



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. 88 of the 390 units will be priced at levels affordable to households earning up to 140% of Oahu's median income. Two (2) of these 88 Reserved Housing Units will be developed, marketed and sold in cooperation with the State of Hawaii, Hawaii Community Development Authority ("HCDA") through a public lottery to be held on **Saturday, September 7, 2024, at 11:00 a.m.** (the "**Lottery**") at the Ka'ulu Sales Office located at 91-1101 Franklin D. Roosevelt Avenue, Kapolei, Hawaii.

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 A 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 five years and must be able and willing to abide by the five-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 five-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. 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	\$117,700	\$134,500	\$151,350	\$168,150	\$181,600	\$195,050	\$208,500
Asset Limit	\$158,895	\$181,575	\$204,323	\$227,003	\$245,160	\$263,318	\$281,475

- 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) 2023 and 2022 W-2 Forms (all sources of income)
 - c) 2023 and 2022 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 12:00 noon on Thursday, August 8, 2024. 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 **Sunday, August 25, 2024, and on Sunday, September 1, 2024.**
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 11:00 a.m. on Saturday, September 7, 2024, at the Ka'ulu Sales Office. 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.**

FIVE-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 five-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 five-year regulated term or if HCDA decides not to exercise the first option to purchase the reserved housing unit during the five-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:** An example of the calculation of HCDA’s share of the equity in the Reserved Housing Unit is as follows:

Original Fair Market Value	=	\$642,000
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	\$642,000
(b) Original Sales Contract Price	<u>(\$610,000)</u>
(c) Original Share of Equity [a minus b]	\$32,000

The share of equity under Method 1 is \$32,000.

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	\$642,000
(f) Original Sales Contract Price	(\$610,000)
(g) Original Discount [(e) minus (f)]	\$32,000

(h) Original Discount	\$32,000
(i) Original Fair Market Value	\$642,000
(j) HCDA's % Share of Net Appreciation [(h) ÷ (i)]	5.0%

(k) Net Appreciation	\$596,960
(l) HCDA's Percentage Share of Net Appreciation	5.0%
(m) Share of Equity [(k) multiplied by (l)]	\$29,755

The share of equity under Method 2 is \$29,755

HCDA's share of equity is \$32,000 (the higher of the amounts determined in Method 1 and Method 2).

8. 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 Hawaiian Community Assets (HCA) or the Hawaii HomeOwnership Center (HHOC). These two 501(c)(3) nonprofit organizations are HUD-certified homeownership counseling agencies that can better prepare applicants for sustainable homeownership.

9. 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 8-22-24



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 FIVE 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.

- | <u>Yes</u> | <u>No</u> | |
|--------------------------|--------------------------|--|
| <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 5-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:

Household Size by No. of Persons	Median Income	Income Limit (140% of Median Income)	Asset Limit
1	\$84,050	\$117,700	\$158,895
2	\$96,100	\$134,500	\$181,575
3	\$108,100	\$151,350	\$204,323
4	\$120,100	\$168,150	\$227,003
5	\$129,700	\$181,600	\$245,160
6	\$139,300	\$195,050	\$263,318
7	\$148,900	\$208,500	\$281,475

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 five 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 II – Phase 9 & 10 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 to announce that Gentry Kalaeloa, LLC, a Hawaii limited liability company, is developing and intends to offer for sale to prospective owner-occupant buyers a fee simple condominium project to be known as KA'ULU BY GENTRY II. KA'ULU BY GENTRY II will be developed in 7 phases and will consist of a total of forty-nine (49) residential units, as follows: 13 single-family detached dwelling units and 36 multi-family dwelling units in five (5) buildings. The project will be located at 91-1101 Franklin D. Roosevelt Avenue, Kapolei, Hawaii 96707 [Tax Map Key No.: (1) 9 1-013:197 (por)].

PHASE 9 of KA'ULU BY GENTRY II consists of 6 multi-family dwelling units in a 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 10 of KA'ULU BY GENTRY II consists of six (6) two-story residential units, each unit being its own building. All of the units will be for residential use. None of the units in this phase are accessible and adaptable as defined and interpreted in 24 CFR Section 100 et seq.

Five (5) units in PHASE 9 and three (3) units in PHASE 10 have been designated by Gentry Kalaeloa, LLC for sale to prospective owner-occupants pursuant to Section 514B-95.5 of the Hawaii Revised Statutes. Those designated with an asterisk are reserved housing units with a 5-year owner-occupancy requirement.

Unit No.	Plan	Bdrms/Baths	Approx. Net Living Area (sq. ft.)	Prices
201	Plan 3-R	3 Bedroom/2 Bath	1,195	\$745,550
202	Plan 1-R	2 Bedroom/2 Bath	1,020	\$689,050
203*	Plan 2-R	3 Bedroom/2 Bath	1,080	\$685,000
204*	Plan 2	3 Bedroom/2 Bath	1,080	\$685,000
206	Plan 3	3 Bedroom/2 Bath	1,195	\$745,550
207	Plan 2	3 Bedroom/2.5 Bath	1,592	\$959,350
208	Plan 3	3 Bedroom/2.5 Bath	1,582	\$954,400
209	Plan 1	3 Bedroom/2.5 Bath	1,508	\$938,750

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

Beginning on **Sunday, August 25, 2024**, individuals interested in purchasing a market unit in PHASES 9 and 10 can obtain a sales packet (including an owner-occupant affidavit) by contacting the project sales broker, Gentry Homes, Ltd., at the KA'ULU BY GENTRY Sales Office. Individuals interested in purchasing a reserved housing unit in PHASE 9 can likewise 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. Both market and reserved unit sales packets will also be available online at www.gentryhawaii.com on **Sunday, August 25, 2024**.

Qualifications to Purchase a Reserved Housing Unit

Developer will offer Reserved Housing Units in Ka'ulu by Gentry II 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



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	\$84,050	\$117,700	\$158,895
2	\$96,100	\$134,500	\$181,575
3	\$108,100	\$151,350	\$204,323
4	\$120,100	\$168,150	\$227,003
5	\$129,700	\$181,600	\$245,160
6	\$139,300	\$195,050	\$263,318
7	\$148,900	\$208,500	\$281,475

*Based on figures issued by the United States Department of Housing and Urban Development in 2023 for the City and County of Honolulu, as interpreted by HCDA

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 bdrm	3 bdrms

Lottery for Market Units

Gentry Homes, Ltd. will accept completed housing application forms and other required documents for market units in Phases 9 and 10 until **12:00 noon on Thursday, September 5, 2024**. The lottery will be held on **Saturday, September 7, 2024** at 11:00 a.m. at 91-1101 Franklin D. Roosevelt Avenue, Kapolei, Hawaii 96707.

Lottery for Reserved Housing Units

Gentry Homes, Ltd. will accept completed housing application forms and other required documents for market units in Phases 9 and 10 until **12:00 noon on Thursday, September 5, 2024**.

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, September 7, 2024, 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 II

Price List for Reserved Housing Units Phase 9

Unit No.	Plan No.	BR/BA	Approx. Net Living Area	Building Number and Description	Base Sales Price
203	2-R	3/2	1,080 sf	Building 20 6-Plex Craftsman	\$685,000
204	2	3/2	1,080 sf	Building 20 6-Plex Craftsman	\$685,000



KA'ULU BY GENTRY
 PARCEL 1, PHASE 9&10
 RESERVED HOUSING UNITS

PHASE 9
 BUILDING 20 - CRAFTSMAN
 UNITS 203-204