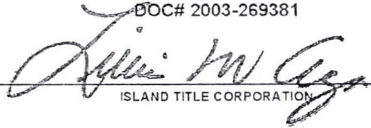
Sincerely,

GENTRY HOMES, LTD.

Debra M. A. Luning
Director of Governmental Affairs
and Community Relations

CERTIFIED TO BE A TRUE AND CORRECT COPY OF THE
ORIGINAL RECORDED ON 12/08/2003 IN THE BUREAU OF
CONVEYANCES OF THE STATE OF HAWAII AS

DOC# 2003-269381


ISLAND TITLE CORPORATION

Return by Mail () Pickup (x) To:
Gentry Companies-Legal Dept.
P. O. Box 295
Honolulu, HI 96809

ITC 726567

Document Title: NOTICE OF IMPOSITION OF CONDITIONS BY THE LAND USE
COMMISSION

NOTICE OF IMPOSITION OF CONDITIONS BY THE LAND USE COMMISSION

KNOW ALL MEN BY THESE PRESENTS:

Please take notice that GENTRY INVESTMENT PROPERTIES, a Hawaii limited partnership, is the Petitioner in State Land Use Commission ("Commission") Docket No. A03-738 for the reclassification of approximately 282.614 acres of that certain land situated at Ewa, Island of Oahu, State of Hawaii, more particularly described as follows (which land is hereinafter collectively referred to as the "Petition Area"):

First:

[TMK No. 9-1-10:007]

All of that certain parcel of land situate at Honouliuli, District of Ewa, Oahu, State of Hawaii, described as follows:

Lot 4196-B, as shown on Map 626, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, deceased;

Being a portion of the land described in Land Court Certificate of Title No. 667,068 issued to GENTRY INVESTMENT PROPERTIES, a Hawaii limited partnership.

COPY

Second:

[TMK No. 9-1-69:005]

All of that certain parcel of land situate at Honouliuli, District of Ewa, Oahu, State of Hawaii, described as follows:

Lot 11252-A, as shown on Map 861, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, deceased;

Being the land described in Land Court Certificate of Title No. 667,069 issued to GENTRY INVESTMENT PROPERTIES, a Hawaii limited partnership.

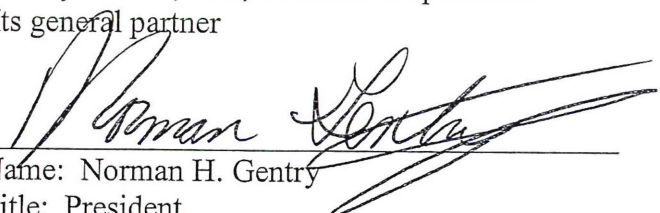
And Petitioner does hereby state and declare that the Commission, by its Decision and Order dated November 20, 2003, reclassified approximately 282.614 acres of the Petition Area under said Docket No. A03-738, from the State Land Use Agricultural District to the State Land Use Urban District (hereinafter "Property"), subject to a number of conditions imposed on the reclassified Property. Said conditions shall run with the land and shall be set forth in a Declaration of Conditions to be subsequently recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii pursuant to Commission Rule Section 15-15-92.

This Notice of Imposition of Conditions by the Commission shall be superseded upon the recordation at the Bureau of Conveyances of the said Declaration of Conditions setting forth the conditions imposed by the Commission in Docket No. A03-738.

DATED: Honolulu, Hawaii, December 1, 2003.

GENTRY INVESTMENT PROPERTIES,
a Hawaii limited partnership
By Gentry-Pacific, Ltd., a Hawaii corporation
Its general partner

By


Name: Norman H. Gentry
Title: President

By

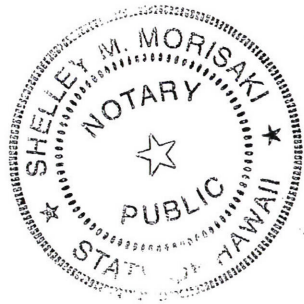

Name: Dawn Suyenaga
Title: Senior Vice President

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)
) ss.
)

On this 1st day of December, 2003, before me personally appeared **NORMAN H. GENTRY** and **DAWN SUYENAGA** 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(s) shown, having been duly authorized to execute such instrument in such capacity(s).



Shelley M. Morisaki

Notary Public, State of Hawaii

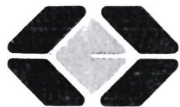
Printed Name of Notary: Shelley M. Morisaki

My commission expires: 1/4/06

APPENDIX 6

Declaration of Land Use Conditions

THE GENTRY COMPANIES



May 24, 2004

Mr. Anthony J. H. Ching, Executive Officer
State Land Use Commission
State Office Tower
P.O. Box 2359
Honolulu, HI 96804-2359

Re: *Original of the Declaration of Land Use Conditions*
Docket No. A03-738

Dear Mr. Ching:

Enclosed is the original of the Declaration of Land Use Conditions for the area reclassified under Docket No. A03-738. It was recorded at the Bureau of Conveyances as Land Court Document No. 3068154 on February 11, 2004.

Sincerely,

GENTRY HOMES, LTD.

Debra M. A. Luning
Director of Governmental Affairs
and Community Relations

Enclosure



L-266 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED
FEB 11, 2004 08:01 AM

Doc No(s) 3068154
on Cert(s) 667,068 & 667,069



20 1/1 Z4

/s/ CARL T. WATANABE
ASSISTANT REGISTRAR 4

Return by Mail () Pickup (x) To:
The Gentry Companies - Legal Dept.
P. O. Box 295
Honolulu, HI 96809

ITC

226567

Document Title: DECLARATION OF LAND USE CONDITIONS

DECLARATION OF LAND USE CONDITIONS

This Declaration made this 9th day of February, 2004, by GENTRY INVESTMENT PROPERTIES, a Hawaii limited partnership, whose address is 560 N. Nimitz Highway, Room 300, Honolulu, Hawaii 96817, and the Petitioner in State of Hawai'i Land Use Commission ("Commission") Docket No. A03-738 hereinafter called the "Declarant",

WITNESSETH:

WHEREAS, Declarant is the owner of that certain land comprising approximately 282.614 acres, situated in 'Ewa, Oahu, Hawai'i, identified on the tax maps of the State of Hawai'i as (1) 9-1-10:007 and (1) 9-1-69:005, and shown on Exhibit "A" attached hereto and also more particularly described in Exhibit "B" both of which said exhibits are attached hereto and made a part hereof (referred to herein as the "Property" or "Petition Area"); and

WHEREAS, pursuant to the State Land Use Commission Findings of Fact, Conclusions of Law, Decision and Order dated and entered on January 2, 2004, in Docket No. A03-738 (hereinafter "Decision and Order"), the Commission reclassified the Petition Area from the Agricultural District to the Urban District ("Project"), subject to certain conditions enumerated therein; and

WHEREAS, pursuant to Section 205-4(g), Hawai'i Revised Statutes ("HRS") and Section 15-15-92 of the Commission's Rules, the conditions imposed by the Commission in said Docket No. A03-738 are to run with the land and require Declarant to record these conditions at the Bureau of Conveyances of the State of Hawaii;

NOW, THEREFORE, Declarant [referred to in the Decision and Order and in Items 1 through 22 below as the "Petitioner"] hereby declares that the Petition Area shall be subject to the following conditions, which conditions were imposed by the Commission in Docket No. A03-738:

1. **Affordable Housing.** Petitioner shall provide affordable housing opportunities for low, low-moderate, and gap group income residents of the State of Hawai'i to the satisfaction of the City and County of Honolulu. The location and distribution of the affordable housing or other provisions for affordable housing shall be under such terms as may be mutually agreeable between Petitioner and the County.

2. **Public School Facilities.** Petitioner shall contribute to the development, funding, and/or construction of school facilities, on a fair-share basis, as determined by and to the mutual satisfaction of Petitioner and the Department of Education. Terms of the contribution shall be agreed upon in writing by Petitioner and the Department of Education prior to obtaining County rezoning.

3. **Wastewater Facilities.** Petitioner shall fund and construct adequate wastewater transmission and disposal facilities, as determined by the City and County of Honolulu Department of Environmental Services and the State Department of Health.

4. **Transportation.** Petitioner shall participate in the pro-rata funding and construction of local and regional transportation improvements and programs necessitated by the proposed development according to the regulatory scheme and factors covered by the City and County of Honolulu's impact fee ordinance - Chapter 33A, Revised Ordinances of Honolulu, and as determined by the State Department of Transportation.

Petitioner shall undertake subsequent mitigative measures that may be required by the Department of Transportation or the City and County of Honolulu. The mitigative measures shall be coordinated with and approved by the Department of Transportation and the City and County of Honolulu, as appropriate.

Petitioner in coordination with DOT shall provide briefing and update on regional and local traffic improvement projects to the 'Ewa community on a semi-annual basis in conjunction with this project.

5. **Landscaped Building Setback.** Petitioner shall provide a landscaped building setback (approximately 12 feet) along the Project's Fort Weaver Road frontage to provide flexibility in accommodating future transportation needs along the route and to buffer roadway noise.

6. **Archaeological Inventory Survey.** Should any previously unidentified burials, archaeological or historic sites such as artifacts, marine shell concentrations, charcoal deposits, or stone platforms, pavings or walls be found, Petitioner, developers and/or landowners of the affected properties shall comply with all applicable statutory provisions of Chapter 6E, Hawai'i Revised Statutes, and administrative rules of the Department of Land and Natural Resources.

7. **Historic Preservation Mitigation Plan.** Petitioner shall coordinate and discuss with the Office of Hawaiian Affairs the incorporation of Hawaiian cultural elements such as trail alignments, if deemed appropriate, and the use of proper place names for the proposed development.

8. **Solid Waste Management Plan.** Petitioner shall develop a Solid Waste Management Plan in conformance with the Integrated Solid Waste Management Act, Chapter 342G, Hawai'i Revised Statutes. Petitioner's Solid Waste Management Plan shall be approved by the City and County of Honolulu Department of Environmental Services. The Plan shall address and encourage an awareness of the need to divert the maximum amount of waste material caused by developments away from the County's landfills.

9. **Air Quality Monitoring.** Petitioner shall participate in an air quality monitoring program as specified by the State Department of Health.

10. **Drainage Improvements.** Petitioner, its successors, and assigns shall coordinate the design and construction of drainage improvements on the Property required as a result of the development of the Property to the satisfaction of Federal, State, and City agencies with the goal of executing an agreement on the interim and ultimate regional drainage plan as soon as possible. Petitioner, its successors, and assigns shall participate in the planning and coordination of offsite improvements with all landowners and developers in the Kalo'i drainage basin, and other Federal, State, and City agencies.

11. **Regional Drainage Solutions.** Petitioner, its successors, and assigns, agrees to work with the City to implement interim and long-term regional drainage solutions as follows:

a. Petitioner shall submit an updated drainage master plan if required for the Property to the City for its review and approval prior to any subdivision approvals other than for minor matters, such as easements.

b. Drainage solutions for the Property shall be compatible with the drainage designs for other developments in the Kalo'i Gulch drainage basin and shall conform to applicable Federal, State, and City laws, rules, regulations, and standards.

c. Drainage improvements for the Property shall be consistent with the policies and principles in the 'Ewa Development Plan.

d. Petitioner shall be responsible for maintaining previously constructed drainage improvements which limit channelized runoff to 2,500 cubic feet per second at the Property's southern boundary (specifically at the property boundary between Petitioner's Property and Haseko's property) for events up to a 100-year storm. Petitioner shall also take reasonable measures to minimize non-channelized flows from the Property by construction of berms, detention basins, or other appropriate methods. These requirements shall remain in force until long-range regional drainage improvements are in place in accordance with the approved drainage master plan for the Project.

e. Petitioner has or shall enter into a Letter Agreement with Hawaii Prince to mutually address the drainage issues as it pertains to the Hawaii Prince Golf Course.

12. **Water Resources Allocation and Permits.** Petitioner shall participate in the funding and construction of adequate water source, storage, and transmission facilities and improvements to accommodate the proposed Project. Water transmission facilities and improvements shall be coordinated and approved by appropriate State and County agencies.

13. **Avigation and Noise Easement.** Petitioner shall grant to the State of Hawai'i an avigation (right of flight) and noise easement in a form prescribed by the State Department of

Transportation on any portion of the Property subject to aircraft noise contours exceeding 55 Ldn.

14. **Sound Attenuation.** Petitioner shall not construct residential units within areas exposed to Honolulu International Airport and Naval Station Barbers Point noise levels of 65 Ldn or greater.

15. **Civil Defense Systems.** Petitioner, developers and/or landowners of the Property shall fund and construct adequate solar powered civil defense systems as determined by the County and State Civil Defense agencies.

16. **Energy Conservation Measures.** Petitioner shall implement energy conservation measures such as the use of solar energy and solar heating and incorporate such measures into the Project.

17. **Compliance with Representations to the Commission.** Petitioner shall develop the Property in substantial compliance with the representations made to the Commission. Failure to so develop the Property may result in reversion of the Property to its former classification, or change to a more appropriate classification.

18. **Notice of Change to Ownership Interests.** Petitioner shall give notice to the Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interests in the Property, prior to development of the Property.

19. **Annual Reports.** Petitioner shall timely provide without any prior notice, annual reports to the Commission, the Office of Planning, and the City and County Department of Planning and Permitting in connection with the status of the Project and Petitioner's progress in complying with the conditions imposed herein. The annual report shall be submitted in a form prescribed by the Executive Officer of the Commission.

20. **Release of Conditions Imposed by the Commission.** The Commission may fully or partially release the conditions provided herein as to all or any portion of the Property upon timely motion and upon the provision of adequate assurance of satisfaction of these conditions by Petitioner.

21. **Recording of Conditions.** Within 7 days of the issuance of the Commission's Decision and Order for the subject reclassification, Petitioner shall (a) record with the Bureau of Conveyances a statement that the Property is subject to conditions imposed herein by the Land Use Commission in the reclassification of the Property, and (b) shall file a copy of such recorded statement with the Commission.

22. **Recording of Conditions.** Petitioner shall record the conditions imposed herein by the Commission with the Bureau of Conveyances pursuant to section 15-15-92, Hawai'i Administrative Rules.

The above-stated conditions contained in this Declaration set forth in paragraphs 1 through 22 above shall operate as covenants running with the land and shall be binding upon Petitioner and each and every subsequent owner, lessee, sub-lessee, transferee, grantee, assignee, or developer.

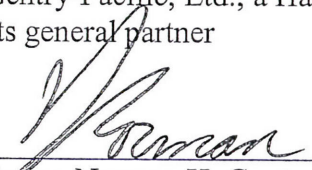
The limitations, restrictions, covenants and conditions of this Declaration shall continue and remain in full force and effect at all times with respect to all property included in this Declaration until such time that the State Land Use Commission removes or releases the

conditions relating to the Petition Area established through its Order dated January 2, 2004, in Docket No. A03-738.

The term "Petitioner", as and when used herein, shall mean and include the Declarant herein, and the terms "Declarant" and "Petitioner", as and when used herein, and/or pronouns used in place thereof, shall mean and include the masculine, feminine or neuter, the singular or plural number, individuals, partnerships, trustees or corporations and each of their respective successors, heirs, personal representatives, successors in trust and assigns, according to the context thereof.

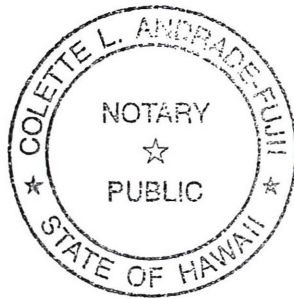
IN WITNESS WHEREOF, Declarant has caused this instrument to be duly executed on the day and year first above written.

GENTRY INVESTMENT PROPERTIES,
a Hawaii limited partnership
By Gentry-Pacific, Ltd., a Hawaii corporation
Its general partner

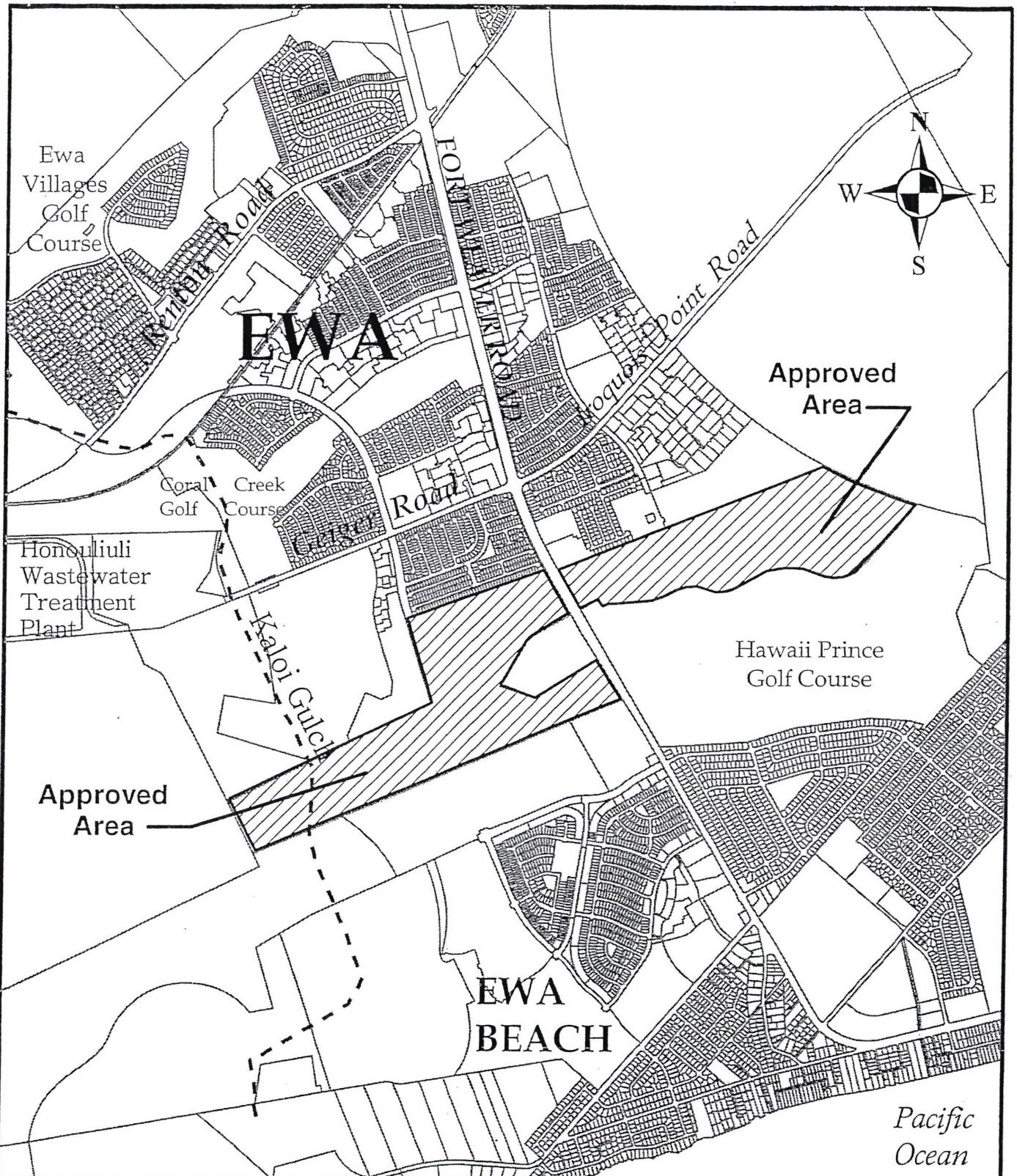
By 
Name: Norman H. Gentry
Title: President

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

On this 9 day of February, 2004, before me personally appeared **NORMAN H. GENTRY**, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Colette L. Andrade-Fujii
Notary Public, State of Hawaii
Printed Name of Notary: COLETTE L. ANDRADE-FUJII
My commission expires: July 17, 2004



**A03-738 GENTRY INVESTMENT PROPERTIES,
A Hawai'i Limited Partnership
LOCATION MAP**

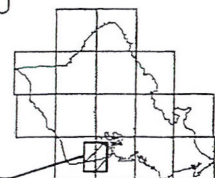
Tax Map Key Nos: 9-1-10: 7 & 9-1-69: 5

Ewa, O'ahu, Hawai'i

Scale: 1" = 2,000 ft.

EXHIBIT "A"

OAHU



Map
Location

EXHIBIT "B"

First:

[TMK No. 9-1-10:007]

All of that certain parcel of land situate at Honouliuli, District of Ewa, Oahu, State of Hawaii, described as follows:

Lot 4196-B, as shown on Map 626, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, deceased;

Being a portion of the land described in Land Court Certificate of Title No. 667,068 issued to GENTRY INVESTMENT PROPERTIES, a Hawaii limited partnership.

Second:

[TMK No. 9-1-69:005]

All of that certain parcel of land situate at Honouliuli, District of Ewa, Oahu, State of Hawaii, described as follows:

Lot 11252-A, as shown on Map 861, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, deceased;

Being the land described in Land Court Certificate of Title No. 667,069 issued to GENTRY INVESTMENT PROPERTIES, a Hawaii limited partnership.