

IMPORTANT - - Read This Developer Prepared Report Before Buying

This Report Is Not a Commission Approval or Disapproval of This Condominium Project

DEVELOPER'S PUBLIC REPORT FOR A CONDOMINIUM

| | |
|--------------------------|--|
| CONDOMINIUM PROJECT NAME | 7000 HAWAII KAI DRIVE |
| Project Address | 7000 and 7002 Hawaii Kai Drive, Honolulu, HI 96825 |
| Registration Number | 8246 (conversion) |
| Effective Date of Report | December 28, 2018 |
| Developer(s) | Hale Ka Lae, LLC, a Hawaii limited liability company |

Preparation of this Report

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. The law defines "material facts" to mean "any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale."

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts or all pertinent changes, or both, about the project have been fully or adequately disclosed; and (3) is not the Commission's judgment of the value or merits of the project.

This report may be used by the Developer for promotional purposes only if it is used in its entirety. No person shall advertise or represent that the Commission has approved or recommended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developer's Public Report, clearly reflecting the changes, including any omitted material facts, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

Purchasers are encouraged to read this report carefully and to seek professional advice before signing a sales contract for the purchase of a unit in the project.

Signing a sales contract may legally bind a purchaser to purchase a unit in the project, though a purchaser may have rights to cancel or rescind a sales contract under particular circumstances that may arise.

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

Special Attention - - Significant Matters

The developer's inclusion of a disclosure or an explanation of any or all of the following applicable significant matters in this part of the developer's public report shall not be construed to constitute the Commission's:

- Approval or disapproval of the project;
- Representation that the developer has fully or adequately disclosed either all material facts or all pertinent changes, or both, concerning the project;
- Representation that the developer's disclosures of other material facts elsewhere in this report is less important; or
- Judgment of the value or merits of the project.

The commission reserves the right to request that the developer include these special and significant matters elsewhere in the developer's public report.

1. **Project Information.** The Project is located in the City and County of Honolulu, State of Hawaii. It is currently expected to consist of two hundred sixty-nine (269) residential units located in three (3) ten story buildings as set forth in the Declaration and shown on the Condominium Map. (Buildings 2 and 3 are connected.) Two hundred fourteen (214) units will be offered and sold as market-priced units and the remaining fifty-five (55) residential units will be initially rented as affordable rental units to meet an affordable housing requirement as stated in that certain Unilateral Agreement and Declaration for Conditional Zoning dated July 3, 1986, recorded in the Bureau in Liber 19645 at Page 696, as amended by (1) Amendment to Unilateral Agreement and Declaration for Conditional Zoning dated June 23, 2000, recorded in the Bureau as Document No. 2000-112963, (2) Amendment to Unilateral Agreement and Declaration for Conditional Zoning dated November 28, 2000, recorded in the Bureau as Document No. 2000-167451 (collectively, the "Unilateral Agreement"), which Unilateral Agreement was entered into pursuant to Revised Ordinances of the City and County of Honolulu No. 86-88, as amended by Ordinance Nos. 99-54 and 00-70 (collectively, the "Ordinance"). Developer's plan to satisfy the affordable housing requirement was approved by the Department of Planning and Permitting of the City and County of Honolulu as evidence by those certain letters dated December 10, 2018 and December 14, 2018, recorded in the Bureau on December 19, 2018 as Document Nos. A-69270728A through A-69270728B, wherein the Affordable Rental Units shall be rented as affordable rental units for the period of thirty (30) years to households meeting the income and other eligibility requirements set forth in the Unilateral Agreement.
2. **Views.** Each owner of a unit acknowledges that there are no protected views in the Project and that the units are not assured the existence or unobstructed continuation of any particular view. Any view from a unit is not intended as part of the value of the unit, and is not guaranteed, and Developer makes no representation or warranty regarding whether a unit will continue to have the same view, or any view; and regarding the effect of the view or the lack thereof on the value of the unit. The views from a unit or the Project may change as a result of, be affected by, or be obstructed by (a) construction or installation of buildings, improvements, structures, walls, and/or landscaping by owners of property outside the Project; and/or (b) the growth of trees, landscaping, and/or vegetation within or outside the Project. Each owner and every other interested person waives, releases, and discharges any rights, claims, or actions that such person may have, now or in the future, against Developer and its representatives, licensees, successors, and assigns, and arising directly or indirectly out of or from any such change or obstruction of views by reason of such further development, improvements or growth.
3. **Reserved Rights of Developer.** Exhibit "G" to this Public Report sets forth a summary of certain reserved rights of Developer. These rights will continue even after completion of the Project and closings of the sales of units and title is transferred to owners. Prospective purchasers should note that among those rights that are reserved to Developer is the right to change the units and

amenities in the Project. Generally, these changes, if made, are not "material changes" that will permit a purchaser to rescind a purchase agreement. Note, however, that if such a change results in a decrease in net living area of a unit by more than two percent (2%), it will be deemed to be a material change that would permit a purchaser to rescind the sale. Further, in no event will any modification result in less than one (1) parking stall being assigned to a unit.

By signing a Limited Warranty Unit Deed, Encumbrances and Reservation of Rights with Power of Attorney 7000 Hawaii Kai Drive, a purchaser consents to the exercise by Developer of any of Developer's reserved rights and the appointment of Developer as the purchaser's attorney-in-fact. See Section D of Exhibit "L" for more information.

4. **Dispute Resolution: Waivers.** The following provisions apply to the resolution of covered disputes arising in connection with a purchase agreement or the Declaration, respectively:

A. **Purchase Agreement (Section F.33):** The following provisions apply to the resolution of Disputes (as defined below):

1. **PURPOSE AND EXCLUSIVITY.** THE PURPOSE OF THESE DISPUTE NOTIFICATION AND RESOLUTION PROCEDURES (THE "PROCEDURES") IS TO PROVIDE SELLER AND ITS MANAGERS, MEMBERS, OFFICERS, AGENTS, EMPLOYEES, BROKERS, AND OTHER REPRESENTATIVES, AND PURCHASER OR OTHER OWNER OF AN INTEREST IN THE UNIT, AND ANY PERSONS CLAIMING THEREUNDER (COLLECTIVELY, FOR PURPOSES OF THIS SECTION, THE "PARTIES"), WITH A MECHANISM TO RESOLVE DISPUTES THAT ARISE IN CONNECTION WITH THE PURCHASE AGREEMENT. THE PARTIES AGREE THAT THESE PROCEDURES SHALL BE THE METHOD EMPLOYED TO RESOLVE ALL DISPUTES.

a. **DEFINITION.** A "DISPUTE" MEANS AND INCLUDES ANY AND ALL ACTIONS, CLAIMS, OR DISPUTES BETWEEN OR AMONG THE PARTIES WITH RESPECT TO, ARISING OUT OF, OR RELATING TO THE PURCHASE AGREEMENT, WHERE THE TOTAL AMOUNT IN CONTROVERSY (INCLUDING ALL CLAIMS AND COUNTERCLAIMS) IS GREATER THAN THREE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$3,500.00). A DISPUTE SHALL NOT INCLUDE CONSTRUCTION DEFECTS COVERED UNDER THE CONTRACTOR REPAIR ACT.

b. **PRE-CLOSING DISPUTE.** NOTWITHSTANDING ANYTHING IN THIS SECTION TO THE CONTRARY AND SUBJECT TO SECTIONS F.30 AND F.31 OF THE PURCHASE AGREEMENT, ANY DISPUTE SOLELY BETWEEN SELLER AND PURCHASER ARISING OUT OF OR INCIDENT TO THE PURCHASE AGREEMENT MAY BE PURSUED IN A COURT OF COMPETENT JURISDICTION IN HONOLULU, HAWAII, WITHOUT THE OBLIGATION OF DISCUSSION OR MEDIATION, PROVIDED THAT SUCH CLAIM IS FILED PRIOR TO THE SCHEDULED CLOSING DATE HEREIN.

c. **DISCUSSION.** ANY PERSON WITH A DISPUTE SHALL NOTIFY THE PARTY TO WHOM THE DISPUTE IS DIRECTED IN WRITING OF THE DISPUTE, WHICH WRITING SHALL DESCRIBE THE NATURE OF THE DISPUTE AND ANY PROPOSED REMEDY (THE "DISPUTE NOTICE"). WITHIN A REASONABLE PERIOD AFTER RECEIPT OF THE DISPUTE NOTICE, WHICH PERIOD SHALL NOT EXCEED TWENTY-ONE CALENDAR (21) DAYS, THE PARTIES TO THE DISPUTE, REPRESENTED BY INDIVIDUALS WITH DECISION MAKING AUTHORITY, SHALL MEET AT A MUTUALLY ACCEPTABLE LOCATION WITHIN OR NEAR THE PROJECT TO DISCUSS THE DISPUTE. THE PARTIES TO THE DISPUTE SHALL NEGOTIATE IN GOOD FAITH IN AN EFFORT TO RESOLVE THE DISPUTE.

d. **MEDIATION.** IF THE PARTIES CANNOT RESOLVE SUCH DISPUTE PURSUANT TO THE PROCEDURES DESCRIBED IN SECTION A.1.c ABOVE WITHIN THIRTY (30) CALENDAR DAYS AFTER THE COMMENCEMENT OF DISCUSSIONS, THE MATTER SHALL BE SUBMITTED TO MEDIATION BY AND PURSUANT TO THE PROCEDURES ADOPTED BY DISPUTE PREVENTION AND RESOLUTION, INC. ("DPR") IN HONOLULU, HAWAII, OR ANY SUCCESSOR ENTITY THERETO, OR TO ANY OTHER ENTITY OFFERING MEDIATION SERVICES THAT IS ACCEPTABLE TO THE PARTIES.

(i) PARTIES PERMITTED AT SESSIONS. PERSONS OTHER THAN THE PARTIES, THEIR AUTHORIZED REPRESENTATIVES, AND THE MEDIATOR MAY ATTEND THE MEDIATION SESSIONS ONLY WITH THE CONSENT OF THE MEDIATOR; PROVIDED, HOWEVER, SUCH PERMISSION AND CONSENT SHALL NOT BE REQUIRED TO ALLOW PARTICIPATION OF SUCH PARTIES' LIABILITY INSURERS IN THE MEDIATION TO THE EXTENT REQUIRED UNDER SUCH PARTIES' LIABILITY INSURANCE POLICY.

(ii) RECORD. THERE SHALL BE NO STENOGRAPHIC RECORD OF THE MEDIATION PROCESS.

(iii) EXPENSES. THE EXPENSES OF WITNESSES SHALL BE PAID BY THE PARTY PRODUCING SUCH WITNESSES. ALL OTHER EXPENSES OF THE MEDIATION INCLUDING, BUT NOT LIMITED TO, THE FEES AND COSTS CHARGED BY THE MEDIATOR AND THE EXPENSES OF ANY WITNESSES OR THE COST OF ANY PROOF OR EXPERT ADVICE PRODUCED AT THE DIRECT REQUEST OF THE MEDIATOR, SHALL BE BORNE EQUALLY BY THE PARTIES TO THE MEDIATION UNLESS THEY AGREE OTHERWISE. EACH PARTY TO THE MEDIATION SHALL BEAR ITS OWN ATTORNEYS' FEES AND COSTS IN CONNECTION WITH SUCH MEDIATION.

(iv) NO JUDICIAL INTERVENTION. IF A PARTY INSTITUTES LITIGATION PRIOR TO OBSERVING THE PROCEDURES SET FORTH IN SECTIONS A.1.c AND A.1.d ABOVE ("PROHIBITED LITIGATION"), SUCH PARTY SHALL BE RESPONSIBLE FOR ALL REASONABLE EXPENSES AND FEES (INCLUDING ATTORNEYS' FEES) INCURRED BY THE OTHER PARTY IN OBTAINING A STAY OR DISMISSAL OF THE PROHIBITED LITIGATION.

(v) CONFIDENTIALITY. ALL NEGOTIATIONS, MEDIATION PROCEEDINGS, AND ANY DISCOVERY CONDUCTED PURSUANT TO THESE PROCEDURES ARE CONFIDENTIAL. ALL PROCEEDINGS CONDUCTED PURSUANT TO THESE PROCEDURES SHALL BE TREATED FOR ALL PURPOSES AS COMPROMISE AND SETTLEMENT NEGOTIATIONS WITHIN THE MEANING OF RULE 408 OF THE FEDERAL RULES OF EVIDENCE AND RULE 408 OF THE HAWAII RULES OF EVIDENCE.

e. FURTHER RESOLUTION. IF THE PARTIES ARE UNABLE TO RESOLVE A DISPUTE PURSUANT TO THE PROCEDURES DESCRIBED IN SECTIONS A.1.c AND A.1.d ABOVE, EACH PARTY SHALL HAVE THE RIGHT TO PURSUE THE RIGHTS AND REMEDIES AVAILABLE TO SUCH PARTY AT LAW OR IN EQUITY, EXCEPT AS OTHERWISE STATED HEREIN. IF A DISPUTE PROCEEDS IN COURT, SUCH ACTION SHALL BE BROUGHT EXCLUSIVELY IN THE FEDERAL OR STATE COURTS LOCATED IN HONOLULU, HAWAII. THE PARTIES HEREBY AGREE THAT THE COURT SHALL APPLY HAWAII SUBSTANTIVE LAW AND APPLICABLE STATUTES OF LIMITATIONS AND WILL HONOR CLAIMS OF PRIVILEGE RECOGNIZED BY LAW.

f. WAIVER OF JURY TRIAL. THE PARTIES ACKNOWLEDGE THAT THE PROCEDURES SET FORTH HEREIN HAVE BEEN A MATERIAL INDUCEMENT FOR THEM TO ENTER INTO THE PURCHASE AGREEMENT. ACCORDINGLY, WITH RESPECT TO ANY DISPUTE, THE PARTIES WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL ON ANY CLAIM OR CAUSE OF ACTION THAT IS BASED UPON OR ARISES OUT OF SUCH DISPUTE.

g. WAIVER OF CLASS-WIDE CLAIMS. THE PARTIES ACKNOWLEDGE AND AGREE THAT THE ADJUDICATION OF ANY DISPUTE SHALL BE BY AND BETWEEN THE PARTIES ONLY. THE PARTIES EXPRESSLY WAIVE ANY AND ALL RIGHTS TO PURSUE CLASS-WIDE CLAIMS RELATING TO ANY DISPUTE. THE PARTIES ACKNOWLEDGE AND AGREE THAT ANY DISPUTE SHALL NOT BE CONSOLIDATED WITH THE CLAIMS OF ANY OTHER PERSON.

h. STATUTES OF LIMITATION. THE APPLICABLE STATUTE OF LIMITATIONS SHALL NOT BE TOLLED BY ANYTHING CONTAINED IN THESE PROCEDURES. NOTWITHSTANDING THE PROHIBITION ON LITIGATION, A PARTY MAY COMMENCE AN ACTION SOLELY FOR THE PURPOSE OF TOLLING THE STATUTES OF LIMITATION, PROVIDED SUCH PARTY IMMEDIATELY STAYS THE ACTION TO RESOLVE THE DISPUTE PURSUANT TO THE PROCEDURES DESCRIBED IN SECTIONS A.1.c AND A.1.d ABOVE.

i. SURVIVAL; SUCCESSORS AND ASSIGNS. THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS SECTION SHALL SURVIVE THE CONVEYANCE OF THE UNIT PURSUANT TO THE PURCHASE AGREEMENT AND THE TERMINATION OR EXPIRATION OF THE PURCHASE AGREEMENT. THESE PROCEDURES, AND THE RIGHTS, DUTIES, AND OBLIGATIONS OF THE PARTIES, SHALL BE BINDING UPON AND SHALL INURE TO THE BENEFIT OF THEIR RESPECTIVE SUCCESSORS AND PERMITTED ASSIGNS.

j. THIRD-PARTY BENEFICIARY. IT IS THE INTENT OF SELLER AND PURCHASER THAT THE CONTRACTORS, SUBCONTRACTORS, DESIGN PROFESSIONALS, ENGINEERS AND SUPPLIERS WHO PROVIDED LABOR, SERVICES, OR MATERIALS TO THE PROJECT, AND SELLER'S AGENTS AND ATTORNEYS, SHALL BE THIRD-PARTY BENEFICIARIES UNDER THIS SECTION, AND SHALL BE ENTITLED TO ENFORCE THE PROVISIONS OF THIS SECTION.

B. **Declaration (Section XLI):** Purchasers are purchasing their units "as is" with all faults; provided that if there is an alleged defect and if the Developer, in its sole discretion, elects to cure such alleged defect, then the following provisions apply to the Developer's right to cure such alleged defects:

It is Developer's intent that all Improvements (defined in the Declaration) constructed or made by Developer in the Project be built or made in compliance with all applicable building codes and ordinances. Nevertheless, due to the complex nature of construction and the subjectivity involved in evaluating such quality, disputes may arise as to whether a defect exists and Developer's responsibility therefor. It is Developer's intent to resolve all disputes and claims regarding Alleged Defects (as defined below) amicably, and without the necessity of time-consuming and costly litigation. Accordingly, the Association, Board, and all Owners shall be bound by the following claim resolution procedure:

- a. **DEVELOPER'S RIGHT TO CURE.** In the event that the Association, Board, or any Owner (collectively, "Claimant") claims, contends, or alleges that any portion of the Project, including, but not limited to, any Unit and/or any Improvements, is defective or that Developer or its agents, consultants, contractors, or subcontractors were negligent in the planning, design, engineering, grading, construction, or development thereof (collectively, an "Alleged Defect"), Developer hereby reserves the right to inspect, repair, and/or replace such Alleged Defect as set forth herein.
- b. **NOTICE TO DEVELOPER.** In the event that a Claimant discovers any Alleged Defect, Claimant shall, within a reasonable time after discovery, notify Developer in writing, at the address specified (see Section 2.1 for the Developer's address), or such other address at which Developer maintains its principal place of business, of the specific nature of such Alleged Defect ("Notice of Alleged Defect").
- c. **RIGHT TO ENTER, INSPECT, REPAIR, AND/OR REPLACE.** Within a reasonable time after the receipt by Developer of a Notice of Alleged Defect or the independent discovery of any Alleged Defect by Developer, as part of Developer's reservation of rights, Developer shall have the right, upon reasonable notice to Claimant and during normal business hours, to enter onto or into, as applicable, any Unit and/or any Improvements or other portion of the Project, for the purposes of inspecting and, if deemed necessary by Developer, repairing and/or replacing such Alleged Defect. In conducting such inspection, repairs, and/or replacement, Developer shall be entitled to take any actions as it shall deem reasonable and necessary under the circumstances.
- d. **LEGAL ACTIONS.** No Claimant shall initiate any legal action, cause of action, proceeding, reference, or arbitration against Developer alleging damages (1) for the costs of repairing or the replacement of any Alleged Defect, (2) for the diminution in value of any real or personal property resulting from such Alleged Defect, or (3) for any consequential damages resulting from such Alleged Defect, unless and until:

- ii. Developer has either:
 - 1. rejected Claimant's claim or
 - 2. within thirty (30) days after its receipt of a Notice of Alleged Defect, either
 - a. failed to offer to settle without inspecting the Alleged Defect;
 - b. failed to propose to inspect the Alleged Defect and within thirty (30) days following any such proposal, failed to inspect the Alleged Defect, provided that Claimant permitted sufficient access; or
 - c. failed, within fourteen (14) days after any inspection, to serve Claimant with a written statement offering to fully or partially remedy the Alleged Defect at no cost to Claimant, offering to settle the Alleged Defect by monetary payment, offering a combination of the foregoing, or explaining that Developer will not proceed further to remedy the Alleged Defect.
 - e. **NO ADDITIONAL OBLIGATIONS; IRREVOCABILITY AND WAIVER OF RIGHT.** Nothing set forth in this Article shall be construed to impose any obligation on Developer to inspect, repair, or replace any item or Alleged Defect for which Developer is not otherwise obligated to do under applicable law. The right of Developer to enter, inspect, repair, and/or replace reserved hereby shall be irrevocable and may not be waived or otherwise terminated except by a writing, in recordable form, executed and filed by Developer in said Bureau.
 - f. **SEVERABILITY AND APPLICABILITY.** If any provision of this Article is held to be invalid, such a determination shall not affect the other provisions hereof, which shall remain in full force and effect. Notwithstanding anything to the contrary herein, if any provision in this Article conflicts with any applicable portion of Hawaii Revised Statutes Chapter 672E, the Contractor Repair Act, the provisions of said statute, as amended, shall apply.
- 5. **Warranties.** Developer is developing the Project, but it is not the general contractor or an affiliate of the general contractor building the Project. Developer makes no warranties, express or implied, about the units or the Project, or about consumer products or anything else installed or contained in the units or the Project. This includes, but is not limited to, warranties of merchantability, habitability, workmanlike construction, fitness for a particular purpose, or sufficiency of design.
- 6. **Limitation of Purchaser's Recovery in the Event of a Developer Default.** If Developer defaults under the purchase agreement, the purchaser must provide written notice of such default to Developer. If Developer fails to cure the default within thirty (30) calendar days after it receives notice of the default, and if the purchaser is not then in material default under the purchase agreement, then the purchaser may terminate the purchase agreement and receive a refund of payments made under the agreement together with any interest earned thereon.

SEE SECTION 6 ON PAGES 19 THROUGH 19c IN THIS REPORT FOR OTHER SIGNIFICANT MATTERS AND IMPORTANT DISCLOSURES THAT SHOULD BE CAREFULLY REVIEWED BY PURCHASER.

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EXHIBIT "A": Unit Numbers, Unit Types, Buildings, Affordable Rentals, Approximate Net Yard Areas, Parking Stall(s), Approximate Net Living Areas, Approximate Net Lanai Areas, Total Approximate Net Area, Common Interest

EXHIBIT "B": Boundaries of Each Unit

EXHIBIT "C": Permitted Alterations to Units

EXHIBIT "D": Common Elements and Limited Common Elements

EXHIBIT "E": Encumbrances Against Title

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EXHIBIT "K": Verified Statement from County Official

EXHIBIT "L": Summary of Limited Warranty Unit Deed, Encumbrances and Reservation of Rights with Power of Attorney

General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. In addition, certain requirements and approvals of the county in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

If you are a typical condominium unit owner, you will have two kinds of ownership: (1) ownership in your individual unit; and (2) a percentage interest in the common elements.

You will be entitled to exclusive ownership and possession of your unit. Subject to the documents governing them, condominium units may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

Your unit will, however, be part of the group of units that comprise the condominium project. Study the project's Declaration of Condominium Property Regime, Bylaws of the Association of Unit Owners, Condominium Map and House Rules, if any, which are being concurrently delivered to you with this report. These documents contain important information on the use and occupancy of the units and the common elements of the project, as well as the rules and regulations of conduct for unit owners, tenants and guests.

Operation of the Condominium Project*

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there are a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first that the Developer will effectively control the affairs of the Association. It is frequently necessary for the Developer to do so during the early stages of development and the Developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

| | |
|--|--|
| Fee Simple or Leasehold Project | <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit) |
| Developer is the Fee Owner | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Fee Owner's Name if Developer is not the Fee Owner | |
| Address of Project | 7000 and 7002 Hawaii Kai Drive, Honolulu, HI 96825 |
| Address of Project is expected to change because | N/A |
| Tax Map Key (TMK) | (1) 3-9-008:068 |
| Tax Map Key is expected to change because | |
| Land Area | 3.8042 acres (apprx.) |
| Developer's right to acquire the Property if Developer is not the Fee Owner (describe) | N/A |

1.2 Buildings and Other Improvements

| | |
|--|---|
| Number of Buildings | 3 (Buildings 2 and 3 are connected.) |
| Floors Per Building | 10 |
| Number of New Building(s) | 0 |
| Number of Converted Building(s) | 3 |
| Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.) | Concrete, wood, steel, glass, tile, plastic |

1.3 Unit Types and Sizes of Units

| Unit Type | Quantity | BR/Bath | Net Living Area | Net Other Areas | Other Areas (lanai, garage, etc.) | Total Area |
|-----------------|----------|---------|-----------------|-----------------|-----------------------------------|------------|
| | | | | | | |
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| | | | | | | |
| | | | | | | |
| See Exhibit "A" | | | | | | |

| | |
|------------|------------------------------|
| 269 | Total Number of Units |
|------------|------------------------------|

Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.

1.4 Parking Stalls

| | |
|--|-----------|
| Total Parking Stalls in the Project: | 576 |
| Number of Guest Stalls in the Project: | 27 |
| Number of Parking Stalls Assigned to Each Unit: | 1 or more |
| Attach Exhibit _____ specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open). | |
| If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights. The residential parking stalls described in Exhibit "A" as Limited Common Elements appurtenant to Unit 2109 may eventually be reassigned by Developer to other Units as Limited Common Elements. | |

1.5 Boundaries of the Units

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|--|
| Boundaries of the unit: See Exhibit "B" |
|--|

1.6 Permitted Alterations to the Units

| |
|--|
| Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project): See Exhibit "C" |
|--|

1.7 Common Interest

| |
|---|
| Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in Declaration, is: Described in Exhibit "A". As follows: |
|---|

1.8 Recreational and Other Common Facilities (Check if applicable):

| | |
|-------------------------------------|----------------------------|
| <input checked="" type="checkbox"/> | Swimming pool* |
| <input checked="" type="checkbox"/> | Laundry Area* |
| <input type="checkbox"/> | Storage Area |
| <input type="checkbox"/> | Tennis Court |
| <input checked="" type="checkbox"/> | Recreation Area* |
| <input checked="" type="checkbox"/> | Trash Chute/Enclosure(s) |
| <input checked="" type="checkbox"/> | Exercise Room* |
| <input checked="" type="checkbox"/> | Security Gate |
| <input checked="" type="checkbox"/> | Playground* |
| <input checked="" type="checkbox"/> | Other (describe): Dog Park |

***Note: The Swimming Pool, Laundry Area, Recreation Area, Exercise Room, and Playground located in and around Buildings 2 and 3 are limited common elements appurtenant to units in Buildings 2 and 3 only; the Owners and Occupants of units in Building 1 will not have access to these amenities; provided, however, that the Developer has the reserved right to permit such use in the future. The Laundry Area located in Building 1 is a limited common element appurtenant to units in Building 1 only; the Owners and Occupants of units in Buildings 2 and 3 will not have access to the Building 1 Laundry Area; provided, however, that the Developer has the reserved right to permit such use in the future.**

1.9 Common Elements

| | |
|---|----------------|
| Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below. | |
| Described in Exhibit "D" | |
| Described as follows: | |
| | |
| Common Element | Number |
| Elevators | 5 ¹ |
| Stairways | 5 ² |
| Trash Chutes | 0 |
| ¹ Note that two (2) elevators in Building 1 are Common Elements available for use by all Owners and Occupants. The three (3) elevators located in Buildings 2 and 3 are Limited Common Elements appurtenant to the Units in Buildings 2 and 3. ² Note that each stairway is a Limited Common Element appurtenant to all Units in the building in which the stairway is located. | |

1.10 Limited Common Elements

| |
|--|
| Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project. |
| Described in Exhibit "D" |
| Described as follows: |
| |

1.11 Special Use Restrictions

| | |
|--|---|
| The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below. | |
| <input checked="" type="checkbox"/> | Pets: dogs, cats or other typical household pets and service animals are permitted, subject to the limitations in Section K of the House Rules (Exhibit "F"). Persons with disabilities, as defined in Chapter 515 of the Hawaii Revised Statutes, as may be amended, and/or the ADA, including, without limitation, visually impaired persons, hearing impaired persons, and physically and mentally impaired persons, shall be allowed to use the services of a "service animal," as such term is defined under the ADA, and an "emotional support" animal. |
| <input type="checkbox"/> | Number of Occupants: |
| <input type="checkbox"/> | Other: |
| <input type="checkbox"/> | There are no special use restrictions. |

1.12 Encumbrances Against Title

| |
|---|
| An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens). |
| Exhibit "E" describes the encumbrances against title contained in the title report described below. |
| Date of the title report: December 13, 2018 |
| Company that issued the title report: Title Guaranty of Hawaii, Inc. |

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

| Uses Permitted by Zoning | | | | | |
|--|----------------------------|--------------|---|--|--------|
| | Type of Use | No. of Units | Use Permitted by Zoning | | Zoning |
| <input checked="" type="checkbox"/> | Residential | 269 | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | A-2 |
| <input type="checkbox"/> | Commercial | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| <input type="checkbox"/> | Mix Residential/Commercial | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| <input type="checkbox"/> | Hotel | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| <input type="checkbox"/> | Timeshare | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| <input type="checkbox"/> | Ohana | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| <input type="checkbox"/> | Industrial | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| <input type="checkbox"/> | Agricultural | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| <input type="checkbox"/> | Recreational | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| <input type="checkbox"/> | Other (specify) | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws? | | | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |
| Variances to zoning code have been granted. | | | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| Describe any variances that have been granted to zoning code. | | | | | |

1.14 Other Zoning Compliance Matters

| Conforming/Non-Conforming Uses, Structures and Lots | |
|---|--|
| <p>In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.</p> <p>If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.</p> <p>A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.</p> | |

| | Conforming | Non-Conforming | Illegal |
|------------|-------------------------------------|--------------------------|--------------------------|
| Uses | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Structures | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Lot | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| |
|--|
| <p>If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:</p> |
|--|

1.15 Conversions

| | |
|--|---|
| <p>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</p> | <p><input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not Applicable</p> |
| <p>Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units:</p> <p>N/A – Units are not more than five years old</p> | |
| <p>Developer's statement of the expected useful life of each item reported above:</p> <p>N/A – Units are not more than five years old</p> | |
| <p>List of any outstanding notices of uncured violations of any building code or other county regulations:</p> <p>None</p> | |
| <p>Estimated cost of curing any violations described above:</p> <p>N/A</p> | |

| | |
|---|--|
| <p>Verified Statement from a County Official</p> | |
| <p>Regarding any converted structures in the project, attached as Exhibit <u> K </u> is a verified statement signed by an appropriate county official which states that either:</p> <p>(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:</p> <ul style="list-style-type: none"> (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance; <p style="text-align: center;">or</p> <p>(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.</p> | |
| <p>Other disclosures and information:</p> | |

1.16 Project In Agricultural District

| | |
|--|--|
| Is the project in an agricultural district as designated by the land use laws of the State of Hawaii? If answer is "Yes", provide information below. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws? <input type="checkbox"/> Yes <input type="checkbox"/> No If the answer is "No", provide explanation. | |
| Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws? <input type="checkbox"/> Yes <input type="checkbox"/> No If the answer is "No", provide explanation and state whether there are any penalties for noncompliance. | |
| Other disclosures and information: | |

1.17 Project with Assisted Living Facility

| | |
|--|--|
| Does the project contain any assisted living facility units subject to Section 321-11(10), HRS? If answer is "Yes", complete information below. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Licensing requirements and the impact of the requirements on the costs, operations, management and governance of the project. | |
| The nature and the scope of services to be provided. | |
| Additional costs, directly attributable to the services, to be included in the association's common expenses. | |
| The duration of the provision of the services. | |
| Other possible impacts on the project resulting from the provision of the services. | |
| Other disclosures and information. | |

2. PERSONS CONNECTED WITH THE PROJECT

| | |
|---|---|
| <p>2.1 Developer</p> | <p>Name: Hale Ka Lae, LLC</p> <p>Business Address: 800 Bethel Street, Suite 501 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 587-7770 E-mail Address: info@avalonhi.com</p> |
| <p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p> | <p>Hanwha Hawaii LLC is the manager of Developer.</p> |
| <p>2.2 Real Estate Broker</p> | <p>Name: Avalon Realty, LLC and Avalon Commercial, LLC¹ Business Address: 800 Bethel Street, Suite 501 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 369-1136 E-mail Address: sales@halekalae.com</p> |
| <p>2.3 Escrow Depository</p> | <p>Name: Title Guaranty Escrow Services, Inc. Business Address: 235 Queen Street Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 521-0211</p> |
| <p>2.4 General Contractor</p> | <p>Name: N/A Business Address:</p> <p>Business Phone Number:</p> |
| <p>2.5 Condominium Managing Agent</p> | <p>Name: Avalon Commercial, LLC² Business Address: 800 Bethel Street, Suite 501 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 587-7770</p> |
| <p>2.6 Attorney for Developer</p> | <p>Name: Imanaka Asato, LLLC (Attn: Owen T. Iida, Esq.) Business Address: 745 Fort Street, 17th Floor Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 521-9500</p> |

¹ The Real Estate Broker is an affiliate of the Developer.

² The Managing Agent is affiliated with the Developer, and conflicts may arise. It is the agent's duty, however, to act in the best interests of the Association at all times.

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

3.1 Declaration of Condominium Property Regime

The Declaration of Condominium Property Regime contains a description of the land, buildings, units, common interests, common elements, limited common elements, and other information relating to the condominium project.

| Land Court or Bureau of Conveyances | Date of Document | Document Number |
|-------------------------------------|--------------------|-----------------|
| Bureau of Conveyances | September 26, 2018 | A-69270918A-C |

Amendments to Declaration of Condominium Property Regime

| Land Court or Bureau of Conveyances | Date of Document | Document Number |
|-------------------------------------|------------------|-----------------|
| | | |
| | | |
| | | |

3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters that affect how the condominium project will be governed.

| Land Court or Bureau of Conveyances | Date of Document | Document Number |
|-------------------------------------|--------------------|-----------------|
| Bureau of Conveyances | September 26, 2018 | A-69270919 |

Amendments to Bylaws of the Association of Unit Owners

| Land Court or Bureau of Conveyances | Date of Document | Document Number |
|-------------------------------------|------------------|-----------------|
| | | |
| | | |
| | | |

3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.

| | |
|--|------|
| Land Court Map Number | |
| Bureau of Conveyances Map Number | 5879 |
| Dates of Recordation of Amendments to the Condominium Map: | |

3.4 House Rules

| | | |
|--|-------------------------------------|-----------------|
| <p>The Board of Directors may adopt rules and regulations (commonly called "House Rules") to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the Developer. Changes to House Rules do not need to be recorded to be effective.</p> | | |
| <p>The House Rules for this project:</p> | | |
| Are Proposed | <input checked="" type="checkbox"/> | See Exhibit "F" |
| Have Been Adopted and Date of Adoption | <input type="checkbox"/> | |
| Developer does not plan to adopt House Rules | <input type="checkbox"/> | |

3.5 Changes to the Condominium Documents

| | | |
|---|--------------------|------------------|
| <p>Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.</p> | | |
| Document | Minimum Set by Law | This Condominium |
| Declaration | 67% | 67% |
| Bylaws | 67% | 67% |

3.6 Rights Reserved by the Developer to Make changes to the Condominium Project or Project Documents

| | |
|-------------------------------------|---|
| <input type="checkbox"/> | No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any). |
| <input checked="" type="checkbox"/> | <p>Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows:</p> <p>See Exhibit "G"</p> |

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

| | |
|---|--|
| Management of the Common Elements: The Association of Unit Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project. | |
| The Initial Condominium Managing Agent for this project is (check one): | |
| <input type="checkbox"/> | Not affiliated with the Developer (a Condominium Managing Agent has not been engaged) |
| <input type="checkbox"/> | None (self-managed by the Association) |
| <input checked="" type="checkbox"/> | The Developer or an affiliate of the Developer: The Condominium Managing Agent, Avalon Commercial, LLC, is an affiliate of the Developer |
| <input type="checkbox"/> | Other (explain) |

4.2 Estimate of the Initial Maintenance Fees

| |
|---|
| Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided. |
| Exhibit "H" contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses. |

4.3 Utility Charges to be Included in the Maintenance Fee

| | |
|---|--------------------------------------|
| If checked, the following utilities are included in the maintenance fee: | |
| <input checked="" type="checkbox"/> | Electricity for the common elements* |
| <input type="checkbox"/> | Gas for the common elements |
| <input checked="" type="checkbox"/> | Water* |
| <input checked="" type="checkbox"/> | Sewer* |
| <input checked="" type="checkbox"/> | TV cable* |
| <input checked="" type="checkbox"/> | Other (specify) Internet* |
| *All Unit Owners pay proportional maintenance fees for utilities attributable to the common elements. All Owners of Units in Building 1 pay proportional maintenance fees for utilities attributable to the Limited Common Elements appurtenant to all of the Units in Building 1. All Owners of Units in Buildings 2 & 3 pay proportional maintenance fees for utilities attributable to the Limited Common Elements appurtenant to all of the Units in Buildings 2 & 3. | |

4.4 Utilities to be Separately Billed to Unit Owner

| | |
|--|--------------------------------|
| If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee: | |
| <input checked="" type="checkbox"/> | Electricity for the Unit only* |
| <input type="checkbox"/> | Gas for the Unit only |
| <input checked="" type="checkbox"/> | Water* |
| <input checked="" type="checkbox"/> | Sewer* |
| <input checked="" type="checkbox"/> | TV cable* |
| <input checked="" type="checkbox"/> | Other (specify) Internet* |
| *Unit Owners pay for the cost of electricity, water, sewer, tv cable, and internet attributable only to their Unit (as opposed to utilities attributable to the Common Elements, which are billed through maintenance fees), which will be billed separately to each Unit Owner. | |

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

| | |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | Specimen Sales Contract Exhibit <u>"I"</u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer. |
| <input checked="" type="checkbox"/> | Escrow Agreement dated: May 29, 2018 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit <u>"J"</u> contains a summary of the pertinent provisions of the escrow agreement. |
| <input type="checkbox"/> | Other |

5.2 Sales to Owner-Occupants

If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sale to Owner-Occupants.

| | |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B. |
| <input type="checkbox"/> | Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit _____. |
| <input checked="" type="checkbox"/> | Developer has or will designate the units for sale to Owner-Occupants by publication. |

5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.

| | |
|-------------------------------------|--|
| <input type="checkbox"/> | There are no blanket liens affecting title to the individual units. |
| <input checked="" type="checkbox"/> | There are blanket liens that may affect title to the individual units. |

| Type of Lien | Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance |
|--------------|--|
| Mortgage | See page 13a |
| | |
| | |

5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:

Building and Other Improvements: See page 13a

Appliances: N/A

Section 5.3: Blanket Liens.

| <u>Type of Lien</u> | Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance |
|---|---|
| Mortgage, Assignment of Leases and Rents and Security Agreement, dated August 23, 2017, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. A-64460441 | If there is a default and a foreclosure of the mortgage prior to conveyances, the Purchaser may lose the right to purchase a unit. If the Purchaser loses the right to purchase a unit, the Purchaser may be entitled to a refund of the Purchaser's deposits, less escrow cancellation fees. |

Section 5.4: Construction Warranties.

Building and Other Improvements.

The Units are being sold in "As Is" condition and Developer makes no warranties or representations about the condition of the Units and the 7000 Hawaii Kai Drive Condominium Project, except as may be otherwise provided in the Unit Deeds (relating to warranties of title) and in the Sales Contract. Developer will make no other warranties, express or implied, with respect to the design, condition, workmanship, materials, value or use of the 7000 Hawaii Kai Drive Condominium Project, the Unit, or any common elements, or anything thereon or therein.

5.5 Status of Construction, Date of Completion or Estimated Date of Completion

| |
|---|
| Status of Construction: The buildings of the Project are existing, completed structures. The buildings were completed in 2015. |
| Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser. |
| Completion Deadline for any unit not yet constructed, as set forth in the sales contract: N/A; the buildings of the Project are existing, completed structures. |
| Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: The Developer intends to do cosmetic changes to the Project, including the landscaping, adding security cameras, and appliances in some of the Units. If so, these items will be completed by December 31, 2018. |

5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance

| | |
|--------------------------|---|
| <input type="checkbox"/> | Spatial Units. The Developer hereby declares by checking the box to the left that it offering spatial units for sale and will not be using purchasers' deposits to pay for any costs to pay for project construction or to complete the project. |
| <input type="checkbox"/> | Should the developer be using purchaser's deposits to pay for any project construction costs or to complete the project including lease payments, real property taxes, architectural, engineering, legal fees, financing costs; or costs to cure violations of county zoning and building ordinances and codes or other incidental project expenses, the Developer has to meet certain requirements, described below in 5.6.1 or 5.6.2. |

The Developer is required to deposit all moneys paid by purchasers in trust under a written escrow agreement with a Hawaii licensed escrow depository. Escrow shall not disburse purchaser deposits to the Developer or on behalf of the Developer prior to closing, except if a sales contract is canceled or if Developer has met certain requirements, which are described below.

5.6.1 Purchaser Deposits Will Not be Disbursed Before Closing or Conveyance

| | |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project. |
| | If this box is checked, Section 5.6.2, which follows below, will not be applicable to the project. |

5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):

| | |
|--------------------------|---|
| <input type="checkbox"/> | For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or |
| <input type="checkbox"/> | For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses. |

In connection with the use of purchaser deposits (check Box A or Box B):

| | |
|---|--|
| <p>Box A</p> <p><input type="checkbox"/></p> | <p>The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>If Box A is checked, you should read and carefully consider the following notice, which is required by law:</p> <p>Important Notice Regarding Your Deposits: Deposits that you make under your sales contract for the purchase of the unit may be disbursed before closing of your purchase to pay for project costs, construction costs, project architectural, engineering, finance, and legal fees, and other incidental expenses of the project. While the developer has submitted satisfactory evidence that the project should be completed, it is possible that the project may not be completed. If your deposits are disbursed to pay project costs and the project is not completed, there is a risk that your deposits will not be refunded to you. You should carefully consider this risk in deciding whether to proceed with your purchase.</p> |
| <p>Box B</p> <p><input type="checkbox"/></p> | <p>The Developer has <u>not</u> submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits.</p> <p>If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract. At such time, the Important Notice Regarding Your Deposits set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment. (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>You should understand that, although the Important Notice Regarding Your Deposits set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.</p> |

Material House Bond. If the Developer has submitted to the Commission a completion or performance bond issued by a material house instead of a surety as part of the information provided prior to the use of purchaser deposits prior to closing or conveyance of a unit, the Developer shall disclose the same below and disclose the impact of any restrictions on the Developer's use of purchaser deposits.

5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.

| | |
|----|--|
| 1. | Developer's Public Report |
| 2. | Declaration of Condominium Property Regime (and any amendments) |
| 3. | Bylaws of the Association of Unit Owners (and any amendments) |
| 4. | Condominium Map (and any amendments) |
| 5. | House Rules, if any |
| 6. | Escrow Agreement |
| 7. | Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted. |
| 8. | Other: |

Copies of the condominium and sales documents and amendments made by the Developer are available for review through the Developer or through the Developer's sales agent, if any. The Condominium Property Regime law (Chapter 514B, HRS) and the Administrative Rules (Chapter 107, HAR), are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access rules: www.hawaii.gov/dcca/har

5.8 Purchaser's Right to Cancel or Rescind a Sales Contract

A purchaser's right to cancel a sales contract or to rescind a sales contract may arise under varying circumstances. In the sections below, some circumstances that will give rise to a purchaser's right to cancel or rescind are described, together with what a purchaser must do if the purchaser wishes to exercise any of the rights.

5.8.1 When a Sales Contract becomes Binding and Purchaser's 30-Day Right to Cancel a Sales Contract

A sales contract signed by a purchaser and the developer will not become binding on a purchaser or the Developer until the following events have taken place:

(1) The purchaser has signed the sales contract.

(2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.

(3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.

(4) The purchaser does at least one of the following:

(a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

- (b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or
- (c) Closes the purchase of the unit before the 30-day cancellation period expires.

The purchaser or the Developer may cancel the sales contract at any time during the 30-day cancellation period, and the sales contract will be canceled and the purchaser's deposits returned to the purchaser, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.

5.8.2 Right to Cancel a Sales Contract if Completion Deadline is Missed

In addition to the purchaser's 30-day cancellation right described in Section 5.8.1 above, when a sales contract is signed before completion of construction of a project, the purchaser will have the right to cancel if the unit is not completed by certain deadlines. In conversion projects, there must be a deadline for completion of any required repairs. Every sales contract shall contain an agreement of the Developer that the completion of construction shall occur on or before the completion deadline, and that completion deadline is set forth in this report in Section 5.5. The sales contract shall provide that the purchaser may cancel the sales contract at any time after the specified completion deadline, if completion of construction does not occur on or before the completion deadline, as the same may have been extended. Upon a cancellation, the purchaser's deposits shall be refunded, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.00.

5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change

If a "material change" in a project occurs after a purchaser has signed a sales contract that has become binding, the purchaser will have a 30-day right to rescind after notification and description of the material change. A material change is defined in the Condominium Property Act to be any change that "directly, substantially and adversely affects the use or value of (1) a purchaser's unit or appurtenant limited common elements; or (2) those amenities of the project available for the purchaser's use."

The purchaser will be informed of the material change by the developer on a form prescribed by the Commission containing a description of the material change.

After notice of the material change, the purchaser may waive the right to rescind by:

- (1) Checking the waiver box on the rescission form; or
- (2) Letting the 30-day rescission period expire, without taking any action to rescind; or
- (3) Closing the purchase of the unit before the 30-day rescission period expires.

The rescission form must be signed by all purchasers of the affected unit and delivered to the developer no later than midnight of the 30th calendar day after the purchasers received the rescission form from the developer. Purchasers who validly exercise the right of rescission shall be entitled to a prompt and full refund of any moneys paid.

A rescission right shall not apply in the event of any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of a project, made pursuant to the terms of the project's Declaration.

These provisions shall not preclude a purchaser from exercising any rescission rights pursuant to a contract for the sale of a unit or any applicable common law remedies.

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT¹

1. Changes by Developer. Developer may revise the specimen deed and sales contract for the Project to conform with any future amendments that may be made to the Declaration and the Project.
2. Common Expenses. Purchasers will be responsible to pay for Common Expenses of the Project when the sale of the Unit to the purchaser closes and purchaser becomes an owner of the Unit.
3. Real Property Tax Assessment. Developer shall be responsible for any real property taxes attributable to the Units prior to closing. Any real property taxes paid in advance by Developer shall be prorated as a closing cost payable by purchaser pursuant to the sales contract for the purchase of a Unit.
4. Maintenance Fees for Affordable Units. The owner of units that are rented as affordable units will pay the maintenance fees for those units, as it is the owner of the units. The initial owner of the units is the Developer. The obligation to pay these maintenance fees will commence at the same time that the fees for the other units in the Project commence.
5. Security Disclaimer. The Association may, but shall not be obligated, to maintain or support certain activities within the 7000 Hawaii Kai Drive Condominium Project designed to make the 7000 Hawaii Kai Drive Condominium Project safer than it might otherwise be. Neither the Association nor Developer shall in any way be considered insurers or guarantors of security within the 7000 Hawaii Kai Drive Condominium Project, and neither the Association nor Developer shall be held liable for any loss or damage by reason of failure to provide security or the ineffectiveness of security measures undertaken. All Owners and Occupants of any Unit, tenants, Guests and invitees of any Owner, as applicable, acknowledge that the Association, the Board, or Developer do not represent or warrant that any fire protection system or other security system designated or installed according to the guidelines established by Developer or the Association may not be compromised or circumvented, that any fire protection or burglar alarm systems or other security systems will prevent loss by fire, smoke, burglary, theft, hold-up, terrorism or otherwise, nor that fire protection or burglar alarm systems or other security systems will in all cases provide the detection or protection for which the system was designed or intended. Each Owner, his or her family, agents, transient Guests, or other Occupants of any Unit, as applicable, acknowledges and understands that the Association, its Board and committees, and Developer are not an insurer, and that each Owner, his or her family, agents, transient Guests, or other Occupants of a Unit assume all risks for loss or damage to Persons, Units and the contents of Units, and further acknowledges that the Association, its Board and committees, Developer, or any successor developer have made no representations or warranties nor has any Owner, his or her family, agents, transient Guests, long-term Guests, or other Occupants of a Unit relied upon any representation or warranty, expressed or implied, including any warranty of merchantability as to the fitness of any alarm systems or other security systems recommended or installed, or any security measure undertaken within the 7000 Hawaii Kai Drive Condominium Project.
6. Nonliability for Net Living Area Calculation. There are various methods for calculating the net living area of a Unit, and depending on the method of calculation, the quoted net living area of the Unit is approximate and may vary by more than a nominal amount. Additionally, as a result of field construction, other permitted changes to the Unit, and settling and shifting of Improvements, actual net living area of the Unit may also be affected. By accepting title to the Unit, the applicable Unit Owner shall be deemed to have conclusively agreed to accept the size and dimensions of the Unit, regardless of any variances in the net living area from that which may have been disclosed at or any time prior to closing, whether included as part of Developer's promotional materials or otherwise. Developer does not make any representation or warranty as to the actual size, dimensions or net living area of any Unit. Each Unit Owner, by acceptance of a Deed or other conveyance of a Unit, understands and agrees that it is common for pre-construction plans and specifications for any Unit or Building to be changed and adjusted from time to time to accommodate ongoing "in the field" construction needs. These changes and adjustments are necessary in order to permit all components of the units and the Building to be integrated into a well-functioning and aesthetically pleasing product in an expeditious manner. By accepting title to the Unit, the applicable Unit Owner shall be deemed to have conclusively

agreed to accept that the net living area and the general layout of the Unit are subject to changes made by the Developer in its sole discretion. Such Unit Owner shall be further deemed to have agreed that it is to such Unit Owner's benefit to allow Developer to make such changes to the Unit and the 7000 Hawaii Kai Drive Condominium Project, and that such changes may result in an increase or decrease in the net living area of the Unit, as well as a corresponding adjustment to the common interest appurtenant to the Unit, as represented in the Condominium Documents. Accordingly, by accepting title to the Unit, the applicable Unit Owner shall be deemed to have conclusively agreed that variations in the net living area of the Unit of up to two percent (2%) of the net living area of the Unit and corresponding adjustment to the Common Interest appurtenant to the Unit, as such values are represented in the Condominium Documents, shall not constitute a material change under the Act.

7. Nonliability for Mold Development. Mold and mold spores are present throughout the environment and residential condominium construction cannot practicably be designed to exclude the introduction of mold spores. All molds are not necessarily harmful, but certain strains of mold have been found to have adverse health effects on susceptible Persons. Moisture is the primary mold growth factor that must be addressed. Developer cannot ensure that mold and mold spores will not be present in the 7000 Hawaii Kai Drive Condominium Project. The failure of an Owner or the Association to take steps to minimize mold growth may increase the risk of mold growth and mold spores being present in the 7000 Hawaii Kai Drive Condominium Project. Developer shall not be liable for any actual, special, incidental or consequential damages based on any legal theory whatsoever, including, but not limited to, strict liability, breach of express or implied warranty, negligence or any other legal theory, with respect to the presence and/or existence of molds, mildew and/or microscopic spores at the 7000 Hawaii Kai Drive Condominium Project, unless caused by the sole gross negligence or willful misconduct of Developer.

8. Noise; Nuisance. Living in a condominium project entails living in very close proximity to other Persons and other Units, with attendant limitations on solitude and privacy. Walls, floors and ceilings have been designed to meet applicable building codes. Owners may hear noise from adjacent Units within the 7000 Hawaii Kai Drive Condominium Project, however, including, but not limited to, noise from showers, bathtubs, sinks, toilets or other sources of running water and/or plumbing fixtures. Also, Owners may hear noise from such items as pools, vacuum cleaners, stereos or televisions, or from people running, walking, exercising, or socializing. Owners may also experience (i) light entering the Units from lighting in the vicinity and from street lights located in close proximity to the window and doors for the Units; and (ii) noise and exhaust from the testing of the 7000 Hawaii Kai Drive Condominium Project's emergency generator, if any.

9. Continuing Activities. Each Owner understands and agrees that Developer is engaged in a sales and development program and that certain elements of the 7000 Hawaii Kai Drive Condominium Project may not be completed, and completion of such items may be deferred by Developer in its sole and absolute option; provided normal access and parking facilities are provided for the Units conveyed to third parties. Alterations, construction, remodeling, repair and changes of uses of portions of the Property may occur from time to time, including but not limited to, the installation of a storm water system in the front park to the East of Building 2 and the installation of a traditional hale on the uplands of the Hawea heiau complex and Keawawa wetland to the East of the Project.

10. Use Changes. Except as expressly set forth in the Condominium Documents, Developer makes no representations or warranties with respect to the (a) nature of any Improvements to be initially or subsequently contained in the 7000 Hawaii Kai Drive Condominium Project, (b) the initial or subsequent uses of any portion of the 7000 Hawaii Kai Drive Condominium Project, or (c) the services and amenities (and the costs of such services or amenities) which may be provided to Owners.

11. Marketing Materials. Any marketing materials used by Developer in the promotion and sales of the Units and of the 7000 Hawaii Kai Drive Condominium Project shall not be a representation or warranty by Developer of the Unit layout, decor, coloring, furnishings or fixtures provided with the Unit or the types of amenities provided in the 7000 Hawaii Kai Drive Condominium Project. The marketing materials are intended to give a purchaser a general idea of the standard and quality of the 7000 Hawaii Kai Drive Condominium Project, and is not intended to represent the precise decor, coloring,

furnishing, fixtures or amenities that will be included in the 7000 Hawaii Kai Drive Condominium Project.

12. Warranties. Developer is developing the 7000 Hawaii Kai Drive Condominium Project but it is not the general contractor or an affiliate of the general contractor(s) who built the 7000 Hawaii Kai Drive Condominium Project. Developer makes no warranties, express or implied, about the Units or the 7000

Hawaii Kai Drive Condominium Project, or about consumer products or anything else installed or contained in the Units or the 7000 Hawaii Kai Drive Condominium Project. This includes, but is not limited to, warranties of merchantability, habitability, workmanlike construction, fitness for a particular purpose, or sufficiency of design. All rights and interests in the 7000 Hawaii Kai Drive Condominium Project are sold by Developer "as is" and "where is", with all defects, whether visible or hidden, and whether known or not known.

Services Warranty Covering Certain Appliances. Developer will be giving purchasers a service warranty for a period of one year after closing. Seller will provide the services necessary to repair certain appliances in the Unit, as listed below. Service warranties will only be applicable to the appliances listed below.

1. GE Dishwasher
2. GE Washer/Dryer, Stacked
3. GE Smooth-Top Range/Oven
4. GE Micro/Hood Combo
5. GE Side-by-Side Refrigerator
6. Water Heater
7. Packaged Terminal Air Conditioner
8. Ceiling Fan(s)
9. Garbage Disposal Unit
10. All Furniture included with the sale of the unit

This service warranty does not cover the following items:

- a. Damage or defects caused by the negligent failure to maintain any item or keep it in good working order.
- b. Damage resulting from fire, storms, electrical malfunction or surge, lightning, earthquake, pest damage, acts of God, or other unforeseen causes or accidents.
- c. Damage from alternations, misuse, or abuse by any person.
- d. Any item furnished, installed, modified, altered, or repaired by Purchaser or any other person other than Seller, Seller's agent, or Seller's contractor.

In no event may a purchaser request work to be performed after the one-year term expires.

13. Views. Views from the 7000 Hawaii Kai Drive Condominium Project are not assured or guaranteed in any way. There is no warranty concerning the preservation of any view or view plane from the 7000 Hawaii Kai Drive Condominium Project and each Owner by accepting title to or an ownership interest in a Unit for himself/herself and the Owner's successors and assigns acknowledges and agrees that: (a)

the future development of land adjacent to or in the vicinity of the 7000 Hawaii Kai Drive Condominium Project may have a detrimental effect on the views from the Owner's Unit and other parts of the 7000 Hawaii Kai Drive Condominium Project, and (b) there are no view easements or rights appurtenant to the 7000 Hawaii Kai Drive Condominium Project or any Units.

14. Condominium Map. Nothing in the Map is intended to be or is a representation or warranty by Developer. Typical type floor plans may have slight deviations as to the location for columns in the Unit, doors and fixtures. The layout and areas of the Units with typical depictions are intended to be consistent.

15. Reserved Rights of Developer. Developer has a number of reserved rights with respect to the 7000 Hawaii Kai Drive Condominium Project which are set forth in Article IX of the Declaration. Please refer to **Exhibit "G"** attached hereto for a more detailed explanation of such reserved rights.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE LIST OF SPECIAL OR SIGNIFICANT MATTERS. THIS SUMMARY IS A GENERAL SUMMARY OF SOME OF THE PROVISIONS IN THE CONDOMINIUM DOCUMENTS, AND PURCHASER MUST REFER TO THE DOCUMENTS TO DETERMINE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DOCUMENTS, THE CONDOMINIUM DOCUMENTS WILL CONTROL.

¹ Capitalized terms used herein and in the exhibits attached to this public report shall have the meanings given to such terms in the Condominium Documents.

The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a)(13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

The Developer hereby certifies that all the information contained in this report and the exhibits attached to this report and all documents to be furnished by the Developer to purchasers concerning the project have been reviewed by the Developer and are, to the best of the Developer's knowledge, information and belief, true, correct and complete. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

Hale Ka Lae, LLC

Printed Name of Developer

By:  _____
Duly Authorized Signatory*

12/27/18

Date

Christine Camp, Authorized Signatory

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

***Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

EXHIBIT "A"

UNIT NUMBERS, UNIT TYPES, BUILDINGS, AFFORDABLE RENTAL UNITS, APPROXIMATE NET YARD AREAS, PARKING STALL(S), APPROXIMATE NET LIVING AREAS, APPROXIMATE NET LANAI AREAS, TOTAL APPROXIMATE NET AREA, COMMON INTEREST

| Unit Number | Unit Type | Building | Affordable Rental Unit | Approx. Net Yard Area (square feet) | Parking Stall(s) | Bed/Den/Bath | Approx. Net Living Area (square feet) | Approx. Net Lanai Area (square feet) | Total Approx. Net Area (square feet) | Common Interest |
|-------------|-----------|----------|------------------------|-------------------------------------|------------------|--------------|---------------------------------------|--------------------------------------|--------------------------------------|-----------------|
| 1700 | C3-L | 1 | X | | | 3/0/2 | 1,042 | 0 | 1,042 | 0.388538% |
| 1701 | C7-L | 1 | X | | | 3/0/2 | 1,147 | 0 | 1,147 | 0.427690% |
| 1704 | A-3 | 1 | X | | | 1/1/2 | 769 | 0 | 769 | 0.286742% |
| 1705 | A-7 | 1 | X | | | 1/1/2 | 792 | 0 | 792 | 0.295319% |
| 1706 | A-8 | 1 | X | | | 1/1/2 | 748 | 0 | 748 | 0.278912% |
| 1708 | A-4 | 1 | X | | | 1/1/2 | 774 | 0 | 774 | 0.288607% |
| 1709 | C6-L | 1 | X | | | 2/1/2 | 1,198 | 0 | 1,198 | 0.446707% |
| 1710 | A-5 | 1 | X | | | 1/1/2 | 726 | 0 | 726 | 0.270709% |
| 1711 | C6-L-R | 1 | X | | | 2/1/2 | 1,197 | 0 | 1,197 | 0.446334% |
| 1712 | A-9 | 1 | X | | | 1/1/2 | 791 | 0 | 791 | 0.294946% |
| 1714 | A-6 | 1 | X | | | 1/1/2 | 786 | 0 | 786 | 0.293081% |
| 1717 | C6-L | 1 | X | | | 2/1/2 | 1,198 | 0 | 1,198 | 0.446707% |
| 1718 | C4-L | 1 | X | | | 3/0/2 | 1,125 | 0 | 1,125 | 0.419487% |
| 1719 | C5-L | 1 | X | | | 3/0/2 | 1,243 | 0 | 1,243 | 0.463486% |
| 1800 | C3-L | 1 | X | | | 3/0/2 | 1,042 | 0 | 1,042 | 0.388538% |
| 1801 | C7-L | 1 | X | | | 3/0/2 | 1,147 | 0 | 1,147 | 0.427690% |
| 1804 | A-3 | 1 | X | | | 1/1/2 | 769 | 0 | 769 | 0.286742% |
| 1805 | A-7 | 1 | X | | | 1/1/2 | 792 | 0 | 792 | 0.295319% |
| 1806 | A-8 | 1 | X | | | 1/1/2 | 748 | 0 | 748 | 0.278912% |
| 1808 | A-4 | 1 | X | | | 1/1/2 | 774 | 0 | 774 | 0.288607% |
| 1809 | C6-L | 1 | X | | | 2/1/2 | 1,198 | 0 | 1,198 | 0.446707% |
| 1810 | A-5 | 1 | X | | | 1/1/2 | 726 | 0 | 726 | 0.270709% |
| 1811 | C6-L-R | 1 | X | | | 2/1/2 | 1,197 | 0 | 1,197 | 0.446334% |
| 1812 | A-9 | 1 | X | | | 1/1/2 | 791 | 0 | 791 | 0.294946% |
| 1814 | A-6 | 1 | X | | | 1/1/2 | 786 | 0 | 786 | 0.293081% |
| 1817 | C6-L | 1 | X | | | 2/1/2 | 1,198 | 0 | 1,198 | 0.446707% |
| 1818 | C4-L | 1 | X | | | 3/0/2 | 1,125 | 0 | 1,125 | 0.419487% |
| 1819 | C5-L | 1 | X | | | 3/0/2 | 1,243 | 0 | 1,243 | 0.463486% |
| 1900 | C3-L | 1 | X | | | 3/0/2 | 1,042 | 0 | 1,042 | 0.388538% |
| 1901 | C7-L | 1 | X | | | 3/0/2 | 1,147 | 0 | 1,147 | 0.427690% |
| 1904 | A-3 | 1 | X | | | 1/1/2 | 769 | 0 | 769 | 0.286742% |
| 1905 | A-7 | 1 | X | | | 1/1/2 | 792 | 0 | 792 | 0.295319% |
| 1906 | A-8 | 1 | X | | | 1/1/2 | 748 | 0 | 748 | 0.278912% |
| 1908 | A-4 | 1 | X | | | 1/1/2 | 774 | 0 | 774 | 0.288607% |
| 1909 | C6-L | 1 | X | | | 2/1/2 | 1,198 | 0 | 1,198 | 0.446707% |
| 1910 | A-5 | 1 | X | | | 1/1/2 | 726 | 0 | 726 | 0.270709% |

| Unit Number | Unit Type | Building | Affordable Rental Unit | Approx. Net Yard Area (square feet) | Parking Stall(s) | Bed/Den/Bath | Approx. Net Living Area (square feet) | Approx. Net Lanai Area (square feet) | Total Approx. Net Area (square feet) | Common Interest |
|-------------|-----------|----------|------------------------|-------------------------------------|------------------|--------------|---------------------------------------|--------------------------------------|--------------------------------------|-----------------|
| 1911 | C6-L-R | 1 | X | | | 2/1/2 | 1,197 | 0 | 1,197 | 0.446334% |
| 1912 | A-9 | 1 | X | | | 1/1/2 | 791 | 0 | 791 | 0.294946% |
| 1914 | A-6 | 1 | X | | | 1/1/2 | 786 | 0 | 786 | 0.293081% |
| 1917 | C6-L | 1 | X | | | 2/1/2 | 1,198 | 0 | 1,198 | 0.446707% |
| 1918 | C4-L | 1 | X | | | 3/0/2 | 1,125 | 0 | 1,125 | 0.419487% |
| 1919 | C5-L | 1 | X | | | 3/0/2 | 1,243 | 0 | 1,243 | 0.463486% |
| PH 100 | C3-L | 1 | X | | | 3/0/2 | 1,042 | 0 | 1,042 | 0.388538% |
| PH 101 | C7-L | 1 | X | | | 3/0/2 | 1,147 | 0 | 1,147 | 0.427690% |
| PH 104 | A-3 | 1 | X | | | 1/1/2 | 769 | 0 | 769 | 0.286742% |
| PH 105 | A-7 | 1 | X | | | 1/1/2 | 792 | 0 | 792 | 0.295319% |
| PH 106 | A-8 | 1 | X | | | 1/1/2 | 748 | 0 | 748 | 0.278912% |
| PH 108 | A-4 | 1 | X | | | 1/1/2 | 774 | 0 | 774 | 0.288607% |
| PH 109 | C6-L | 1 | X | | | 2/1/2 | 1,198 | 0 | 1,198 | 0.446707% |
| PH 110 | A-5 | 1 | X | | | 1/1/2 | 726 | 0 | 726 | 0.270709% |
| PH 111 | C6-L-R | 1 | X | | | 2/1/2 | 1,197 | 0 | 1,197 | 0.446334% |
| PH 112 | A-9 | 1 | | | | 1/1/2 | 791 | 0 | 791 | 0.294946% |
| PH 114 | A-6 | 1 | X | | | 1/1/2 | 786 | 0 | 786 | 0.293081% |
| PH 117 | C6-L | 1 | X | | | 2/1/2 | 1,198 | 0 | 1,198 | 0.446707% |
| PH 118 | C4-L | 1 | X | | | 3/0/2 | 1,125 | 0 | 1,125 | 0.419487% |
| PH 119 | C5-L | 1 | X | | | 3/0/2 | 1,243 | 0 | 1,243 | 0.463486% |
| 2106 | 1-A2 | 2 | | 439 | | 1/1/2 | 793 | 62 | 855 | 0.318810% |
| 2108 | 1-A | 2 | | 408 | | 1/1/2 | 725 | 62 | 787 | 0.293454% |
| 2109 | 1-J | 2 | | 496 | | 4/1/4 | 2,292 | 124 | 2,416 | 0.900860% |
| 2110 | 1-C-L | 2 | | 631 | | 2/1/2 | 1,145 | 63 | 1,208 | 0.450435% |
| 2111 | 1-C-L-R | 2 | | 248 | | 2/1/2 | 1,145 | 63 | 1,208 | 0.450435% |
| 2116 | 1-C2-L-R | 2 | | 936 | | 3/0/2 | 1,097 | 62 | 1,159 | 0.432164% |
| 2117 | 1-C1-L | 2 | | 248 | | 3/0/2 | 1,089 | 63 | 1,152 | 0.429554% |
| 2200 | H | 2 | | | | 2/0/2 | 732 | 0 | 732 | 0.272946% |
| 2201 | A-R | 2 | | | | 1/1/2 | 730 | 0 | 730 | 0.272200% |
| 2202 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2203 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2208 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2209 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2210 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2211 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2216 | C1-L-R | 2 | | | | 3/0/2 | 1,113 | 0 | 1,113 | 0.415012% |
| 2217 | C1-L | 2 | | | | 3/0/2 | 1,089 | 0 | 1,089 | 0.406063% |
| 2300 | H | 2 | | | | 2/0/2 | 732 | 0 | 732 | 0.272946% |
| 2301 | A-R | 2 | | | | 1/1/2 | 730 | 0 | 730 | 0.272200% |
| 2302 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2303 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2308 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |

| Unit Number | Unit Type | Building | Affordable Rental Unit | Approx. Net Yard Area (square feet) | Parking Stall(s) | Bed/Den/Bath | Approx. Net Living Area (square feet) | Approx. Net Lanai Area (square feet) | Total Approx. Net Area (square feet) | Common Interest |
|-------------|-----------|----------|------------------------|-------------------------------------|------------------|--------------|---------------------------------------|--------------------------------------|--------------------------------------|-----------------|
| 2309 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2310 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2311 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2316 | C1-L-R | 2 | | | | 3/0/2 | 1,113 | 0 | 1,113 | 0.415012% |
| 2317 | C1-L | 2 | | | | 3/0/2 | 1,089 | 0 | 1,089 | 0.406063% |
| 2400 | H | 2 | | | | 2/0/2 | 732 | 0 | 732 | 0.272946% |
| 2401 | A-R | 2 | | | | 1/1/2 | 730 | 0 | 730 | 0.272200% |
| 2402 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2403 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2408 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2409 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2410 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2411 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2416 | C1-L-R | 2 | | | | 3/0/2 | 1,113 | 0 | 1,113 | 0.415012% |
| 2417 | C1-L | 2 | | | | 3/0/2 | 1,089 | 0 | 1,089 | 0.406063% |
| 2500 | H | 2 | | | | 2/0/2 | 732 | 0 | 732 | 0.272946% |
| 2501 | A-R | 2 | | | | 1/1/2 | 730 | 0 | 730 | 0.272200% |
| 2502 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2503 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2508 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2509 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2510 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2511 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2516 | C1-L-R | 2 | | | | 3/0/2 | 1,113 | 0 | 1,113 | 0.415012% |
| 2517 | C1-L | 2 | | | | 3/0/2 | 1,089 | 0 | 1,089 | 0.406063% |
| 2600 | H | 2 | | | | 2/0/2 | 732 | 0 | 732 | 0.272946% |
| 2601 | A-R | 2 | | | | 1/1/2 | 730 | 0 | 730 | 0.272200% |
| 2602 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2603 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2608 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2609 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2610 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2611 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2616 | C1-L-R | 2 | | | | 3/0/2 | 1,113 | 0 | 1,113 | 0.415012% |
| 2617 | C1-L | 2 | | | | 3/0/2 | 1,089 | 0 | 1,089 | 0.406063% |
| 2700 | H | 2 | | | | 2/0/2 | 732 | 0 | 732 | 0.272946% |
| 2701 | A-R | 2 | | | | 1/1/2 | 730 | 0 | 730 | 0.272200% |
| 2702 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2703 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2708 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2709 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2710 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |

| Unit Number | Unit Type | Building | Affordable Rental Unit | Approx. Net Yard Area (square feet) | Parking Stall(s) | Bed/Den/Bath | Approx. Net Living Area (square feet) | Approx. Net Lanai Area (square feet) | Total Approx. Net Area (square feet) | Common Interest |
|-------------|-----------|----------|------------------------|-------------------------------------|------------------|--------------|---------------------------------------|--------------------------------------|--------------------------------------|-----------------|
| 2711 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2716 | C1-L-R | 2 | | | | 3/0/2 | 1,113 | 0 | 1,113 | 0.415012% |
| 2717 | C1-L | 2 | | | | 3/0/2 | 1,089 | 0 | 1,089 | 0.406063% |
| 2800 | H | 2 | | | | 2/0/2 | 732 | 0 | 732 | 0.272946% |
| 2801 | A-R | 2 | | | | 1/1/2 | 730 | 0 | 730 | 0.272200% |
| 2802 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2803 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2808 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2809 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2810 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2811 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2816 | C1-L-R | 2 | | | | 3/0/2 | 1,113 | 0 | 1,113 | 0.415012% |
| 2817 | C1-L | 2 | | | | 3/0/2 | 1,089 | 0 | 1,089 | 0.406063% |
| 2900 | H | 2 | | | | 2/0/2 | 732 | 0 | 732 | 0.272946% |
| 2901 | A-R | 2 | | | | 1/1/2 | 730 | 0 | 730 | 0.272200% |
| 2902 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2903 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2908 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2909 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2910 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2911 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 2916 | C1-L-R | 2 | | | | 3/0/2 | 1,113 | 0 | 1,113 | 0.415012% |
| 2917 | C1-L | 2 | | | | 3/0/2 | 1,089 | 0 | 1,089 | 0.406063% |
| PH 200 | H | 2 | | | | 2/0/2 | 732 | 0 | 732 | 0.272946% |
| PH 201 | A-R | 2 | | | | 1/1/2 | 730 | 0 | 730 | 0.272200% |
| PH 202 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| PH 203 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| PH 208 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| PH 209 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| PH 210 | C-L | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| PH 211 | C-L-R | 2 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| PH 216 | C1-L-R | 2 | | | | 3/0/2 | 1,113 | 0 | 1,113 | 0.415012% |
| PH 217 | C1-L | 2 | | | | 3/0/2 | 1,089 | 0 | 1,089 | 0.406063% |
| 3102 | 1-A-10 | 3 | | 265 | | 1/1/2 | 719 | 62 | 781 | 0.291217% |
| 3104 | 1-A | 3 | | 318 | | 1/1/2 | 725 | 62 | 787 | 0.293454% |
| 3106 | 1-A-R | 3 | | 318 | | 1/1/2 | 730 | 62 | 792 | 0.295319% |
| 3108 | 1-C-L-R | 3 | | 461 | | 2/1/2 | 1,145 | 63 | 1,208 | 0.450435% |
| 3111 | D | 3 | | | | 3/0/2 | 1,023 | 0 | 1,023 | 0.381453% |
| 3114 | 1-C-L | 3 | | 491 | | 2/1/2 | 1,145 | 63 | 1,208 | 0.450435% |
| 3115 | D-R | 3 | | | | 3/0/2 | 1,024 | 0 | 1,024 | 0.381826% |
| 3117 | E | 3 | | | | 3/0/2 | 1,098 | 0 | 1,098 | 0.409419% |
| 3118 | 1-C2-L | 3 | | 412 | | 3/0/2 | 1,109 | 62 | 1,171 | 0.436639% |

| Unit Number | Unit Type | Building | Affordable Rental Unit | Approx. Net Yard Area (square feet) | Parking Stall(s) | Bed/Den/Bath | Approx. Net Living Area (square feet) | Approx. Net Lanai Area (square feet) | Total Approx. Net Area (square feet) | Common Interest |
|-------------|-----------|----------|------------------------|-------------------------------------|------------------|--------------|---------------------------------------|--------------------------------------|--------------------------------------|-----------------|
| 3201 | B | 3 | | | | 4/0/2 | 1,154 | 0 | 1,154 | 0.430300% |
| 3202 | A-10 | 3 | | | | 1/1/2 | 719 | 0 | 719 | 0.268099% |
| 3203 | F | 3 | | | | 2/0/2 | 691 | 0 | 691 | 0.257658% |
| 3204 | A | 3 | | | | 1/1/2 | 725 | 0 | 725 | 0.270336% |
| 3206 | A-R | 3 | | | | 1/1/2 | 730 | 0 | 730 | 0.272200% |
| 3208 | C-L-R | 3 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 3211 | D | 3 | | | | 3/0/2 | 1,023 | 0 | 1,023 | 0.381453% |
| 3214 | C-L | 3 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 3215 | D-R | 3 | | | | 3/0/2 | 1,024 | 0 | 1,024 | 0.381826% |
| 3217 | E | 3 | | | | 3/0/2 | 1,098 | 0 | 1,098 | 0.409419% |
| 3218 | C8-L | 3 | | | | 3/0/2 | 1,112 | 0 | 1,112 | 0.414639% |
| 3301 | B | 3 | | | | 4/0/2 | 1,154 | 0 | 1,154 | 0.430300% |
| 3302 | A-10 | 3 | | | | 1/1/2 | 719 | 0 | 719 | 0.268099% |
| 3303 | F | 3 | | | | 2/0/2 | 691 | 0 | 691 | 0.257658% |
| 3304 | A | 3 | | | | 1/1/2 | 725 | 0 | 725 | 0.270336% |
| 3305 | G | 3 | | | | 2/0/2 | 783 | 0 | 783 | 0.291963% |
| 3306 | A-R | 3 | | | | 1/1/2 | 730 | 0 | 730 | 0.272200% |
| 3308 | C-L-R | 3 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 3311 | D | 3 | | | | 3/0/2 | 1,023 | 0 | 1,023 | 0.381453% |
| 3314 | C-L | 3 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 3315 | D-R | 3 | | | | 3/0/2 | 1,024 | 0 | 1,024 | 0.381826% |
| 3317 | E | 3 | | | | 3/0/2 | 1,098 | 0 | 1,098 | 0.409419% |
| 3318 | C8-L | 3 | | | | 3/0/2 | 1,112 | 0 | 1,112 | 0.414639% |
| 3401 | B | 3 | | | | 4/0/2 | 1,154 | 0 | 1,154 | 0.430300% |
| 3402 | A-10 | 3 | | | | 1/1/2 | 719 | 0 | 719 | 0.268099% |
| 3403 | F | 3 | | | | 2/0/2 | 691 | 0 | 691 | 0.257658% |
| 3404 | A | 3 | | | | 1/1/2 | 725 | 0 | 725 | 0.270336% |
| 3405 | G | 3 | | | | 2/0/2 | 783 | 0 | 783 | 0.291963% |
| 3406 | A-R | 3 | | | | 1/1/2 | 730 | 0 | 730 | 0.272200% |
| 3408 | C-L-R | 3 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 3411 | D | 3 | | | | 3/0/2 | 1,023 | 0 | 1,023 | 0.381453% |
| 3414 | C-L | 3 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 3415 | D-R | 3 | | | | 3/0/2 | 1,024 | 0 | 1,024 | 0.381826% |
| 3417 | E | 3 | | | | 3/0/2 | 1,098 | 0 | 1,098 | 0.409419% |
| 3418 | C8-L | 3 | | | | 3/0/2 | 1,112 | 0 | 1,112 | 0.414639% |
| 3501 | B | 3 | | | | 4/0/2 | 1,154 | 0 | 1,154 | 0.430300% |
| 3502 | A-10 | 3 | | | | 1/1/2 | 719 | 0 | 719 | 0.268099% |
| 3503 | F | 3 | | | | 2/0/2 | 691 | 0 | 691 | 0.257658% |
| 3504 | A | 3 | | | | 1/1/2 | 725 | 0 | 725 | 0.270336% |
| 3505 | G | 3 | | | | 2/0/2 | 783 | 0 | 783 | 0.291963% |
| 3506 | A-R | 3 | | | | 1/1/2 | 730 | 0 | 730 | 0.272200% |
| 3508 | C-L-R | 3 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |

| Unit Number | Unit Type | Building | Affordable Rental Unit | Approx. Net Yard Area (square feet) | Parking Stall(s) | Bed/Den/Bath | Approx. Net Living Area (square feet) | Approx. Net Lanai Area (square feet) | Total Approx. Net Area (square feet) | Common Interest |
|-------------|-----------|----------|------------------------|-------------------------------------|------------------|--------------|---------------------------------------|--------------------------------------|--------------------------------------|-----------------|
| 3511 | D | 3 | | | | 3/0/2 | 1,023 | 0 | 1,023 | 0.381453% |
| 3514 | C-L | 3 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 3515 | D-R | 3 | | | | 3/0/2 | 1,024 | 0 | 1,024 | 0.381826% |
| 3517 | E | 3 | | | | 3/0/2 | 1,098 | 0 | 1,098 | 0.409419% |
| 3518 | C8-L | 3 | | | | 3/0/2 | 1,112 | 0 | 1,112 | 0.414639% |
| 3601 | B | 3 | | | | 4/0/2 | 1,154 | 0 | 1,154 | 0.430300% |
| 3602 | A-10 | 3 | | | | 1/1/2 | 719 | 0 | 719 | 0.268099% |
| 3603 | F | 3 | | | | 2/0/2 | 691 | 0 | 691 | 0.257658% |
| 3604 | A | 3 | | | | 1/1/2 | 725 | 0 | 725 | 0.270336% |
| 3605 | G | 3 | | | | 2/0/2 | 783 | 0 | 783 | 0.291963% |
| 3606 | A-R | 3 | | | | 1/1/2 | 730 | 0 | 730 | 0.272200% |
| 3608 | C-L-R | 3 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 3611 | D | 3 | | | | 3/0/2 | 1,023 | 0 | 1,023 | 0.381453% |
| 3614 | C-L | 3 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 3615 | D-R | 3 | | | | 3/0/2 | 1,024 | 0 | 1,024 | 0.381826% |
| 3617 | E | 3 | | | | 3/0/2 | 1,098 | 0 | 1,098 | 0.409419% |
| 3618 | C8-L | 3 | | | | 3/0/2 | 1,112 | 0 | 1,112 | 0.414639% |
| 3701 | B | 3 | | | | 4/0/2 | 1,154 | 0 | 1,154 | 0.430300% |
| 3702 | A-10 | 3 | | | | 1/1/2 | 719 | 0 | 719 | 0.268099% |
| 3703 | F | 3 | | | | 2/0/2 | 691 | 0 | 691 | 0.257658% |
| 3704 | A | 3 | | | | 1/1/2 | 725 | 0 | 725 | 0.270336% |
| 3705 | G | 3 | | | | 2/0/2 | 783 | 0 | 783 | 0.291963% |
| 3706 | A-R | 3 | | | | 1/1/2 | 730 | 0 | 730 | 0.272200% |
| 3708 | C-L-R | 3 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 3711 | D | 3 | | | | 3/0/2 | 1,023 | 0 | 1,023 | 0.381453% |
| 3714 | C-L | 3 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 3715 | D-R | 3 | | | | 3/0/2 | 1,024 | 0 | 1,024 | 0.381826% |
| 3717 | E | 3 | | | | 3/0/2 | 1,098 | 0 | 1,098 | 0.409419% |
| 3718 | C8-L | 3 | | | | 3/0/2 | 1,112 | 0 | 1,112 | 0.414639% |
| 3801 | B | 3 | | | | 4/0/2 | 1,154 | 0 | 1,154 | 0.430300% |
| 3802 | A-10 | 3 | | | | 1/1/2 | 719 | 0 | 719 | 0.268099% |
| 3803 | F | 3 | | | | 2/0/2 | 691 | 0 | 691 | 0.257658% |
| 3804 | A | 3 | | | | 1/1/2 | 725 | 0 | 725 | 0.270336% |
| 3805 | G | 3 | | | | 2/0/2 | 783 | 0 | 783 | 0.291963% |
| 3806 | A-R | 3 | | | | 1/1/2 | 730 | 0 | 730 | 0.272200% |
| 3808 | C-L-R | 3 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 3811 | D | 3 | | | | 3/0/2 | 1,023 | 0 | 1,023 | 0.381453% |
| 3814 | C-L | 3 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 3815 | D-R | 3 | | | | 3/0/2 | 1,024 | 0 | 1,024 | 0.381826% |
| 3817 | E | 3 | | | | 3/0/2 | 1,098 | 0 | 1,098 | 0.409419% |
| 3818 | C8-L | 3 | | | | 3/0/2 | 1,112 | 0 | 1,112 | 0.414639% |
| 3901 | B | 3 | | | | 4/0/2 | 1,154 | 0 | 1,154 | 0.430300% |

| Unit Number | Unit Type | Building | Affordable Rental Unit | Approx. Net Yard Area (square feet) | Parking Stall(s) | Bed/Den/Bath | Approx. Net Living Area (square feet) | Approx. Net Lanai Area (square feet) | Total Approx. Net Area (square feet) | Common Interest |
|--------------|-----------|----------|------------------------|-------------------------------------|------------------|--------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------|
| 3902 | A-10 | 3 | | | | 1/1/2 | 719 | 0 | 719 | 0.268099% |
| 3903 | F | 3 | | | | 2/0/2 | 691 | 0 | 691 | 0.257658% |
| 3904 | A | 3 | | | | 1/1/2 | 725 | 0 | 725 | 0.270336% |
| 3905 | G | 3 | | | | 2/0/2 | 783 | 0 | 783 | 0.291963% |
| 3906 | A-R | 3 | | | | 1/1/2 | 730 | 0 | 730 | 0.272200% |
| 3908 | C-L-R | 3 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 3911 | D | 3 | | | | 3/0/2 | 1,023 | 0 | 1,023 | 0.381453% |
| 3914 | C-L | 3 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| 3915 | D-R | 3 | | | | 3/0/2 | 1,024 | 0 | 1,024 | 0.381826% |
| 3917 | E | 3 | | | | 3/0/2 | 1,098 | 0 | 1,098 | 0.409419% |
| 3918 | C8-L | 3 | | | | 3/0/2 | 1,112 | 0 | 1,112 | 0.414639% |
| PH 301 | B | 3 | | | | 4/0/2 | 1,154 | 0 | 1,154 | 0.430300% |
| PH 302 | A-10 | 3 | | | | 1/1/2 | 719 | 0 | 719 | 0.268099% |
| PH 303 | F | 3 | | | | 2/0/2 | 691 | 0 | 691 | 0.257658% |
| PH 304 | A | 3 | | | | 1/1/2 | 725 | 0 | 725 | 0.270336% |
| PH 305 | G | 3 | | | | 2/0/2 | 783 | 0 | 783 | 0.291963% |
| PH 306 | A-R | 3 | | | | 1/1/2 | 730 | 0 | 730 | 0.272200% |
| PH 308 | C-L-R | 3 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| PH 311 | D | 3 | | | | 3/0/2 | 1,023 | 0 | 1,023 | 0.381453% |
| PH 314 | C-L | 3 | | | | 2/1/2 | 1,145 | 0 | 1,145 | 0.426944% |
| PH 315 | D-R | 3 | | | | 3/0/2 | 1,024 | 0 | 1,024 | 0.381826% |
| PH 317 | E | 3 | | | | 3/0/2 | 1,098 | 0 | 1,098 | 0.409419% |
| PH 318 | C8-L | 3 | | | | 3/0/2 | 1,112 | 0 | 1,112 | 0.414639% |
| TOTAL | | | | | | | 267,312 | 873 | 268,185 | 100.000000% |

NOTE: DUE TO STRUCTURAL VARIATIONS, NOT ALL UNITS OF THE SAME UNIT TYPE ARE IDENTICAL, AND ACCORDINGLY, THE APPROXIMATE NET LIVING AREA AND APPROXIMATE NET LANAI AREA MAY VARY AMONG UNITS OF THE SAME UNIT TYPE.

A. LAYOUT AND FLOOR PLANS OF UNITS. The layouts and floor plans of each Unit are depicted in the Condominium Map. None of the Units contain a basement.

B. APPROXIMATE NET LIVING AREAS. The approximate net living areas of the Units were determined by measuring the area between the interior finished surfaces of all perimeter and party walls at the floor for each Unit and includes the area occupied by load bearing and nonloadbearing interior walls, columns, ducts, vents, shafts, stairways and the like located within the Unit's perimeter walls. All areas are not exact and are approximate based on the floor plans of each type of Unit.

C. COMMON INTEREST. The Common Interest for each of the two hundred sixty-nine (269) Units in the Project is calculated based on dividing the total approximate net area of the Unit by the total approximate net area of all the Units in the Project. The total approximate net area is comprised of the net living area plus the net lanai area. In order to permit the Common Interest to equal one hundred percent (100%), the Common Interest attributable to Unit 2109 was decreased by 0.000011%.

E. PARKING STALLS. The Condominium Map depicts the location, type and number of parking stalls in the Project. All numbered parking stalls are currently Limited Common Elements appurtenant to Unit 2109. Developer has the reserved right to redesignate and reassign such parking stalls currently designated as Limited Common Elements appurtenant to Unit 2109 to other Units in the Project as Limited Common Elements appurtenant to such Units. Each Unit will have at least one parking stall assigned to it as a Limited Common Element.

END OF EXHIBIT "A"

EXHIBIT "B"

BOUNDARIES OF EACH UNIT

Capitalized terms have the same meaning ascribed to such terms in the Declaration.

A. Each Unit shall be deemed to include (i) all walls and partitions that are not load-bearing within its perimeter or party walls, (ii) all pipes, shafts, vents, ducts, pumps, conduits, cables, wiring, other utility or service lines running through such Unit or other utility meters that are utilized for and serve only that Unit, (iii) the decorated or finished interior surfaces of all perimeter and party walls and load-bearing walls, floors, and ceilings of each Unit, and the areas within said walls, floors and ceilings, including, but not limited to, the air space and Improvements, (iv) the decorated or finished interior surfaces of any doors, door frames, windows, or window frames, (v) all cranks and other window hardware, (vi) all appliances and fixtures installed in the Unit, and replacements therefor, and (vii) any interior stairway connecting the floors of a Unit (if and as applicable).

B. The respective Units shall not be deemed to include: (i) the perimeter or party walls surrounding a Unit from the undecorated or unfinished interior surfaces thereof and any Improvements and/or air space located beyond such undecorated or unfinished interior surface of such perimeter or party walls, (ii) the undecorated or unfinished interior surfaces of the floors and ceilings surrounding a Unit and the entire roof of the building in which the Unit is located, and any Improvements and/or air space (if any) located beyond such floors and ceilings, (iii) the decorated or finished exterior surfaces of perimeter doors, door frames, windows, and window frames surrounding a Unit, (iv) any load-bearing walls and columns (if any) located in the building in which the Unit is located and the undecorated or unfinished surfaces thereof, (v) any pipes, shafts, vents, ducts, pumps, conduits, cables, wiring, and other utility or service lines running through each Unit or other utility meters, which are utilized for or serve more than one Unit, and (vi) the Common Elements, including the Limited Common Elements described in the Declaration.

END OF EXHIBIT "B"

EXHIBIT "C"

PERMITTED ALTERATIONS TO UNITS

Capitalized terms have the same meaning ascribed to such terms in the Declaration.

A. **GENERAL PROVISIONS.** Neither the Association nor any Unit Owner shall do any work that may jeopardize the soundness and safety of the Project, reduce the value thereof, or impair any easement, as reasonably determined by the Board. Except as otherwise expressly provided in the Declaration, restoration or replacement of the Project or any portion thereof or construction of any additional Improvement or structural alteration or addition to any Improvement, different in any material respect from the Condominium Map of the Project, shall be undertaken by any Unit Owner only pursuant to an amendment of this Declaration in accordance with **Article XI** of the Declaration, duly executed pursuant to the provisions thereof, accompanied by the written consent of the holders of all Mortgage liens affecting any of the Units involved, and in accordance with complete plans and specifications therefor. Promptly upon completion of such restoration, replacement, or construction, the Owner shall duly record such amendment, together with a complete set of floor plans of the Project as so altered, certified as built by a State of Hawaii registered architect or professional engineer.

B. **APPROVAL OF ADDITIONS OR ALTERATIONS.** No Unit Owner may make or allow any "nonmaterial additions and alterations," as such term is defined in Section 514B-140 of the Act, to his or her Unit or the Limited Common Elements appurtenant thereto, without the approval of the Board, as provided in **Section C**, below. No Unit Owner may make or allow any material addition or alteration without first obtaining the written consent of sixty-seven percent (67%) of the Unit Owners, the consent of all Unit Owners whose Units or appurtenant Limited Common Elements are directly affected, and the approval of the Board. The Board may only disapprove a proposed addition or alteration where the Board reasonably believes that the addition or alteration could jeopardize the soundness of the Project or impair any easement, or interfere with or deprive any non-consenting Owner of the use and enjoyment of part of the Project.

C. **ADDITIONS OR ALTERATIONS TO UNITS.** In addition to the foregoing requirements, and to ensure a uniform appearance and consistent level of quality among the Units, no Unit Owner may make any addition, alteration, or Improvement to his or her Unit, including any changes to the exterior of the Unit or the Limited Common Elements thereto, without the prior written consent of the Board. The Board may deny consent where it determines that the addition, alteration, or Improvement would otherwise be inconsistent with the uniform appearance of the Units. Moreover, nothing contained in this paragraph shall authorize any work or alteration that would jeopardize the soundness or safety of any part of the Project, reduce the value thereof, materially adversely affect any other Unit or Limited Common Element, materially alter the uniform external appearance of the Project, materially increase the transfer of sound, noise, air, or smoke to other Units, materially affect or impair any easement or rights of any of the other Unit Owners, or materially interfere with or deprive any non-consenting Owner of the use or enjoyment of any part of the Common Elements. The requirements of this Section do not apply to the Developer in its exercise of any of the Developer's reserved rights herein contained.

Notwithstanding the foregoing, any Unit Owner may submit a written request to the Board to make additions or alterations solely within his or her Unit. Said Owner shall be permitted to, at his or her sole cost and expense, make any of the following alterations within the Unit or Limited Common Element which such Owner controls, subject to any applicable rules and restrictions set forth in the House Rules; provided that said alterations do not jeopardize the soundness or safety of any part of the Project, reduce the value thereof, materially adversely affect any other Unit or Limited Common Element, and/or materially increase the transfer of sound, noise, air, or smoke to other Units; and provided further that any proposed alteration that may structurally impact the Unit and/or any other portion of the Project shall first be reviewed and approved by a structural engineer at the Unit Owner's sole cost and expense: install, maintain, remove, and rearrange partitions (including the party wall between two (2) or more Units owned by the same Owner) and other structures from time to time within such Unit or Limited Common Element, finish, alter, or substitute any plumbing, electrical, or other fixture attached to the ceilings, floors, and walls as shall be appropriate for the utilization of such Unit or Limited Common Element by such Owner, and tile, re-carpet, and do or cause to be done such work on the floors of any Unit or Limited Common Element that does not increase the acoustical transfer from such Unit or Limited Common Element, subject to the restrictions stated above. Recessed or surface mounting of speakers within or on the ceiling of a Unit or within or on the

demising walls between Units and/or recessed mounting of lighting and cabinets within the demising walls between units is prohibited.

D. UNIT OWNERS TO EXECUTE AMENDMENT DOCUMENTS IN CERTAIN CASES. In the event that any change or alteration of a Unit pursuant to and in compliance with **Section C** above shall alter the depiction of the particular Unit in the Condominium Map or the description thereof in this Declaration, then the Owner of such Unit shall amend this Declaration and/or the Condominium Map to set forth such approved change or alteration, which amendment(s) may be executed by the Owner of the affected Unit or Units and by no other party, and shall become effective upon the filing thereof in said Bureau. The provisions of **Article XI** of the Declaration notwithstanding, such amendment shall not require the consent or joinder of the Owner of any other Unit or any other Person other than any mortgagee of such Unit or Units which are changed or altered (if the mortgagee requires such consent or joinder). Every Unit Owner and all holders of liens affecting any of the Units of the Project and each and every other party acquiring an interest in the Project or any part thereof, by acquiring such Unit, lien, or other interest, consents to and agrees that he or she shall, if required by law or by any such Owner who shall have changed or altered a Unit as aforesaid, join in, consent to, execute, deliver, and record all instruments and documents necessary or desirable to effect the amendment of this Declaration and/or the Condominium Map; and appoints such Owner and his or her assigns as his or her attorney-in-fact with full power of substitution to execute, deliver, and record such documents and to do such things on his or her behalf, which grant of such power, being coupled with an interest, is irrevocable and shall not be affected by the disability of any such party.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL RESTRICTIONS ON ALTERATIONS TO UNITS CONTAINED IN THE DECLARATION, BYLAWS AND HOUSE RULES (COLLECTIVELY, "CONDOMINIUM DOCUMENTS"). WHILE THIS SUMMARY IS A GENERAL SUMMARY OF THE RIGHTS AND OBLIGATIONS UNDER THE CONDOMINIUM DOCUMENTS, PURCHASER MUST REFER TO THE DECLARATION, BYLAWS AND HOUSE RULES TO DETERMINE THE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE PROJECT DOCUMENTS, THE CONDOMINIUM DOCUMENTS WILL CONTROL.

END OF EXHIBIT "C"

EXHIBIT "D"

COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

Capitalized terms have the same meaning ascribed to such terms in the Declaration.

COMMON ELEMENTS. One freehold estate is hereby designated in all remaining portions of the Project not otherwise defined as a "Unit," herein called the "Common Elements." The Common Elements shall include specifically, but shall not be limited to, the following:

1. The Land in fee simple and any appurtenances thereto as described in **Exhibit "A"**;
2. Regarding the building in which the Unit is located: (i) the perimeter or party walls surrounding a Unit from the undecorated or unfinished interior surfaces thereof, and any Improvements and/or air space located beyond such undecorated or unfinished interior surfaces of such perimeter or party walls, (ii) the undecorated or unfinished interior surfaces of the floors and ceilings surrounding a Unit and the entire roof of the building in which the Unit is located, and any Improvements and/or air space (if any) located beyond such floors and ceilings, (iii) the decorated or finished exterior surfaces of perimeter doors, door frames, windows, and window frames surrounding a Unit, (iv) any load-bearing walls and columns (if any) located in the building and the undecorated or unfinished surfaces thereof, (v) any pipes, shafts, vents, ducts, pumps, conduits, cables, wiring and other utility or service lines running through each Unit or other utility meters, which are utilized for or serve more than one Unit, and (vi) perimeter or party walls, partitions, privacy screens, floors, ceilings from the undecorated or unfinished interior surfaces thereof, and any Improvement and/or air space (if any) located beyond such undecorated or unfinished surfaces, and any railings or fences on the exterior portions of the Project;
3. Any and all other apparatus and installations existing for common use, such as tanks, motors, fans, compressors, and other such installations and apparatus, including, but not limited to the fire pumps, emergency generator and security systems that are shared by all buildings of the Project;
4. The landscaping, including, but not limited to, planters (if any), throughout the Project and refuse facilities (if any) and all landscaped open spaces, the entry roadway and entry courtyard;
5. All roadways, roadside parking areas and stalls, shared driveways, guest and/or handicap parking stalls, parking ramps, access lanes, garage elevators, the group mailbox structures, lobbies, storage, electrical, transformer, water pump, emergency generator, fire command center rooms, elevators and stairwells, sidewalks, and walkways of the Project;
6. All lamps, lamp posts, and sitting areas (if any) within the Project;
7. Unimproved areas, maintenance and storage areas, and other similar areas that are not part of a Unit;
8. Any and all open spaces (if any) and other community or recreational facilities operated to serve the residents of the Project, including, without limitation, the Recreational Amenities;
9. Any and all retaining or high screen walls installed by Developer within the Project and/or separating the surrounding properties and the Project and/or the buildings within the Project;
10. All ducts, pipes, valves, sewer lines, drain lines, electrical equipment, cables, chutes, pipes, shafts, wire conduits, wires, or other utility service lines that are utilized to serve some or any of the Common Elements described herein and other central and appurtenant transmission facilities over, under, and across the Project which

serve any Common Element for services such as power, light, water, gas, sewer, refuse, telephone, and radio and cable television signal distribution;

11. Any photovoltaic and solar water heating panels and associated pipes, brackets, mountings, and other appurtenances located on the roofs of certain buildings in the Project for the benefit of the Common Elements, including, without limitation, the Recreational Amenities;

12. All of the Limited Common Elements described below; and

13. All other areas of the Project that are not described as a Unit or a part thereof and that are necessary or convenient to its existence, maintenance, and safety, or normally in common use.

LIMITED COMMON ELEMENTS. The Limited Common Elements are hereby designated, set aside, and reserved for the exclusive use of certain Units, and such Units shall have appurtenant thereto, exclusive easements for the use of such Limited Common Elements, unless otherwise set forth herein. The Limited Common Elements include, but are not limited to, those elements listed below. The responsibility to maintain, clean, upkeep, repair, replace, alter, improve, and/or add to (collectively, "**Maintain**") such Limited Common Elements shall be vested in the Association, as set forth below. The costs and expenses of every description pertaining to such Limited Common Elements, including, but not limited to, the costs to Maintain such Limited Common Elements (collectively, "**Cost**"), shall be the responsibility of the Owner(s) of Unit(s) to which such Limited Common Element is appurtenant. If there is more than one Unit to which the Limited Common Element is appurtenant, then the Cost to maintain such Limited Common Element shall be charged to each such Unit Owner in the same proportion that the Common Interest appurtenant to each respective Unit bears to the aggregate Common Interest appurtenant to all the Units to which the Limited Common Element is appurtenant.

1. **Lanai.** Each Unit shall have as a Limited Common Element appurtenant thereto the lanai (if any) immediately adjacent to the Unit.

2. **Parking Stall.** Each Unit shall have as a Limited Common Element appurtenant thereto a parking stall or stalls, as depicted in the Condominium Map and as assigned in **Exhibit "B"** of the Declaration.

3. **Mailbox.** Each Unit in Buildings 2 and 3 shall have as a Limited Common Element appurtenant thereto the interior of that certain mailbox designated with the same number as the Unit, located within the group mailbox structure located on the first floor of Building 2. Each Unit in Buildings 2 and 1 shall have as a Limited Common Element appurtenant thereto the interior of that certain mailbox designated with the same number as the Unit, located within the group mailbox structure located on the first floor of Building 1. The location of the group mailbox structure is subject to change in the sole discretion of Developer.

4. **Recreational Amenities.** The Recreational Amenities and the area designated as "Recreational Area" in the Condominium Map shall be a Limited Common Element appurtenant to the Units in Buildings 2 and 3; provided that the dog park is a Common Element, but not Limited Common Elements appurtenant to Units in Buildings 2 and 3.

5. **Yard Areas – Buildings 2 and 3 First Floor Units.** The yard area immediately adjacent to the first floor Units in Buildings 2 and 3, if any, are designated as Limited Common Elements appurtenant to those respective Units to which such yard areas are adjacent, as depicted and noted in the Condominium Map. The yard areas include the area bounded by the exterior surface of the exterior walls and lanai of the appurtenant Unit and the interior surface of the fence surrounding the appurtenant yard area.

6. **Building 1 Limited Common Elements.** All areas depicted in the Condominium Map as "Building 1 Limited Common Element," including the roof of Building 1, as depicted and noted in the Condominium Map, shall be Limited Common Elements appurtenant to the Units in Building 1. There is no representation or assurance that any of the rooms or spaces will be configured or utilized as the same may be labeled or depicted in the Condominium Map.

7. **Buildings 2 and 3 Limited Common Elements.** All areas depicted in the Condominium Map as "Building 2 & 3 Limited Common Element, " including the roof of Buildings 2 and 3, as depicted and noted in the Condominium Map, shall be Limited Common Elements appurtenant to the Units in Buildings 2 and 3. There is no representation or assurance that any of the rooms or spaces will be configured or utilized as the same may be labeled or depicted in the Condominium Map.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL COMMON ELEMENTS DESCRIBED IN THE DECLARATION OR DESCRIBED AND DEPICTED ON THE CONDOMINIUM MAP. PURCHASER MUST MAKE CAREFUL REVIEW THE DECLARATION AND THE CONDOMINIUM MAP TO DETERMINE THE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS PERTAINING TO THE COMMON ELEMENTS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM MAP, THE CONDOMINIUM MAP WILL CONTROL.

END OF EXHIBIT "D"

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes, if any, that may be due and owing.
2. Mineral and water rights of any nature in favor of the State of Hawaii.
3. GRANT
TO : CITY AND COUNTY OF HONOLULU
DATED : May 28, 1974
RECORDED : in the Bureau of Conveyances of the State of Hawaii ("Bureau") in Liber 10448 at Page 200
GRANTING : an easement for flowage purposes as shown on the map attached thereto, and as shown on Survey prepared by Miles S. Horie, with Engineers Surveyors Hawaii, Inc., dated October 14, 2014, last revised August 11, 2017, "Survey"
4. Flowage Easement (to be cancelled upon construction of adequate drainage facilities) in favor of the City and County of Honolulu, as stated in instrument dated May 1, 1994, recorded in the Bureau as Document No. 97-070019.
5. The terms and provisions contained in the following:
INSTRUMENT : UNILATERAL AGREEMENT AND DECLARATION FOR CONDITIONAL ZONING
DATED : July 3, 1986
RECORDED : in the Bureau in Liber 19645 at Page 696
PARTIES : HAWAII KAI DEVELOPMENT COMPANY and the TRUSTEES UNDER THE WILL AND OF THE ESTATE OF BERNICE PAUAHI BISHOP

Said Agreement was amended by instruments dated June 23, 2000, recorded as Document No. 2000-112963, and dated November 28, 2000, recorded in the Bureau as Document No. 2000-167451.

AFFORDABLE HOUSING PLAN AGREEMENT dated October 11, 2010, recorded in the Bureau as Document No. 2010-161459, by and between CITY AND COUNTY OF HONOLULU, a municipal corporation of the State of Hawaii ("City"), and HALE ALI'I DEVELOPMENT, LLC, a Hawaii limited liability company ("HAD" or "Developer").

6. The terms and provisions contained in the following:

INSTRUMENT : LIMITED WARRANTY DEED

DATED : December 19, 2000

RECORDED : in the Bureau as Document No. 2000-177612

Said Deed was supplemented by instruments dated December 19, 2000, recorded as Document No. 2000-177616, dated August 14, 2001, recorded in the Bureau as Document No. 2001-126995, dated March 31, 2006, recorded in the Bureau as Document No. 2006-068241, and dated as of November __, 2014 (acknowledged November 13, 2014), recorded in the Bureau as Document No. A-54370308.

7. The terms and provisions contained in the following:

INSTRUMENT : AGREEMENT FOR ISSUANCE OF CONDITIONAL USE PERMIT UNDER SECTION 21-5.380 OF THE LAND USE ORDINANCE (LUO)

DATED : December 19, 2000

RECORDED : in the Bureau as Document No. 2000-177617

PARTIES : HAWAII KAI ELDERCARE, LLC, a Hawaii limited liability company

Said above document was amended by instrument dated March 28, 2012, recorded in the Bureau as Document No. A-44701164.

8. The terms and provisions contained in the following:

INSTRUMENT : AMENDED AND RESTATED COST SHARING AGREEMENT

DATED : December 19, 2000

RECORDED : in the Bureau as Document No. 2000-177622

PARTIES : HAWAII KAI ELDERCARE, LLC, and KEAKU, LLC

ASSIGNMENT AND ASSUMPTION OF AMENDED AND RESTATED COST SHARING AGREEMENT dated March 5, 2002, recorded in the Bureau as Document No. 2002-039414, by and between KEAKU, LLC, a Hawaii limited liability company, "Assignor", and D.R. HORTON - SCHULER HOMES, LLC, a Delaware limited liability company, dba SCHULER HOMES, "Assignee". Consent given by HAWAII KAI ELDERCARE, LLC, a Hawaii limited liability company, by instrument dated March 5, 2002, recorded as Document No. 2002-039415.

ASSIGNMENT AND ASSUMPTION OF COST SHARING AGREEMENTS dated September 27, 2002, recorded as Document No. 2002-171819, by and between LESTER HIGA (also known as LESTER M. HIGA),

as Commissioner, "Assignor", and D.R. HORTON - SCHULER HOMES, LLC, a Hawaii limited liability company, dba SCHULER HOMES, "Assignee".

9. The terms and provisions contained in the following:

INSTRUMENT : COST SHARING AGREEMENT (LOTS 1-B TO 1-E)

DATED : September 12, 2000

RECORDED : Document No. 2000-177627

PARTIES : HAWAII KAI ELDERCARE, LLC, HAWAII INTERGENERATIONAL COMMUNITY DEVELOPMENT ASSOCIATION, and INVESTMENT PARTNERS, INC.

FIRST AMENDMENT TO COST SHARING AGREEMENT (LOTS 1-B TO 1-E) dated December 19, 2000, recorded in the Bureau as Document No. 2000-177628, by and among HAWAII KAI ELDERCARE, LLC, a Hawaii limited liability company, HAWAII INTERGENERATIONAL COMMUNITY DEVELOPMENT ASSOCIATION, a Hawaii corporation, and 21ST CENTURY HOMES, INC., a Hawaii corporation.

PARTIAL ASSIGNMENT OF 21ST CENTURY'S INTEREST IN COST SHARING AGREEMENT AND CONSENT dated August 14, 2001 (the "Effective Date"), recorded in the Bureau as Document No. 2001-126996.

ASSIGNMENT AND ASSUMPTION OF AMENDED AND RESTATED COST SHARING AGREEMENT dated March 5, 2002, recorded in the Bureau as Document No. 2002-039414, by and between KEAKU, LLC, a Hawaii limited liability company, "Assignor", and D.R. HORTON - SCHULER HOMES, LLC, a Delaware limited liability company, "Assignee". Consent given by HAWAII KAI ELDERCARE, LLC, a Hawaii limited liability company, by instrument dated March 5, 2002, recorded in the Bureau as Document No. 2002-039415.

ASSIGNMENT AND ASSUMPTION OF COST SHARING AGREEMENTS dated September 27, 2002, recorded in the Bureau as Document No. 2002-171819, by and between LESTER HIGA (also known as LESTER M. HIGA), as Commissioner, "Assignor", and D.R. HORTON - SCHULER HOMES, LLC, a Hawaii limited liability company, dba SCHULER HOMES, "Assignee".

10. The terms and provisions contained in the following:

INSTRUMENT : AMENDED AND RESTATED MAINTENANCE DECLARATION

DATED : January 5, 2004

RECORDED : in the Bureau as Document No. 2004-015823

The foregoing Amended and Restated Declaration restates the original Declaration dated December 19, 2000, recorded as Document No. 2000-177629.

11. The terms and provisions contained in the following:

INSTRUMENT : UNILATERAL AGREEMENT AND DECLARATION FOR
CONDITIONAL ZONING

DATED : October 16, 2007

RECORDED : in the Bureau as Document No. 2007-183413

12. -AS TO LOT H:-

(A) The terms and provisions contained in the following:

INSTRUMENT : LIMITED WARRANTY DEED

DATED : August 14, 2001

RECORDED : in the Bureau as Document No. 2001-126993

(B) The terms and provisions contained in the following:

INSTRUMENT : LIMITED WARRANTY DEED

DATED : August 14, 2001

RECORDED : Document No. 2001-126994

(C) The terms and provisions contained in the following:

INSTRUMENT : AGREEMENT TO PERMIT CONSTRUCTION OF
INFRASTRUCTURE

DATED : August 14, 2001 (the "Effective Date")

RECORDED : in the Bureau as Document No. 2001-126998

PARTIES : HAWAII KAI ELDERCARE, LLC, a Hawaii limited
liability company ("Eldercare"), and WESTERN
PACIFIC DEVELOPMENT, LLC, a Hawaii limited
liability company ("WestPac")

(D) GRANT

TO : HAWAIIAN ELECTRIC COMPANY, INC. and VERIZON
HAWAII INC., now known as HAWAIIAN TELCOM,
INC.

DATED : March 17, 2004

RECORDED : in the Bureau as Document No. 2004-061587

GRANTING : a perpetual right and easement for utility

purposes being more particularly described therein, and as shown on Survey.

(E) GRANT

TO : 21ST CENTURY HOMES, INC., a Hawaii corporation

DATED : October 16, 2007

RECORDED : in the Bureau as Document No. 2007-185639

GRANTING : a perpetual non-exclusive easement for pedestrian and vehicular access purposes in favor of the Benefitted Property more particularly described therein, and as shown on Survey.

(F) GRANT OF WATER PIPELINE EASEMENT

TO : THE CITY AND COUNTY OF HONOLULU and the BOARD OF WATER SUPPLY, CITY AND COUNTY OF HONOLULU

DATED : November 12, 2008

RECORDED : Document No. 2008-173350

GRANTING : a non-exclusive easement for a water pipeline(s) etc. through Easement "W-2", being more particularly described in Exhibit "A" and the map attached thereto, and as shown on Survey.

(G) GRANT

TO : LIVABLE HAWAII KAI HUI, a Hawaii non-profit corporation

DATED : January 28, 2014

RECORDED : in the Bureau as Document No. A-51580359

GRANTING : nonexclusive three (3) foot wide open space easement "OS-1", described therein, and as shown on Survey.

13. -AS TO LOT 1-D:-

(A) The terms and provisions contained in the following:

INSTRUMENT : LIMITED WARRANTY DEED

DATED : December 19, 2000

RECORDED : in the Bureau as Document No. 2000-177625

(B) GRANT

TO : HAWAII INTERGENERATIONAL COMMUNITY,
DEVELOPMENT ASSOCIATION, a Hawaii nonprofit
corporation

DATED : January 29, 2003

RECORDED : in the Bureau as Document No. 2003-022457

GRANTING : an easement for sewer purposes, and as shown
on Survey.

14. -AS TO LOT J-2:-

No vehicle access permitted along Hawaii Kai Drive, as
shown on survey Map prepared by James R. Thompson,
Registered Professional Land Surveyor, dated October 17,
2005, and as shown on Survey.

15. -AS TO LOTS H AND J-1:-

(A) EASEMENT "A" for utility purposes and EASEMENT "B"
for access and utility purposes, as shown on map
prepared by Wilfred Y.K. Chin, Land Surveyor, with
Control Point Surveying, Inc., dated July 29, 1999,
last revised November 10, 1999, approved by the
Department of Planning and Permitting, City and
County of Honolulu, on November 24, 1999, and as
shown on Survey.

(B) GRANT

TO : KEAKU, LLC, a Hawaii limited liability
company

DATED : December 19, 2000

RECORDED : in the Bureau as Document No. 2000-177619

GRANTING : a perpetual non-exclusive easement for
access and utility purposes over said
Easements "A" & "B", and as shown on Survey.

(C) GRANT

TO : HAWAII KAI ELDERCARE, LLC, HAWAII
INTERGENERATIONAL COMMUNITY DEVELOPMENT
ASSOCIATION, and 21ST CENTURY HOMES, INC.

DATED : December 19, 2000

RECORDED : in the Bureau as Document No. 2000-177626

GRANTING : a perpetual non-exclusive appurtenant
easement for access and utility purposes
over said Easements "A" and "B", and as
shown on Survey.

(D) GRANT

TO : HAWAIIAN ELECTRIC COMPANY, INC., a Hawaii corporation, and GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED, now known as HAWAIIAN TELCOM, INC.

DATED : May 27, 2003

RECORDED : in the Bureau as Document No. 2003-111176

GRANTING : an easement for utility purposes, and as shown on Survey.

16. -AS TO LOTS J-1, 1-D AND J-2:-

(A) The terms and provisions contained in the following:

INSTRUMENT : AFFORDABLE HOUSING PLAN AGREEMENT

DATED : July 25, 2001

RECORDED : in the Bureau as Document No. 2001-118969

PARTIES : CITY AND COUNTY OF HONOLULU, a municipal corporation of the State of Hawaii by its Department of Planning and Permitting, HAWAII INTERGENERATIONAL COMMUNITY DEVELOPMENT ASSOCIATION, and 21ST CENTURY HOMES, INC.

(B) The terms and provisions contained in the following:

INSTRUMENT : AGREEMENT RE AFFORDABLE HOUSING

DATED : November 29, 2005

RECORDED : in the Bureau as Document No. 2005-245536

PARTIES : 21ST CENTURY HOMES INC., a Hawaii corporation, and WESTERN PACIFIC DEVELOPMENT, LLC, a Hawaii limited liability company

17. -AS TO LOTS J-1 AND J-2:-

Portion of the land comprises wetland.

18. -AS TO LOTS H AND J-2:-

(A) The terms and provisions contained in the following:

INSTRUMENT : COVENANTS RUNNING WITH THE LAND

DATED : December 19, 2000

RECORDED : in the Bureau as Document No. 2000-177614

(B) The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF FLOWAGE EASEMENT (PARK SITE)
DATED : December 19, 2000
RECORDED : in the Bureau as Document No. 2000-177615
PARTIES : HAWAII KAI ELDERCARE, LLC
RE : easement for flowage of waters from Lot 1-A,
as shown on Survey

(C) The terms and provisions contained in the following:

INSTRUMENT : LIMITED WARRANTY DEED
DATED : December 19, 2000
RECORDED : in the Bureau as Document No. 2000-177623

(D) The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF ACCESS AND USE (PRIVATE PARK)
DATED : January 20, 2004
RECORDED : in the Bureau as Document No. 2004-012945

(E) GRANT

TO : WESTERN PACIFIC DEVELOPMENT, LLC, a Hawaii
limited liability company
DATED : October 16, 2007
RECORDED : in the Bureau as Document No. 2007-185640
GRANTING : a perpetual non-exclusive easement
appurtenant to and for the benefit of Lot H
("Benefited Property") on, over and across
the Easement Area more particularly
described therein, for purposes of ingress
and egress between Lot G and the Benefited
Property of pedestrians and vehicles,
including fire trucks and other emergency
vehicles, and as shown on Survey

19. -AS TO LOTS H, J-1 AND J-2:-

GRANT

TO : HAWAIIAN ELECTRIC COMPANY, INC.
DATED : October 13, 2015
RECORDED : in the Bureau as Document No. A-57720373
GRANTING : a right and easement for utility purposes as

shown on map attached thereto, and as mentioned in Survey

20. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF RESTRICTIVE COVENANTS
(STEWARDSHIP DECLARATION)

DATED : January 23, 2014

RECORDED : in the Bureau as Document No. A-51580355

21. The terms and provisions contained in the following:

INSTRUMENT : AMENDMENT AND RESTATEMENT DECLARATION OF
RESTRICTIVE COVENANTS (PRIVATE PARK)

DATED : March 13, 2017

RECORDED : in the Bureau as Document No. A-62821151

The foregoing amends and restates the original Declaration of Restrictive Covenants (Private Park) dated December 2, 2014, recorded in the Bureau as Document No. A-54490646.

22. NOTICE(S) recorded in the Bureau as Document Nos. A-58430843A through A-58430843B; re: Affordable Housing Plan.

Said above Notice has been revised by AFFORDABLE HOUSING PLAN AGREEMENT dated --- (acknowledged on December 10, 2018 and December 14, 2018), recorded as Document No. A-69270728A through A-69270728B.

23. FINANCING STATEMENT

DEBTOR : AINAHOU 2 PNL LLC

SECURED

PARTY : HAWAII GREEN INFRASTRUCTURE AUTHORITY, DBEDT

RECORDED : in the Bureau as Document No. A-64250569

RECORDED ON: August 4, 2017

24. FINANCING STATEMENT

DEBTOR : AINAHOU 1 PNL LLC

SECURED

PARTY : HAWAII GREEN INFRASTRUCTURE AUTHORITY, DBEDT

RECORDED : in the Bureau as Document No. A-64250570

RECORDED ON: August 4, 2017

25. Rights of tenants, as tenants only, with no rights or option of purchase or rights of options of first refusal, and any matters arising from or affecting the same.
26. Any rights or interests which may exist or arise by reason of the following facts shown on ALTA/NSPS Survey prepared by Miles S. Horie, Land Surveyor, with Engineers Surveyors Hawaii, Inc., dated October 14, 2014, last revised August 11, 2017:
- (A) Portion of iron fence along the west property line of Lot J-2 crosses into Lot G;
- (B) Vinyl fence along the north property line of Lot 1-E crosses into Lot J-1.
27. Encroachments or any other matters which a survey prepared after December 26, 2017 would disclose.
28. MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT
- MORTGAGOR : HALE KA LAE, LLC, a Hawaii limited liability company
- MORTGAGEE : KREF LENDING IV LLC, a Delaware limited liability company
- DATED : as of August 23, 2017
- RECORDED : in the Bureaus as Document No. A-64460441
- AMOUNT : \$94,500,000.00
29. ASSIGNMENT OF LEASES AND RENTS
- BORROWER : HALE KA LAE, LLC, a Hawaii limited liability company
- LENDER : KREF LENDING IV LLC, a Delaware limited liability company
- DATED : as of August 23, 2017
- RECORDED : in the Bureaus as Document No. A-64460442
- AMOUNT : \$94,500,000.00
30. FINANCING STATEMENT
- DEBTOR : HALE KA LAE, LLC

SECURED
PARTY : KREF LENDING IV LLC

RECORDED : in the Bureaus as Document No. A-64460443
RECORDED ON: August 25, 2017

31. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY
REGIME FOR "7000 HAWAII KAI DRIVE"
CONDOMINIUM PROJECT

DATED : September 26, 2018
RECORDED : Document No. A-69270918A through A-
69270918C
MAP : 5879 and any amendments thereto

-Note:- Any recorded amendments to the Declaration
of Horizontal or Condominium Property
Regime amending the assignment of parking
stalls to and from apartments other than
the specific apartment described herein,
are not shown.

32. The terms and provisions contained in the following:

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF UNIT
OWNERS

DATED : September 26, 2018
RECORDED : Document No. A-69270919

END OF EXHIBIT "E"

EXHIBIT "F"

SUMMARY OF HOUSE RULES

Capitalized terms have the same meanings as ascribed to such terms in the House Rules or the Declaration.

1. Owners are ultimately and legally responsible for the conduct of all Occupants and Guests of their Unit(s) and at all times shall ensure that their Occupants' and/or Guests' behavior is neither offensive to any other Occupant or Guest of the Project nor damaging to any portion of the Project. All Owners, Occupants, and Guests shall adhere to the House Rules. No illegal activity shall be conducted in the Project

2. Every Owner, Occupant, and Guest shall at all times keep their respective Units in good order and condition and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority, the Association, or the Board applicable to the Unit and the Project.

3. No Owner, Occupant, or Guest shall make or suffer any strip or waste or unlawful, improper, or offensive use of a Unit.

4. Nothing shall be allowed, done, or kept in any Unit or Common Element that would overload or impair the floors, walls, or roof of the Project, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association.

5. Sidewalks, stairways, walkways, recreational areas, and roadways must not be obstructed or used for any purpose other than ingress and egress, or in the case of recreational areas, for any purpose(s) for which such areas are designated by the Board.

6. The Common Elements (other than those specifically designated recreational areas) shall not be used for recreational activities of any kind. Parents or responsible adults are responsible for the appropriate supervision of minors at all times.

7. No Owner, Occupant, or Guest shall make or suffer any strip or waste or unlawful, improper, or offensive use of the Project or alter or remove any furniture, furnishings, or equipment from the common areas.

8. No livestock, poultry, or other animals whatsoever shall be allowed or kept in any part of the Project; except that dogs, cats, or other typical household pets as determined by the Board (each a "pet"), such as guinea pigs, rabbits, fish, or birds may be kept by Owners and Occupants in their respective Units subject to the conditions and restrictions contained in the House Rules.

a. Except for fish, no more than two (2) pets shall be allowed per Unit.

b. No pet may exceed fifty (50) lbs. in weight. No infant or juvenile pet of any type or breed which, when fully grown, is likely to exceed fifty (50) lbs. in weight, may be kept in the Project.

c. No animal defined as a "pest" under Hawaii Revised Statutes ("HRS") § 150A-2, as amended, or prohibited from importation under HRS §§ 141-2 and 150A-6, as amended, may be kept in the Project.

d. All pets shall be registered with the Managing Agent, who shall maintain a register of all pets kept in the Project. Failure to properly register the pet shall be grounds for ejection of the pet upon notice.

e. No pet shall be kept, bred, or used in the Project for any commercial, profit making, or money generating purposes.

9. Notwithstanding anything to the contrary in the House Rules, animals specially trained to assist disabled individuals (hereinafter referred to as "service animals") or animals required by a physician in writing necessary for emotional support shall be permitted at the Project subject to the following restrictions:

a. Such service animals and emotional support animals shall not be kept, bred, or used at the Project for any commercial, profit making, or money making purpose;

b. Such service animals and emotional support animals shall be permitted in the Common Elements (including, but not limited to, the Residents Club) provided the animal is on a leash.

10. Except as otherwise provided in the House Rules, no pets shall be allowed in the Common Elements except in transit and when carried or on a short leash. Pets may be exercised or walked on the Common Elements (except the Residents Club) if such pets are at all times under the complete control of a capable person.

11. Any pet, service animal, or emotional support animal causing a nuisance or unreasonable disturbance to any Owner, Occupant, or Guest, or that is involved in contact with any Owner, Occupant, Guest, or other pet in which injury occurs, shall be permanently removed from the Project promptly upon notice given by the Board or the Managing Agent; provided, however, that any such notice given with respect to a service animal or emotional support animal shall provide that before such animal must be removed, its owner shall have a reasonable time to acquire a replacement service animal or emotional support animal unless the Board determines that such animal poses an imminent serious threat of physical harm to other Owners, Occupants, or Guests. A tenant of an Owner must obtain the written consent of the Owner to keep a pet or pets in the Unit. Notwithstanding such consent, a tenant may keep only those types of pets which may be kept pursuant to these House Rules.

12. Each owner of a pet and the Owner of the Unit in which such pet is kept shall indemnify and hold the Association and the Board harmless from and against any and all claims, liabilities, or damages arising out of the presence of such pet in the Unit and the Project.

13. Any damage to the Project caused by a pet shall be the full responsibility of the owner of the pet and the Owner of the Unit in which the pet is kept and the costs of repair or replacement shall be specially assessed to such person(s).

14. Owners of dogs, including dogs that are service animals or emotional support animals, shall be assessed a special annual fee of \$50.00 per dog to defray the additional costs incurred by the Association in properly cleaning and maintaining the Common Elements of the Project.

15. Except as otherwise provided in the Declaration, Bylaws or the House Rules, no signs, posters, signals, or lettering shall be inscribed or exposed on any part of the Units or Common Elements appurtenant thereto nor shall anything be projected out of any window or door or off any lanai or yard area, including fences, adjacent to any Unit, without the prior written approval of the Board.

16. No alterations, modifications, or changes, structural or otherwise, shall be permitted either within or without a Unit without prior consent and written approval of the Board and such prior approvals as may be required by applicable law and the Declaration, evidence of which shall be provided to the Managing Agent as requested.

17. Damage to cars and other objects or to the Common Elements shall be the responsibility of the person who caused the damage.

18. In addition to any other remedy available to the Association by law or equity, a monetary fine may be charged against the responsible Owner for each violation of the Declaration, Bylaws, and/or House Rules. This fine may be deducted from the responsible Owner's maintenance fee payment. Fines duly imposed but unpaid shall constitute a lien on the Owner's Unit that may be foreclosed upon in like manner as a lien for unpaid assessments to collect the unpaid amount. The Association also has the right to pursue any action to recover a money judgment for any unpaid fines without foreclosing or waiving the lien.

19. Any person fined and/or cited ("appellant") may appeal from the fine and/or citation imposed by the Board or Managing Agent as follows:

a. Notice of Appeal. By delivering to the Managing Agent, within twenty (20) days after the date of delivery or mailing to the appellant, whichever is first in time, of written notice of such fine and/or citation, a written notice of appellant's appeal and the reason(s) therefor. The filing of a notice of appeal shall not halt the accrual of any ongoing fine imposed for the violation, which is the subject of the appeal. However, the Board may waive or rescind all or part of such fine for good cause at the time of the hearing of such appeal.

b. Time for Hearing Appeal. All appeals shall be heard by the Board either by email, conference call, or at a physical meeting of the Board within ninety (90) days after the notice of appeal has been delivered to the Managing Agent.

c. Procedure. A statement of the facts on which the fine or citation was based shall be furnished to the appellant at least (10) days before the hearing. Each appeal will be handled on a case-by-case basis. If a physical meeting is required or requested by the appellant, the appellant and witnesses on the appellant's behalf, if any, may present appellant's defense and supporting evidence. The Board may ask other persons to attend and present testimony, and the Board may consider all relevant testimony, evidence, and information related to the violation.

d. Disposition of Appeal. The directors of the Board may not act unless a quorum is present. The Board shall vote as to whether the fine, the amount thereof, and/or citation shall be affirmed. If a majority of the directors of the Board present vote in the affirmative, the fine and/or citation shall be upheld and continue in full force and effect. If less than a majority of those directors of the Board present vote in the affirmative, then the fine and/or citation shall thereby be rescinded.

21. Except to the extent expressly proscribed or limited by the Declaration, the Bylaws or the House Rules, the Board, through a majority vote, reserves the right to make such other rules or to amend the House Rules from time to time by action of the Board as it deems appropriate to promote the safety, care, and cleanliness of the Project and to ensure the comfort and convenience of all Owners, Occupants, and Guests, so long as such rules are not inconsistent with any applicable laws, ordinances, codes, rules or regulations applicable to the Project and/or its management or operation. During the Developer Control Period, the Developer may amend the House Rules in any manner without the joinder, consent, or approval of any other party.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE HOUSE RULES. THIS SUMMARY IS A GENERAL SUMMARY OF SOME OF THE PROVISIONS IN THE HOUSE RULES AND PURCHASER MUST REFER TO THE HOUSE RULES TO DETERMINE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE HOUSE RULES, THE HOUSE RULES AGREEMENT WILL CONTROL.

END OF EXHIBIT "F"

EXHIBIT "G"

RESERVED RIGHTS OF DEVELOPER

Capitalized terms have the same meaning ascribed to such terms in the Declaration.

Among other rights, Developer will have the following reserved rights with respect to the Project, which are more particularly set forth in the Declaration, Bylaws, House Rules and Purchase Agreement. The following is a brief summary only, and purchasers should refer to the Declaration, Bylaws, and House Rules for more specifics.

Declaration:

I. RESERVED RIGHT TO GRANT AND RECEIVE EASEMENTS.

Notwithstanding anything herein provided to the contrary, Developer does hereby reserve the right unto itself, its successors and assigns, during the Development Period, to delete, cancel, relocate, realign, reserve, designate, grant, and receive any and all easements and rights of way over, under, through, across, and upon the Common Elements (including, without limitation, the Limited Common Elements) or adjacent parcels of land, deemed necessary or desirable in Developer's sole discretion, including, but not limited to, easements and/or rights of way for utilities, landscaping, maintenance, any public-type facility (e.g. for mail delivery), fire lane access, sanitary and storm sewers, retention ponds, cable television, refuse disposal, access to adjacent parcels of land, public or other access to open space or any private park area, and other similar purposes; provided that such easements and/or rights of way shall not be located on or within any existing structure of the Project and shall not be exercised so as to unreasonably disturb, impair, or interfere with the normal use and enjoyment of the Project by the Unit Owners; and provided that Developer shall have the right to negotiate and agree to such terms with respect to such easements and rights of way as Developer deems appropriate in its sole discretion. In the event that Developer assigns to the Association any rights or obligations it acquires, through exercise of this reserved right, whether the same constitute easement rights or otherwise, the Association shall assume such rights or obligations.

II. RESERVED RIGHT TO ALTER AND CONSOLIDATE UNITS.

Notwithstanding anything provided to the contrary, and except as otherwise provided by law, during the Development Period:

A. Developer shall have the reserved right, without obtaining the approval of any party with an interest in the Project, including any other Owner and/or mortgagee, to: (1) alter the floor plan of any Unit which it owns at any time, and in any manner Developer deems appropriate, in its absolute discretion, provided that the Common Interest appurtenant to the Unit shall not change, and (2) recalculate the Common Interest appurtenant to each Unit upon consolidation of adjacent Units as described below; provided that the total Common Interest appurtenant to the newly-created Unit(s) shall equal the Common Interest appurtenant to the original Units.

B. If Developer is the owner of any two (2) or more Units separated by a party wall, Developer shall have the right, without obtaining the approval of any party with an interest in the Project, including any other Owner and/or mortgagee, to consolidate two (2) or more Units that are so separated, to later subdivide such Units once consolidated, and to alter, remove, or restore all or portions of the intervening wall, floor, or ceiling at Developer's expense, provided that: (1) the structural integrity of the Project is not thereby affected, (2) the finish of any Common Elements impacted is restored to a condition substantially comparable with that of the Common Element prior to such alteration, and (3) all construction activity necessary to complete any such alteration or removal shall be completed within a reasonable period of time after the commencement thereof, subject to delays beyond the reasonable control of Developer or its contractors, whether caused by strikes, the unavailability of construction materials, or otherwise, in which case any such construction activity shall be completed in such additional time as may be reasonably necessary in the exercise of due diligence.

C. Developer, in the process of consolidating Units, shall have the right to convert that area between Units to a Unit (as opposed to the same remaining a Common Element) for so long as such Units shall remain consolidated or shall continue to be commonly used or owned.

Any such alteration or consolidation of Units as provided above shall be effective provided that:

1. Developer shall record or cause to be recorded an amendment to this Declaration describing the Unit(s) in question and setting forth at least: (a) a description of the newly-formed Unit(s) and (b) in the case of the consolidation of Units by Developer, the undivided percentage interest appurtenant to the newly-formed Unit, which shall be calculated by adding together the undivided percentage interests for the Units to be consolidated;

2. Developer shall record or cause to be recorded an amendment to the Condominium Map for the Unit(s) being altered and/or expanded or consolidated to show an amended floor plan, as necessary, together with a verified statement of registered architect or professional engineer, in the manner required by Section 514B-34 of the Act, that said Condominium Map, as so amended, is an accurate copy of portions of the plans of the altered and/or expanded Unit(s) as recorded with and approved by the County officer having jurisdiction over the issuance of permits for the completion of buildings, and that the plans fully and accurately depict the layout, location, Unit numbers, and dimensions of the Units substantially as built; and

3. Any such alteration shall comply in all respects with all applicable governmental codes, statutes, ordinances, and rules and regulations, or with all variances granted therefrom.

Developer expressly reserves the right to amend the aforesaid Declaration and Condominium Map to effect any consolidation of Units or alterations to floor plans at any time or times during the Development Period, and Developer may, without being required to obtain the consent or joinder of any Owner, lienholder, or other Persons, execute and record amendments to this Declaration and Condominium Map and any and all other instruments necessary or appropriate for the purpose of carrying out the provisions or exercising the rights, powers, or privileges herein reserved to Developer. To the extent permitted by applicable law, this **Article II** shall not be amended without the prior written consent of Developer.

III. RESERVED RIGHT TO INSTALL PHOTOVOLTAIC AND SOLAR WATER HEATING SYSTEMS.

During the Development Period, Developer shall have the reserved right to contract with a company licensed to install and cause the installation of photovoltaic systems for the benefit of the Units and/or photovoltaic and/or solar water heating systems for the benefit of the Common Elements or Units, including, without limitation, the Recreational Amenities, at its sole cost and expense. The installation of such photovoltaic and/or solar water heating systems pursuant to this Article shall not be deemed to alter, impair, or diminish the Common Interest, Common Elements, and easements appurtenant to Units, nor shall the same be considered a structural alteration or addition to the structure on which it is installed that constitutes a material change, or necessitate an amendment to the Condominium Map. Said company may charge the Association or individual Unit Owners, as the case may be, for the electricity consumed beyond that supplied by the photovoltaic and/or solar water heating systems pursuant to a contract entered into by and between Developer, on behalf of the Association, and said company; provided that any such contract shall not have a term that exceeds twenty (20) years.

IV. RESERVED RIGHT OF DEVELOPER TO MODIFY, RELOCATE, AND RECONFIGURE RECREATIONAL AMENITIES.

During the Development Period, all of the Recreational Amenities in the Project, as depicted in the Condominium Map, may not all be constructed at the same time and may be modified, relocated, and/or reconfigured. Nothing in this Declaration shall be construed as a representation or warranty by Developer that the Recreational Amenities, or any portion thereof, and/or the types of Recreational Amenities offered will not change and/or that the other portions of the Common Elements will be built or completed prior to, concurrently with, or soon after any or all of the Units are conveyed to third parties.

V. RESERVED RIGHT TO INSTALL DEVELOPER'S SIGNAGE.

Notwithstanding anything herein provided to the contrary, during the Development Period, Developer hereby reserves the right unto itself, its successors, and assigns, for the benefit of the Project, to install, maintain, repair, and replace (from time to time) within the Project directional signage, identity signage, and canopy signage (if applicable), all of which shall be in a size and location as permitted; subject to any zoning laws or other governmental requirements. Until such time that Developer shall provide notice that all Unit Owners shall be obligated for the payment of Common Expenses as set forth in the Bylaws, Developer shall be responsible for lighting, installation, maintenance, and replacement of such signage as well as the costs to repair any damage to the Project proximately caused by such installation, maintenance, and replacement, and after such notice, the Board shall be responsible for administering such obligations and assessing the costs thereof as a Common Expense.

VI. RESERVED RIGHT TO CONVERT LIMITED COMMON ELEMENTS TO UNITS.

Notwithstanding anything provided to the contrary, and except as otherwise provided by law during the Development Period:

A. Developer shall have the right without obtaining the approval of any other party with an interest in the Project, including any other Owner and/or mortgagee, to convert a Limited Common Element appurtenant to such Unit or Units owned by Developer or Developer's successors, assigns, or affiliates, or any portion thereof, into a separate Unit of the Project or to add to the area of a Unit. In such event, Developer shall have the right, without obtaining the approval of any party with an interest in the Project, including any other Owner and/or mortgagee, to alter the physical aspects of the Limited Common Element and Unit(s) at Developer's expense in connection with such conversion, including building such structures as may be necessary or appropriate, provided that: (1) the structural integrity of the Project is not thereby affected, (2) the finish of the Unit is consistent with the quality of other Units in the Project and any remaining portion of the Limited Common Element not converted to a Unit, if any, is restored, to the extent feasible, to a condition substantially compatible with that of the Limited Common Element prior to such conversion, and (3) all construction activity necessary for any such conversion shall be completed within a reasonable period of time after the commencement thereof, subject to delays beyond the control of Developer or its contractors, whether caused by strikes, the unavailability of construction materials, or otherwise, in which case any such construction activity shall be completed in such additional time as may be reasonably necessary in the exercise of due diligence.

B. Developer shall have the reserved right to designate certain Limited Common Elements of the Project as Limited Common Elements appurtenant to the newly-created Unit; provided that there is no material adverse effect on the remainder of the Project.

Any such conversion of a Limited Common Element into a Unit or Units as provided above shall be effective provided that:

1. Developer shall record or cause to be recorded an amendment to this Declaration describing the Unit(s) in question and setting forth at least: (a) a description of the newly-formed Unit(s) and (b) the Common Interest appurtenant to the newly-formed Unit(s) and existing Unit(s), which shall be calculated and/or recalculated by dividing the total approximate net area of each individual Unit by the total approximate net area of all Units within the Project, including any newly-formed Units. Developer may adjust the Common Interest to assure that the total of all Common Interests equals one hundred percent (100%). If Developer increases an existing Unit by connecting a portion of the Limited Common Element to part of the Unit, but an additional Unit is not created, the Common Interest percentage allocated to the Unit shall remain unchanged.

2. Developer shall record or cause to be recorded an amendment to the Condominium Map to show the floor plans and elevations for the newly-created Unit, as necessary, together with a verified statement of registered architect or professional engineer, in the manner required by Section 514B-34 of the Act, that said Condominium Map, as so amended, contains an accurate copy of portions of the plans of the newly-created Unit(s) as recorded with and approved by the County officer having jurisdiction over the issuance of permits for the

completion of buildings, and that the plans fully and accurately depict the layout, location, Unit number(s), and dimensions of the Unit(s) substantially as built; and

3. Any such alteration associated with such conversion shall comply in all respects with all applicable governmental codes, statutes, ordinances, and rules and regulations.

The right to amend the aforesaid Declaration and Condominium Map to effect the conversion of any Limited Common Element into a Unit and the alterations to floor plans may occur at any time during the Development Period, and Developer may, without being required to obtain the consent or joinder of any Owner, lien holder, or other Persons, execute, deliver, and record amendments to the Declaration and Condominium Map and any and all other instruments necessary or appropriate for the purpose of carrying out the provisions or exercising the foregoing rights, powers, or privileges. To the extent permitted by applicable law, this Article shall not be amended without the prior written consent of Developer.

VII. RESERVED RIGHT TO RECHARACTERIZE AND REDESIGNATE LIMITED COMMON ELEMENTS.

Developer shall have the reserved right to amend this Declaration to (1) recharacterize all or a portion of certain Limited Common Elements as may be appurtenant to a Unit owned by Developer as being Common Elements of the Project, thus giving up or waiving the exclusive use of any such area or areas; or (2) redesignate all or a portion of certain Limited Common Elements as may be appurtenant to any Unit owned by Developer to another Unit or Units. Upon recharacterization of any Limited Common Element to a Common Element of the Project, the Association shall be required to maintain such area at its expense for the benefit of all Unit Owners, and the cost of maintaining such area shall be assessed to all Unit Owners as a Common Expense.

The right to amend the Declaration to effect such recharacterization or redesignation of any Limited Common Element appurtenant to a Unit may occur at any time or times during the Development Period, and Developer may, without being required to obtain the consent or joinder of any Owner, lienholder, or other Persons, execute, deliver, and record any deed and/or amendments to this Declaration or to the Condominium Map and any and all other instruments necessary or appropriate for the purpose of carrying out the provisions or exercising the foregoing rights, powers, or privileges.

VIII. RESERVED RIGHT TO MODIFY PROJECT AND TO AMEND PROJECT DOCUMENTS.

Developer shall have the reserved right, during the Development Period, to effect such modifications to Units and Common Elements in the Project and/or to execute, record, and deliver any amendments to this Declaration and/or the Condominium Map as well as the Bylaws and/or the House Rules promulgated hereunder, as may be necessary or required by Developer in its sole and absolute discretion provided that the net living area of Units that have been conveyed to Persons other than Developer and their respective appurtenant Common Interests are not changed; or to effect compliance by the Project, the Association, or Developer with laws that apply to the Project, including, without limitation, the FHA and ADA.

IX. RESERVED RIGHT TO CONSTRUCT DRIVEWAYS AND CONSTRUCT AND MAINTAIN GROUP MAILBOX STRUCTURES.

Developer shall have the reserved right, during the Development Period, to construct driveways and a group mailbox structures anywhere within the Project, including without limitation, within any Limited Common Element area of the Project; provided that the construction of driveways and the group mailbox structures shall not adversely impact or impair the net living area of any Unit of the Project.

X. RESERVED RIGHT TO CONSTRUCT WALKWAYS THROUGH COMMON ELEMENTS AND TO ADD PARKING STALLS.

Developer shall have the reserved right, during the Development Period, to construct walkways throughout the Common Elements in the Project, including, without limitation, a walkway to connect Buildings 1 and 2. Such

walkways shall be for the use and enjoyment of the Owners. The Association shall be responsible for maintenance, repair, and replacement of such walkways and for any accessories to such walkways (e.g. lamp posts and benches) and for any costs incurred therefor or associated therewith.

Developer shall also have the reserved right to (i) add additional parking stalls to the Project, as designated in the Condominium Map, including stalls in Building 1 and in the entry courtyard area depicted in the Condominium Map, and (ii) assign such stalls to Units in the Project and designate such stalls as Limited Common Elements appurtenant to specific Units in the Project, and (iii) amend the Declaration to effect such creation, designation and assignment.

XI. RESERVED RIGHT TO ALTER THE NUMBER OF, OR NOT CONSTRUCT, UNITS AND/OR BUILDINGS IN THE PROJECT.

Developer shall have the reserved right, during the Development Period, to reduce or increase the number of Units and/or buildings in the Project notwithstanding anything provided herein to the contrary, and except as otherwise provided by law. Any such alteration to the number of Units and/or buildings in the Project shall be effective provided that:

A. Developer shall record or cause to be recorded an amendment to this Declaration describing (a) the revised description of Units and/or buildings that comprise the Project and (b) the undivided percentage Common Interest appurtenant to the Units as a result of the reduction or increase in the total number of Units. The Common Interest appurtenant to each Unit shall be calculated by dividing the Unit's total approximate net area by the total of the approximate net area of all Units in the Project; provided, however, that Developer shall have the right, in its sole and absolute discretion, to round the result of such calculations so that the sum of the percentages equals exactly one hundred percent (100%);

B. Developer shall record or cause to be recorded an amendment to the Condominium Map to reflect the revised layout incorporating the change in the number of Units and/or buildings, together with a verified statement of registered architect or professional engineer, in the manner required by Section 514B-34 of the Act, certifying that said Condominium Map, as so amended, is an accurate copy of the portions of the plans of the altered Unit(s) as recorded with the County officer having jurisdiction over the issuance of permits for the completion of buildings; and

C. Any such alteration shall comply in all respects with all applicable governmental codes, statutes, ordinances, and rules and regulations, or with all variances granted therefrom.

Developer expressly reserves the right to amend the Declaration and Condominium Map to effect any subdivision or consolidation of Units or alterations to the Common Element depictions or Units and building floor plans at any time or times during the Development Period, and Developer may, without being required to obtain the consent or joinder of any Owner, lienholder, or other Persons, execute and record amendments to the Declaration and Condominium Map and any and all other instruments necessary or appropriate for the purpose of carrying out the provisions or exercising the rights, powers, or privileges herein reserved to Developer.

XII. RESERVED RIGHT TO ADDRESS ENVIRONMENTAL AND/OR ARCHEOLOGICAL DISCLOSURES.

Developer reserves the right during the Development Period to respond to and appropriately address any inadvertent finds of such things as contaminants in the soil, human skeletal remains, burial goods, or other historic or archeological finds during the course of construction of the Project in compliance with applicable law and any other determinations made by applicable governmental agencies. The Association shall be subject to and responsible for compliance with any plans, agreements, and easements, expenses of which shall be a Common Expense.

XIII. RESERVED RIGHT TO CONSOLIDATE, SUBDIVIDE, REZONE, AND WITHDRAW LAND.

Developer shall have the reserved right during the Development Period, to consolidate and/or subdivide the Property and to create separate parcels of land ("Subdivided Lots"), to rezone any portion of the Property, to withdraw said portions of the Property from the operation of this Declaration, and to convey said withdrawn land to itself, or to a third-party as it deems appropriate. With regard to the area being consolidated, subdivided, rezoned, and/or withdrawn, such portion shall not have been improved with any of the Units or the Recreational Amenities or other Improvements described in this Declaration or shown in the Condominium Map. In connection with such right, Developer shall have the further reserved right to enter and go upon the Property to do all things necessary or proper to effectuate such consolidation, subdivision, and/or rezoning of the Property and/or withdrawal and conveyance of said portions of the Property, including, without limitation, making surveys to undertake a reasonable realignment of boundaries of the Property to define said Subdivided Lots (it being understood that Developer shall have the reserved right to effect any such realignment), filing and recording the necessary consolidation and/or subdivision map and related documentation and to facilitate the granting, reserving, adding, deleting, receiving, realigning, and/or relocating of easements and/or rights of ways for utilities, cesspools, sanitary and storm sewers, cable television, telecommunication systems, refuse disposal, driveways, parking areas and roadways, pedestrian access, and of all other required easements and/or rights of way; and provided further that Developer specifically reserves the right, whether or not in connection with its right to consolidate, subdivide, rezone, withdraw, and convey hereunder, to grant easements for access, driveway, and parking purposes over the Project in favor of the withdrawn portion(s) of the Property, if any, in the event the same shall be withdrawn from the operation of this Declaration. Said consolidation, subdivision, rezoning, withdrawal, and/or conveyance shall be subject to, and Developer shall, at its own expense, comply with, all of the then-applicable governmental laws and rules and regulations, including subdivision requirements.

In connection with the exercise of its rights reserved unto it hereunder, Developer hereby further reserves the right, at its expense, to: (i) grant, reserve, add, delete, receive, realign, and/or relocate over, across, and under the Project, as appropriate, easements and/or rights-of-ways for utilities, including, without limitation, cesspools, sanitary and storm sewers, cable television, telecommunications systems, refuse disposal, access, shared driveways, parking areas, roadways, and walkways; (ii) enter into and execute any license and/or agreements, as appropriate, to facilitate the use of any areas located outside the Project that will be used to benefit Owners or of areas within the Project to be used by third parties; (iii) negotiate, execute, and accept any licenses, easements, or rights of way over adjacent properties which may benefit or support the Project; and (iv) relocate or realign any existing easements and rights-of-way over, across, and under the Project, as appropriate, including, without limitation, any existing utilities, sanitary and storm sewerlines, and cable television and telecommunications systems lines and connect the same over, across, and under the Project; provided that such easements and such relocations and connections of lines shall not materially impair or interfere with the use of any Units in the Project as then constituted; and provided further that Developer specifically reserves the right, whether or not in connection with its rights reserved hereunder, to grant an easement for access, driveway, and parking purposes over the Project in favor of the withdrawn portion(s) of the Property in the event the same shall be withdrawn from the operation of this Declaration. Developer in its discretion shall have the right to set the compensation to the Association for the grant of any easement pursuant to the terms hereof, provided that such compensation shall be reasonable under the circumstances.

Upon the exercise of said reserved rights, Developer shall, at Developer's expense and without being required to obtain the consent or joinder of any Unit Owner or lienholder, execute and record in said Bureau, the subdivision map (and, to the extent deemed necessary or approved by Developer, for designation of easements) and an amendment to the Declaration and the Condominium Map: (i) describing the withdrawn land and any Improvements thereon; (ii) describing the realigned boundaries of the land upon which the Units then constituting the Project are located; and (iii) where applicable and appropriate, granting, reserving, or relocating easements over, under, and on the Common Elements, as permitted above. The filing of the amendment to this Declaration and the Condominium Map shall effectuate the withdrawal, without any further consent or joinder of any party. Developer shall have the right, as grantor, to execute, deliver, and file, or the right to cause the execution, delivery, and filing of, a deed of any subdivided and withdrawn area upon filing of the amendments aforesaid.

The exercise by Developer of the right to consolidate, subdivide, rezone, withdraw, and convey as provided in this Section, shall not in any way limit or be deemed to limit Developer's full use of areas remaining in the Project pursuant to any of the rights reserved to it in this Declaration.

XIV. RESERVED RIGHTS REGARDING ENTITLEMENTS AND PERMITS.

Developer shall have the reserved right, during the Development Period: (1) to amend the Project Documents, including, without limitation, this Declaration, (2) to enter into any agreements, including without limitation, to declare and subject the Land and Improvements to restrictive covenants, (3) to designate and grant easements, (4) to secure any other governmental permits, and (5) to do all things necessary and convenient to satisfy the requirements of any land use or other permit pertaining to the Project, as the same may be amended or modified, and to execute, deliver, and record any and all documents necessary to effect the same, including, but not limited to, any amendments to this Declaration and to the Condominium Map.

XV. RESERVED RIGHT TO CONDUCT SALES ACTIVITIES.

Developer does hereby reserve the right unto itself, its brokers, sales agents, and other related Persons, to conduct extensive sales activities at the Project, including, without limitation, the use of any Unit owned by Developer and its appurtenant Limited Common Elements as model Units and/or for sales, leasing, management, and/or construction offices, parking and extensive sales displays and activities, the posting and maintenance of signs and other advertisements relating to such sales activities, and to install, maintain, locate, relocate, and reconfigure such structures, displays, advertising signs, billboards, flags, sales desks, kiosks, sales, leasing, management and/or construction offices, model Units, interior design and decorator centers, and parking areas for employees, agents, and prospective buyers, as may be necessary or convenient for the proper development and disposition of Units by sale, resale, lease, or otherwise; and the right, but not the obligation, to provide ongoing maintenance, operation, service, construction, and repairs to individual Units, until the earlier to occur of (a) the end of the Development Period, or (b) the closing of the sale of the last unsold Unit in the Project. In the event that Developer is unable to sell all of the Units on or before the end of the Development Period, Developer shall have the right to conduct sales activities on the Project until the closing of the sale of the last unsold Unit of the Project, provided that such sales are conducted in an unobtrusive manner which will not unreasonably interfere with the use, possession, and aesthetic enjoyment of the Project by the Unit Owners. Such sales activities may include the initial sale and resale of Units. In the event that Developer's Mortgage lender, if any, or any successor to or assignee of Developer's Mortgage lender shall acquire any portion of the Project in the course of any foreclosure or other legal proceeding or in the exercise of the Mortgage remedies or by a deed or an assignment in lieu of foreclosure, such Mortgage lender, its successors, and assigns, shall have the right to conduct such extensive sales activities on the Project until at least ninety-five percent (95%) of all of the Units in the Project have been sold and Unit Deeds therefor recorded, notwithstanding the foregoing. Each and every party acquiring an interest in the Project, by such acquisition, acknowledges that the sales activities may result in noise and nuisances, consents to such activity by Developer, and further waives, releases, and discharges any rights, claims, or actions such party may acquire against Developer, its brokers, sales agents, employees, and lenders, and their respective successors and assigns, as a result of any such activity or activities.

XVI. RESERVED RIGHT TO REMOVE ENCUMBRANCES AFFECTING THE PROJECT.

Developer shall have the reserved right, during the Development Period, without notice to, or approval, consent, or joinder of any other party, to execute and record in said Bureau an instrument cancelling or removing any encumbrance against the Project or any portion thereof (including the Units whether or not such Units have been conveyed to an Owner), and may amend this Declaration to reflect an updated title description of the Land. Every Owner of a Unit in the Project, all holders of liens affecting any of the Units, and each and every other party acquiring an interest in the Project, or any part thereof, by acquiring such Unit, lien, or other interest, agrees to execute, deliver, and record such documents and instruments and do such other things as may be necessary or convenient to effectuate Developer's exercise of this reserved right; and appoints Developer and its assigns as his or her attorney-in-fact with full power of substitution to execute, deliver, and record such documents and instruments and to do such things on his or her behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights, and shall not be affected by the disability of such party or parties; which grant of

such power shall be binding upon any assign of, or successor-in-interest upon, any transfer of any Unit or any interest therein, whether by deed, Mortgage, or any other instrument of conveyance.

XVII. RESERVED RIGHT TO CHANGE THE PLANS.

Notwithstanding anything to the contrary herein, during the Development Period, Developer shall have the reserved right to change the timing of construction, mix, type, use, style, number, size, and materials of the Units, as well as the features, amenities, and other components of the Project, all as may be described herein and/or in the Condominium Map, as well as in other illustrative and descriptive materials which may from time to time be used in connection with the development and sale of the Units. Plans for the development of the Project are subject to change in Developer's sole discretion, and Developer makes no guarantees regarding the construction schedule or whether any or all of the components and amenities of the Project as described herein and/or in said materials and as depicted in the Condominium Map will in fact be constructed or incorporated into the Project.

XVIII. RESERVED RIGHT TO INSTALL PAID GUEST STALL AUTOMATED MACHINES.

Developer shall have the reserved right to install a parking system or systems that may require the payment of a parking fee for use of certain stalls in the Project that the Developer either owns or controls. Any revenue generated from such stalls will belong to the Developer. The right to implement and install such parking system and the right to the revenues therefrom may be assigned to the Association by Developer, in its sole discretion. Developer will have an easement over the Project to install, remove, maintain, alter and otherwise utilize such parking system, as it deems appropriate, in its sole discretion.

XIX. RESERVED RIGHT TO NAME BUILDINGS AND PROVIDE DIFFERENT ADDRESSES.

Developer has the reserved right to give Buildings 1, 2 and 3 different names and identities, and separate addresses, and need not identify all of such buildings by the same name, or have all of such buildings have the same address. Initially, Building 1 will be named "Hale Manu" with an address at 7002 Hawaii Kai Drive, and Buildings 2 and 3 will be named "Hale Ka Lae at 7000 Hawaii Kai" with an address at 7000 Hawaii Kai Drive.

XX. DEVELOPER'S RESERVED RIGHT TO PERMIT USE BY UNITS IN BUILDING 1 OF LIMITED COMMON ELEMENTS APPURTENANT TO UNITS IN BUILDINGS 2 AND 3.

Developer will have the reserved right, during the Development Period, to make some or all of the Limited Common Elements that are appurtenant to Buildings 2 and 3 Limited Common Elements to some or all of the Units in Building 1. If this occurs, an amendment to the Declaration will be recorded to reflect such change, and the Developer shall have the reserved right to record any such amendment.

Bylaws:

Amendment. Under Article X, Section 12 of the Bylaws, Developer has the right to amend the Bylaws to the extent set forth in the Declaration.

Rules and Regulations (House Rules):

Amendments. During the Developer Control Period, Developer may amend the Rules and Regulations in any manner without the joinder, consent, or approval of any other party.

* * * * *

EXHIBIT "G"
(Page 8 of 9)

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL OF THE RIGHTS RESERVED BY THE DEVELOPER UNDER THE CONDOMINIUM DOCUMENTS. WHILE THIS SUMMARY IS A GENERAL SUMMARY OF SOME OF SUCH RESERVED RIGHTS, PURCHASER SHOULD REFER TO THE CONDOMINIUM DOCUMENTS TO DETERMINE THE ACTUAL RIGHTS RESERVED BY THE DEVELOPER. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DOCUMENTS, THE CONDOMINIUM DOCUMENTS WILL CONTROL.

END OF EXHIBIT "G"

EXHIBIT "G"
(Page 9 of 9)

EXHIBIT "H"

ESTIMATED BUDGET AND INITIAL MAINTENANCE FEES

THE AMOUNTS SET FORTH IN THE ATTACHED ARE ESTIMATES ONLY AND MAY CHANGE FOR REASONS BEYOND THE CONTROL OF DEVELOPER.

INSURANCE, ENERGY AND LABOR COSTS ARE CURRENTLY IN FLUX AND CAN SUBSTANTIALLY INCREASE OVER A SHORT PERIOD OF TIME. DEVELOPER CANNOT PREDICT HOW CHANGES IN THE ECONOMIC, SOCIAL AND POLITICAL CONDITIONS IN HAWAII, THE U.S. AND/OR GLOBALLY MAY IMPACT SUCH COSTS. PURCHASERS ARE AWARE AND ACKNOWLEDGE THAT THE BUDGET, AND, AS A RESULT, EACH PURCHASER'S MAINTENANCE FEE MAY INCREASE SUBSTANTIALLY DUE TO INCREASING COSTS, INCLUDING COSTS ATTRIBUTED TO INSURANCE COVERAGE, LABOR AND ENERGY.

PURCHASER RECOGNIZES AND ACKNOWLEDGES THAT SUCH COMMON EXPENSES AND MAINTENANCE FEES ARE SUBJECT TO CHANGE AS THE PROJECT EVOLVES. SUCH ESTIMATES ARE NOT INTENDED TO BE, AND DO NOT CONSTITUTE ANY REPRESENTATION OR WARRANTY BY THE DEVELOPER OR CONDOMINIUM MANAGER, INCLUDING BUT NOT LIMITED TO ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF SUCH ESTIMATES.

Maintenance fees shall commence as set forth in Section 6, Item 2 of this public report.

BUDGET
COMMON - BUILDING 1, 2, AND 3
(Hale Manu and Hale Ka Lae at 7000 Hawaii Kai Drive)

Budget for common elements appurtenant to all units in Building 1, 2 and 3.

| ESTIMATED EXPENSES | COMMON ELEMENTS BLDG 1, 2, 3 | |
|----------------------------------|------------------------------|---------------------|
| DESCRIPTION | ANNUAL | MONTHLY |
| <u>OPERATING EXPENSES</u> | | |
| COMMUNICATIONS/SOFTWARE | \$ 840.00 | \$ 70.00 |
| ALARM MONITORING AND INSPECTIONS | \$ 25,000.00 | \$ 2,083.33 |
| LANDSCAPING | \$ 3,769.63 | \$ 314.14 |
| REPAIRS AND MAINTENANCE | \$ 80,922.12 | \$ 6,743.51 |
| KALUANUI MAINTENANCE ASSOCIATION | \$ 7,800.00 | \$ 650.00 |
| INSURANCE | \$ 13,383.00 | \$ 1,115.25 |
| CONTINGENCY | \$ 6,000.00 | \$ 500.00 |
| SUBTOTAL | \$ 137,714.75 | \$ 11,476.23 |
| RESERVE | \$ 36,000.00 | \$ 3,000.00 |
| GRAND TOTAL | \$ 173,714.75 | \$ 14,476.23 |

BUDGET
LIMITED COMMON - BUILDING 1
(Hale Manu)

Budget for Limited Common Elements appurtenant to all units in Building 1 only.

| ESTIMATED EXPENSES | DESCRIPTION | LIMITED COMMON ELEMENTS BLDG 1 | |
|----------------------------------|-------------|--------------------------------|---------------------|
| | | ANNUAL | MONTHLY |
| <u>OPERATING EXPENSES</u> | | | |
| COMMUNICATIONS/SOFTWARE | | \$ 3,424.80 | \$ 285.40 |
| CABLE/INTERNET (*) | | \$ - | \$ - |
| ELECTRICITY (common areas) | | \$ 24,000.00 | \$ 2,000.00 |
| TRASH AND RECYCLING SERVICE | | \$ 18,000.00 | \$ 1,500.00 |
| SEWER | | \$ 38,357.76 | \$ 3,196.48 |
| SEWER REIMBURSEMENT (**) | | \$ (38,357.76) | \$ (3,196.48) |
| WATER | | \$ 18,654.68 | \$ 1,554.56 |
| WATER REIMBURSEMENT (***) | | \$ (13,440.00) | \$ (1,120.00) |
| COMMON AREA CLEANING | | \$ 14,303.76 | \$ 1,191.98 |
| LANDSCAPING | | \$ 1,480.00 | \$ 123.33 |
| REPAIRS AND MAINTENANCE | | \$ 24,166.19 | \$ 2,013.85 |
| SUPPLIES | | \$ 900.00 | \$ 75.00 |
| PAYROLL AND BENEFITS | | \$ 12,000.00 | \$ 1,000.00 |
| PROFESSIONAL SERVICES | | \$ 12,645.37 | \$ 1,053.78 |
| ADMINISTRATIVE | | \$ 47,762.00 | \$ 3,980.17 |
| INSURANCE | | \$ 49,645.72 | \$ 4,137.14 |
| CONTINGENCY | | \$ 1,200.00 | \$ 100.00 |
| SUBTOTAL | | \$ 214,742.52 | \$ 17,895.21 |
| RESERVE | | \$ 24,000.00 | \$ 2,000.00 |
| GRAND TOTAL | | \$ 238,742.52 | \$ 19,895.21 |

- * Cable/Internet charge to be billed directly to each unit
- ** Sewer charge to be billed directly to each unit
- *** Water (actual usage) to be billed directly to each unit

BUDGET
LIMITED COMMON - BUILDING 2 3
(Hale Ka Lae)

Budget for Limited Common Elements appurtenant to all units in Building 2 and 3 only.

| ESTIMATED EXPENSES | DESCRIPTION | LIMITED COMMON ELEMENTS BLDG 2 & 3 | |
|-----------------------------|-------------|------------------------------------|----------------------|
| | | ANNUAL | MONTHLY |
| OPERATING EXPENSES | | | |
| COMMUNICATIONS/SOFTWARE | | \$ 28,195.20 | \$ 2,349.60 |
| CABLE/INTERNET (*) | | \$ - | \$ - |
| ELECTRICITY (common areas) | | \$ 108,000.00 | \$ 9,000.00 |
| TRASH AND RECYCLING SERVICE | | \$ 72,000.00 | \$ 6,000.00 |
| SEWER | | \$ 147,951.36 | \$ 12,329.28 |
| SEWER REIMBURSEMENT (**) | | \$ (145,896.48) | \$ (12,158.04) |
| WATER | | \$ 73,745.32 | \$ 6,145.44 |
| WATER REIMBURSEMENT (***) | | \$ (51,120.00) | \$ (4,260.00) |
| COMMON AREA CLEANING | | \$ 123,696.24 | \$ 10,308.02 |
| LANDSCAPING | | \$ 69,512.04 | \$ 5,792.67 |
| REPAIRS AND MAINTENANCE | | \$ 111,346.14 | \$ 9,278.85 |
| SUPPLIES | | \$ 4,200.00 | \$ 350.00 |
| PAYROLL AND BENEFITS | | \$ 209,123.10 | \$ 17,426.93 |
| PROFESSIONAL SERVICES | | \$ 57,554.63 | \$ 4,796.22 |
| ADMINISTRATIVE | | \$ 3,547.00 | \$ 295.58 |
| INSURANCE | | \$ 203,144.28 | \$ 16,928.69 |
| CONTINGENCY | | \$ 42,000.00 | \$ 3,500.00 |
| SUBTOTAL | | \$ 1,056,998.83 | \$ 88,083.24 |
| RESERVE | | \$ 240,000.00 | \$ 20,000.00 |
| GRAND TOTAL | | \$ 1,296,998.83 | \$ 108,083.24 |

* Cable/Internet charge to be billed directly to each unit

** Sewer charge to be billed directly to each unit

*** Water (actual usage) to be billed directly to each unit

CERTIFICATE OF AGENT

The undersigned, as agent for the Association of Unit Owners of 7000 Hawaii Kai Drive ("Association"), the association condominium unit owners for the 7000 Hawaii Kai Drive condominium project (the "Project"), hereby certify that the attached breakdown of the annual maintenance fees and the monthly estimated cost for each unit in the Project were prepared in accordance with generally accepted accounting principles in good faith based upon assumptions, expense and income data provided by the Developer, along with information gathered from the Managing Agent from projects of comparable size and character.

Avalon Commercial, LLC

By


Name: Christine Camp

Title: Manager

December 26, 2018

Date

Pursuant to Section 514B-148 of the Hawaii Revised Statutes, a new association need not collect estimated replacement reserves until the fiscal year that begins after the association's first annual meeting. The Association has not conducted a reserve study for the Project. The budget amount for reserves is an estimate only.

Pursuant to Section 514B-41 of the Hawaii Revised Statutes, the Project may apportion charges and distributions in a fair and equitable manner as set forth in the Declaration of Condominium Property Regime of 7000 Hawaii Kai Drive.

The budget is intended to show the estimated expenses of operating the Project. All amounts set forth therein are estimates only, and may change for reasons beyond the control of the Association. The estimated figures do not account for inflation, market adjustments, and unanticipated events, including, without limitation, acts of government, acts of God, terrorism, or war. Such estimates are not intended to be and do not constitute any representation or warranty as to the accuracy of such estimates. The budget may increase due to increases in insurance premiums, utility costs, maintenance services, and other costs.

ESTIMATED MONTHLY FEES FOR EACH UNIT

| Unit Number | Common Expenses Monthly Fees | Building 1 Limited Common Expenses Monthly Fees | Buildings 2 & 3 Limited Common Expenses Monthly Fees | Total |
|--------------------|-------------------------------------|--|---|--------------|
| 1700 | \$56.25 | \$382.88 | | \$439.13 |
| 1701 | \$61.91 | \$421.47 | | \$483.38 |
| 1704 | \$41.51 | \$282.57 | | \$324.08 |
| 1705 | \$42.75 | \$291.02 | | \$333.77 |
| 1706 | \$40.38 | \$274.85 | | \$315.23 |
| 1708 | \$41.78 | \$284.41 | | \$326.19 |
| 1709 | \$64.67 | \$440.20 | | \$504.87 |
| 1710 | \$39.19 | \$266.77 | | \$305.96 |
| 1711 | \$64.61 | \$439.84 | | \$504.45 |
| 1712 | \$42.70 | \$290.65 | | \$333.35 |
| 1714 | \$42.43 | \$288.82 | | \$331.24 |
| 1717 | \$64.67 | \$440.20 | | \$504.87 |
| 1718 | \$60.73 | \$413.38 | | \$474.11 |
| 1719 | \$67.10 | \$456.74 | | \$523.84 |
| 1800 | \$56.25 | \$382.88 | | \$439.13 |
| 1801 | \$61.91 | \$421.47 | | \$483.38 |
| 1804 | \$41.51 | \$282.57 | | \$324.08 |
| 1805 | \$42.75 | \$291.02 | | \$333.77 |
| 1806 | \$40.38 | \$274.85 | | \$315.23 |
| 1808 | \$41.78 | \$284.41 | | \$326.19 |
| 1809 | \$64.67 | \$440.20 | | \$504.87 |
| 1810 | \$39.19 | \$266.77 | | \$305.96 |
| 1811 | \$64.61 | \$439.84 | | \$504.45 |
| 1812 | \$42.70 | \$290.65 | | \$333.35 |
| 1814 | \$42.43 | \$288.82 | | \$331.24 |
| 1817 | \$64.67 | \$440.20 | | \$504.87 |
| 1818 | \$60.73 | \$413.38 | | \$474.11 |
| 1819 | \$67.10 | \$456.74 | | \$523.84 |
| 1900 | \$56.25 | \$382.88 | | \$439.13 |
| 1901 | \$61.91 | \$421.47 | | \$483.38 |
| 1904 | \$41.51 | \$282.57 | | \$324.08 |
| 1905 | \$42.75 | \$291.02 | | \$333.77 |
| 1906 | \$40.38 | \$274.85 | | \$315.23 |
| 1908 | \$41.78 | \$284.41 | | \$326.19 |
| 1909 | \$64.67 | \$440.20 | | \$504.87 |
| 1910 | \$39.19 | \$266.77 | | \$305.96 |
| 1911 | \$64.61 | \$439.84 | | \$504.45 |
| 1912 | \$42.70 | \$290.65 | | \$333.35 |
| 1914 | \$42.43 | \$288.82 | | \$331.24 |
| 1917 | \$64.67 | \$440.20 | | \$504.87 |
| 1918 | \$60.73 | \$413.38 | | \$474.11 |
| 1919 | \$67.10 | \$456.74 | | \$523.84 |
| PH 100 | \$56.25 | \$382.88 | | \$439.13 |

| Unit Number | Common Expenses Monthly Fees | Building 1 Limited Common Expenses Monthly Fees | Buildings 2 & 3 Limited Common Expenses Monthly Fees | Total |
|-------------|------------------------------|---|--|------------|
| PH 101 | \$61.91 | \$421.47 | | \$483.38 |
| PH 104 | \$41.51 | \$282.57 | | \$324.08 |
| PH 105 | \$42.75 | \$291.02 | | \$333.77 |
| PH 106 | \$40.38 | \$274.85 | | \$315.23 |
| PH 108 | \$41.78 | \$284.41 | | \$326.19 |
| PH 109 | \$64.67 | \$440.20 | | \$504.87 |
| PH 110 | \$39.19 | \$266.77 | | \$305.96 |
| PH 111 | \$64.61 | \$439.84 | | \$504.45 |
| PH 112 | \$42.70 | \$290.65 | | \$333.35 |
| PH 114 | \$42.43 | \$288.82 | | \$331.24 |
| PH 117 | \$64.67 | \$440.20 | | \$504.87 |
| PH 118 | \$60.73 | \$413.38 | | \$474.11 |
| PH 119 | \$67.10 | \$456.74 | | \$523.84 |
| 2106 | \$46.15 | | \$431.74 | \$477.90 |
| 2108 | \$42.48 | | \$397.41 | \$439.89 |
| 2109 | \$130.41 | | \$1,220.01 | \$1,350.42 |
| 2110 | \$65.21 | | \$610.00 | \$675.20 |
| 2111 | \$65.21 | | \$610.00 | \$675.20 |
| 2116 | \$62.56 | | \$585.25 | \$647.82 |
| 2117 | \$62.18 | | \$581.72 | \$643.90 |
| 2200 | \$39.51 | | \$369.63 | \$409.15 |
| 2201 | \$39.40 | | \$368.62 | \$408.03 |
| 2202 | \$61.81 | | \$578.18 | \$639.99 |
| 2203 | \$61.81 | | \$578.18 | \$639.99 |
| 2208 | \$61.81 | | \$578.18 | \$639.99 |
| 2209 | \$61.81 | | \$578.18 | \$639.99 |
| 2210 | \$61.81 | | \$578.18 | \$639.99 |
| 2211 | \$61.81 | | \$578.18 | \$639.99 |
| 2216 | \$60.08 | | \$562.03 | \$622.10 |
| 2217 | \$58.78 | | \$549.91 | \$608.69 |
| 2300 | \$39.51 | | \$369.63 | \$409.15 |
| 2301 | \$39.40 | | \$368.62 | \$408.03 |
| 2302 | \$61.81 | | \$578.18 | \$639.99 |
| 2303 | \$61.81 | | \$578.18 | \$639.99 |
| 2308 | \$61.81 | | \$578.18 | \$639.99 |
| 2309 | \$61.81 | | \$578.18 | \$639.99 |
| 2310 | \$61.81 | | \$578.18 | \$639.99 |
| 2311 | \$61.81 | | \$578.18 | \$639.99 |
| 2316 | \$60.08 | | \$562.03 | \$622.10 |
| 2317 | \$58.78 | | \$549.91 | \$608.69 |
| 2400 | \$39.51 | | \$369.63 | \$409.15 |
| 2401 | \$39.40 | | \$368.62 | \$408.03 |
| 2402 | \$61.81 | | \$578.18 | \$639.99 |
| 2403 | \$61.81 | | \$578.18 | \$639.99 |
| 2408 | \$61.81 | | \$578.18 | \$639.99 |
| 2409 | \$61.81 | | \$578.18 | \$639.99 |

EXHIBIT "H"
(Page 7 of 12)

| Unit Number | Common Expenses Monthly Fees | Building 1 Limited Common Expenses Monthly Fees | Buildings 2 & 3 Limited Common Expenses Monthly Fees | Total |
|--------------------|-------------------------------------|--|---|--------------|
| 2410 | \$61.81 | | \$578.18 | \$639.99 |
| 2411 | \$61.81 | | \$578.18 | \$639.99 |
| 2416 | \$60.08 | | \$562.03 | \$622.10 |
| 2417 | \$58.78 | | \$549.91 | \$608.69 |
| 2500 | \$39.51 | | \$369.63 | \$409.15 |
| 2501 | \$39.40 | | \$368.62 | \$408.03 |
| 2502 | \$61.81 | | \$578.18 | \$639.99 |
| 2503 | \$61.81 | | \$578.18 | \$639.99 |
| 2508 | \$61.81 | | \$578.18 | \$639.99 |
| 2509 | \$61.81 | | \$578.18 | \$639.99 |
| 2510 | \$61.81 | | \$578.18 | \$639.99 |
| 2511 | \$61.81 | | \$578.18 | \$639.99 |
| 2516 | \$60.08 | | \$562.03 | \$622.10 |
| 2517 | \$58.78 | | \$549.91 | \$608.69 |
| 2600 | \$39.51 | | \$369.63 | \$409.15 |
| 2601 | \$39.40 | | \$368.62 | \$408.03 |
| 2602 | \$61.81 | | \$578.18 | \$639.99 |
| 2603 | \$61.81 | | \$578.18 | \$639.99 |
| 2608 | \$61.81 | | \$578.18 | \$639.99 |
| 2609 | \$61.81 | | \$578.18 | \$639.99 |
| 2610 | \$61.81 | | \$578.18 | \$639.99 |
| 2611 | \$61.81 | | \$578.18 | \$639.99 |
| 2616 | \$60.08 | | \$562.03 | \$622.10 |
| 2617 | \$58.78 | | \$549.91 | \$608.69 |
| 2700 | \$39.51 | | \$369.63 | \$409.15 |
| 2701 | \$39.40 | | \$368.62 | \$408.03 |
| 2702 | \$61.81 | | \$578.18 | \$639.99 |
| 2703 | \$61.81 | | \$578.18 | \$639.99 |
| 2708 | \$61.81 | | \$578.18 | \$639.99 |
| 2709 | \$61.81 | | \$578.18 | \$639.99 |
| 2710 | \$61.81 | | \$578.18 | \$639.99 |
| 2711 | \$61.81 | | \$578.18 | \$639.99 |
| 2716 | \$60.08 | | \$562.03 | \$622.10 |
| 2717 | \$58.78 | | \$549.91 | \$608.69 |
| 2800 | \$39.51 | | \$369.63 | \$409.15 |
| 2801 | \$39.40 | | \$368.62 | \$408.03 |
| 2802 | \$61.81 | | \$578.18 | \$639.99 |
| 2803 | \$61.81 | | \$578.18 | \$639.99 |
| 2808 | \$61.81 | | \$578.18 | \$639.99 |
| 2809 | \$61.81 | | \$578.18 | \$639.99 |
| 2810 | \$61.81 | | \$578.18 | \$639.99 |
| 2811 | \$61.81 | | \$578.18 | \$639.99 |
| 2816 | \$60.08 | | \$562.03 | \$622.10 |
| 2817 | \$58.78 | | \$549.91 | \$608.69 |
| 2900 | \$39.51 | | \$369.63 | \$409.15 |
| 2901 | \$39.40 | | \$368.62 | \$408.03 |

EXHIBIT "H"
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| Unit Number | Common Expenses Monthly Fees | Building 1 Limited Common Expenses Monthly Fees | Buildings 2 & 3 Limited Common Expenses Monthly Fees | Total |
|-------------|------------------------------|---|--|----------|
| 2902 | \$61.81 | | \$578.18 | \$639.99 |
| 2903 | \$61.81 | | \$578.18 | \$639.99 |
| 2908 | \$61.81 | | \$578.18 | \$639.99 |
| 2909 | \$61.81 | | \$578.18 | \$639.99 |
| 2910 | \$61.81 | | \$578.18 | \$639.99 |
| 2911 | \$61.81 | | \$578.18 | \$639.99 |
| 2916 | \$60.08 | | \$562.03 | \$622.10 |
| 2917 | \$58.78 | | \$549.91 | \$608.69 |
| PH 200 | \$39.51 | | \$369.63 | \$409.15 |
| PH 201 | \$39.40 | | \$368.62 | \$408.03 |
| PH 202 | \$61.81 | | \$578.18 | \$639.99 |
| PH 203 | \$61.81 | | \$578.18 | \$639.99 |
| PH 208 | \$61.81 | | \$578.18 | \$639.99 |
| PH 209 | \$61.81 | | \$578.18 | \$639.99 |
| PH 210 | \$61.81 | | \$578.18 | \$639.99 |
| PH 211 | \$61.81 | | \$578.18 | \$639.99 |
| PH 216 | \$60.08 | | \$562.03 | \$622.10 |
| PH 217 | \$58.78 | | \$549.91 | \$608.69 |
| 3102 | \$42.16 | | \$394.38 | \$436.53 |
| 3104 | \$42.48 | | \$397.41 | \$439.89 |
| 3106 | \$42.75 | | \$399.93 | \$442.68 |
| 3108 | \$65.21 | | \$610.00 | \$675.20 |
| 3111 | \$55.22 | | \$516.58 | \$571.80 |
| 3114 | \$65.21 | | \$610.00 | \$675.20 |
| 3115 | \$55.27 | | \$517.08 | \$572.36 |
| 3117 | \$59.27 | | \$554.45 | \$613.72 |
| 3118 | \$63.21 | | \$591.31 | \$654.52 |
| 3201 | \$62.29 | | \$582.73 | \$645.02 |
| 3202 | \$38.81 | | \$363.07 | \$401.88 |
| 3203 | \$37.30 | | \$348.93 | \$386.23 |
| 3204 | \$39.13 | | \$366.10 | \$405.23 |
| 3206 | \$39.40 | | \$368.62 | \$408.03 |
| 3208 | \$61.81 | | \$578.18 | \$639.99 |
| 3211 | \$55.22 | | \$516.58 | \$571.80 |
| 3214 | \$61.81 | | \$578.18 | \$639.99 |
| 3215 | \$55.27 | | \$517.08 | \$572.36 |
| 3217 | \$59.27 | | \$554.45 | \$613.72 |
| 3218 | \$60.02 | | \$561.52 | \$621.55 |
| 3301 | \$62.29 | | \$582.73 | \$645.02 |
| 3302 | \$38.81 | | \$363.07 | \$401.88 |
| 3303 | \$37.30 | | \$348.93 | \$386.23 |
| 3304 | \$39.13 | | \$366.10 | \$405.23 |
| 3305 | \$42.27 | | \$395.39 | \$437.65 |
| 3306 | \$39.40 | | \$368.62 | \$408.03 |
| 3308 | \$61.81 | | \$578.18 | \$639.99 |
| 3311 | \$55.22 | | \$516.58 | \$571.80 |

| Unit Number | Common Expenses Monthly Fees | Building 1 Limited Common Expenses Monthly Fees | Buildings 2 & 3 Limited Common Expenses Monthly Fees | Total |
|--------------------|-------------------------------------|--|---|--------------|
| 3314 | \$61.81 | | \$578.18 | \$639.99 |
| 3315 | \$55.27 | | \$517.08 | \$572.36 |
| 3317 | \$59.27 | | \$554.45 | \$613.72 |
| 3318 | \$60.02 | | \$561.52 | \$621.55 |
| 3401 | \$62.29 | | \$582.73 | \$645.02 |
| 3402 | \$38.81 | | \$363.07 | \$401.88 |
| 3403 | \$37.30 | | \$348.93 | \$386.23 |
| 3404 | \$39.13 | | \$366.10 | \$405.23 |
| 3405 | \$42.27 | | \$395.39 | \$437.65 |
| 3406 | \$39.40 | | \$368.62 | \$408.03 |
| 3408 | \$61.81 | | \$578.18 | \$639.99 |
| 3411 | \$55.22 | | \$516.58 | \$571.80 |
| 3414 | \$61.81 | | \$578.18 | \$639.99 |
| 3415 | \$55.27 | | \$517.08 | \$572.36 |
| 3417 | \$59.27 | | \$554.45 | \$613.72 |
| 3418 | \$60.02 | | \$561.52 | \$621.55 |
| 3501 | \$62.29 | | \$582.73 | \$645.02 |
| 3502 | \$38.81 | | \$363.07 | \$401.88 |
| 3503 | \$37.30 | | \$348.93 | \$386.23 |
| 3504 | \$39.13 | | \$366.10 | \$405.23 |
| 3505 | \$42.27 | | \$395.39 | \$437.65 |
| 3506 | \$39.40 | | \$368.62 | \$408.03 |
| 3508 | \$61.81 | | \$578.18 | \$639.99 |
| 3511 | \$55.22 | | \$516.58 | \$571.80 |
| 3514 | \$61.81 | | \$578.18 | \$639.99 |
| 3515 | \$55.27 | | \$517.08 | \$572.36 |
| 3517 | \$59.27 | | \$554.45 | \$613.72 |
| 3518 | \$60.02 | | \$561.52 | \$621.55 |
| 3601 | \$62.29 | | \$582.73 | \$645.02 |
| 3602 | \$38.81 | | \$363.07 | \$401.88 |
| 3603 | \$37.30 | | \$348.93 | \$386.23 |
| 3604 | \$39.13 | | \$366.10 | \$405.23 |
| 3605 | \$42.27 | | \$395.39 | \$437.65 |
| 3606 | \$39.40 | | \$368.62 | \$408.03 |
| 3608 | \$61.81 | | \$578.18 | \$639.99 |
| 3611 | \$55.22 | | \$516.58 | \$571.80 |
| 3614 | \$61.81 | | \$578.18 | \$639.99 |
| 3615 | \$55.27 | | \$517.08 | \$572.36 |
| 3617 | \$59.27 | | \$554.45 | \$613.72 |
| 3618 | \$60.02 | | \$561.52 | \$621.55 |
| 3701 | \$62.29 | | \$582.73 | \$645.02 |
| 3702 | \$38.81 | | \$363.07 | \$401.88 |
| 3703 | \$37.30 | | \$348.93 | \$386.23 |
| 3704 | \$39.13 | | \$366.10 | \$405.23 |
| 3705 | \$42.27 | | \$395.39 | \$437.65 |
| 3706 | \$39.40 | | \$368.62 | \$408.03 |

EXHIBIT "H"
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| Unit Number | Common Expenses Monthly Fees | Building 1 Limited Common Expenses Monthly Fees | Buildings 2 & 3 Limited Common Expenses Monthly Fees | Total |
|--------------|------------------------------|---|--|---------------------|
| 3708 | \$61.81 | | \$578.18 | \$639.99 |
| 3711 | \$55.22 | | \$516.58 | \$571.80 |
| 3714 | \$61.81 | | \$578.18 | \$639.99 |
| 3715 | \$55.27 | | \$517.08 | \$572.36 |
| 3717 | \$59.27 | | \$554.45 | \$613.72 |
| 3718 | \$60.02 | | \$561.52 | \$621.55 |
| 3801 | \$62.29 | | \$582.73 | \$645.02 |
| 3802 | \$38.81 | | \$363.07 | \$401.88 |
| 3803 | \$37.30 | | \$348.93 | \$386.23 |
| 3804 | \$39.13 | | \$366.10 | \$405.23 |
| 3805 | \$42.27 | | \$395.39 | \$437.65 |
| 3806 | \$39.40 | | \$368.62 | \$408.03 |
| 3808 | \$61.81 | | \$578.18 | \$639.99 |
| 3811 | \$55.22 | | \$516.58 | \$571.80 |
| 3814 | \$61.81 | | \$578.18 | \$639.99 |
| 3815 | \$55.27 | | \$517.08 | \$572.36 |
| 3817 | \$59.27 | | \$554.45 | \$613.72 |
| 3818 | \$60.02 | | \$561.52 | \$621.55 |
| 3901 | \$62.29 | | \$582.73 | \$645.02 |
| 3902 | \$38.81 | | \$363.07 | \$401.88 |
| 3903 | \$37.30 | | \$348.93 | \$386.23 |
| 3904 | \$39.13 | | \$366.10 | \$405.23 |
| 3905 | \$42.27 | | \$395.39 | \$437.65 |
| 3906 | \$39.40 | | \$368.62 | \$408.03 |
| 3908 | \$61.81 | | \$578.18 | \$639.99 |
| 3911 | \$55.22 | | \$516.58 | \$571.80 |
| 3914 | \$61.81 | | \$578.18 | \$639.99 |
| 3915 | \$55.27 | | \$517.08 | \$572.36 |
| 3917 | \$59.27 | | \$554.45 | \$613.72 |
| 3918 | \$60.02 | | \$561.52 | \$621.55 |
| PH 301 | \$62.29 | | \$582.73 | \$645.02 |
| PH 302 | \$38.81 | | \$363.07 | \$401.88 |
| PH 303 | \$37.30 | | \$348.93 | \$386.23 |
| PH 304 | \$39.13 | | \$366.10 | \$405.23 |
| PH 305 | \$42.27 | | \$395.39 | \$437.65 |
| PH 306 | \$39.40 | | \$368.62 | \$408.03 |
| PH 308 | \$61.81 | | \$578.18 | \$639.99 |
| PH 311 | \$55.22 | | \$516.58 | \$571.80 |
| PH 314 | \$61.81 | | \$578.18 | \$639.99 |
| PH 315 | \$55.27 | | \$517.08 | \$572.36 |
| PH 317 | \$59.27 | | \$554.45 | \$613.72 |
| PH 318 | \$60.02 | | \$561.52 | \$621.55 |
| Total | \$14,476.23 | \$19,895.21 | \$108,083.24 | \$142,454.68 |

The Common Expenses Monthly Fees are expenses for the Common Elements and are shared proportionally by all the Units in the Project. The Building 1 Limited Common Expenses Monthly Fees are expenses for the Limited Common Elements that are appurtenant to all the Units in Building 1, which expenses are shared proportionally by all the Units in Building 1. The Buildings 2 & 3 Limited Common Expenses Monthly Fees are expenses for the Limited Common Elements that are appurtenant to all the Units in Buildings 2 & 3, which expenses are shared proportionally by all the Units in Buildings 2 & 3.

END OF EXHIBIT "H"

EXHIBIT "I"

SUMMARY OF PURCHASE AGREEMENT

Capitalized terms have the same meanings ascribed to such terms in the Purchase Agreement ("**Purchase Agreement**").

The specimen Purchase Agreement, filed with the State of Hawaii Real Estate Commission, provides for, among other things, a description of the Unit to be sold, the purchase price, the closing costs, the time, manner and place of payment, Purchaser's obligations regarding financing, Seller's warranties and disclaimers regarding the Condominium Map and the Project, and the remedies of Seller and Purchaser in the event of a default under the Purchase Agreement.

Among other provisions, the specimen Purchase Agreement provides:

1. Purchaser shall receive: (i) a true copy of the Public Report for the Project with an effective date issued by the Commission and all amendments thereto, the recorded Declaration, the recorded Bylaws, the House Rules and the Condominium Map, or be provided written notice regarding an opportunity to examine the Condominium Map, and the Notice of Right to Cancel advising Purchaser of Purchaser's right to cancel the Purchase Agreement, the delivery of which is required by Hawaii Revised Statutes, Section 514B-86. Purchaser shall also have been given an opportunity to read said report.

2. Purchaser may cancel the Purchase Agreement within thirty (30) days of Purchaser's receipt of the Public Report ("**Rescission Period**"). It is understood that Purchaser may, at any time after Purchaser's receipt of the Notice of Right to Cancel and the documents described in Paragraph 1 above and of Purchaser's execution of the Purchase Agreement, waive Purchaser's right to cancel the Purchase Agreement. If Purchaser shall fail to execute the Notice of Right to Cancel within thirty (30) days of Purchaser's receipt of the Public Report, Purchaser shall be deemed to have waived Purchaser's right to cancel the Purchase Agreement (by Purchaser's failure to give said written notice of cancellation). The conveyance of the Unit to the Purchaser within the thirty (30) day period referenced above shall also be treated as a waiver by Purchaser of Purchaser's right to cancel the Purchase Agreement.

3. Seller has entered into an Escrow Agreement, summarized in Exhibit "J" herein, with Tile Guaranty Escrow Services, Inc. ("**Escrow**"), covering the deposit with Escrow of all funds paid by the Purchaser under the Purchase Agreement and the disbursement of the funds by Escrow. Escrow may charge a cancellation fee on account of escrow services performed not to exceed \$250.00.

4. The Purchase Agreement requires Purchaser to pay the Total Purchase Price by a series of payments prior to Closing, including an initial payment when Purchaser signs the Purchase Agreement and a second deposit. Purchaser shall then deposit the remaining balance due on the Date of Pre-Closing or four (4) business days prior to the Closing Date, subject to loan requirements set forth in the Purchase Agreement. Seller may also assess a late fee up to 1% per month.

5. The Purchase Agreement provides that, if Closing occurs, Purchaser may earn interest on Purchaser's deposits, pursuant to the requirements and limitations as set forth in the Purchase Agreement.

6. The Purchase Agreement provides that Purchaser will pay a non-refundable, non-transferable "start-up" fee for the Association of Unit Owners in an amount equivalent to two (2) months' estimated maintenance fees for the Unit. These start-up fees are one-time assessments at Closing and are not advance payments of common expenses or assessments, and shall be in addition to the normal monthly assessments. In addition, Purchaser is responsible for all closing costs in connection with the sale, including, without limitation, the escrow fee, cost of a preliminary title report, cost of preparation of the Unit Deed, cost of establishing separate escrow account(s), real property tax prorations and other customary prorations, all acknowledgment fees, conveyance and transfer taxes of all types, title insurance, if requested by Purchaser, cost of any lender's title insurance, appraisal fees, costs for drafting of any notes and mortgages, all recording costs or fees, the cost of drafting any revisions or addenda to the

Purchase Agreement, loan fees, credit report costs and all other applicable mortgage costs, provided that it is understood that this sale is not subject to or conditioned upon Purchaser obtaining a loan.

7. Regardless of the status of construction of the Project and in order to accommodate a bulk closing or series of bulk closings of the Units by Seller, Seller intends to pre-close a bulk number of units from time to time, upon not less than thirty (30) calendar days' prior written notice to Purchaser (the "**Pre-Closing Notice**"). The Pre-Closing Notice may establish a schedule with differing dates for certain requirements for the pre-closing to be met by Purchaser. Purchaser shall execute all necessary documents for such pre-closing, including irrevocable escrow instructions, and deposit the same with Escrow no later than the date specified in the Pre-Closing Notice, and Purchaser further agrees to pay into Escrow all sums due from Purchaser at closing, excluding only any loan proceeds, if applicable, upon the date specified in the Pre-Closing Notice.

8. Purchaser or Purchaser's agent shall inspect the Unit on a date and at a time specified by Seller in a written notice to Purchaser. Upon completion of such inspection, Purchaser shall sign or cause its agent to sign an inspection checklist to be furnished by Seller or the contractor, which shall list all defects or damages to the Unit, if any. If Purchaser or its agent fails to inspect (or permit inspection of) Purchaser's Unit on the date and time specified by Seller or other warrantors, then Purchaser acknowledges that such conduct will constitute a waiver of Purchaser's inspection rights under the Purchase Agreement. Purchaser agrees to accept possession of the Unit despite the existence of defects or damage to the Unit, including appliances, which do not render the Unit uninhabitable. Seller will cooperate with and assist Purchaser in having legitimately-listed defects or damage corrected or repaired within a reasonable time thereafter.

9. Purchaser authorizes Seller to make, and Purchaser specifically approves, the following changes to the Project Documents and the Project after the Effective Date:

A. Any change as may be required by law, any title insurance company, Mortgage Lender, or governmental agency; provided, however, that such change shall not (1) constitute a change in the Project which (a) directly, substantially, and adversely affects the use or value of the Unit or the Limited Common Elements appurtenant thereto or the amenities of the Project available for Purchaser's use, and (b) is not made pursuant to a right reserved to Seller under the Declaration ("**Material Change**"), or (2) increase the Total Purchase Price.

B. Any non-Material Change which Seller and/or the Project Architect, in their sole and absolute discretion, deem appropriate, to the Common Elements, including, without limitation, the roadways, parking areas, and landscaping or any change for reasons related to financial feasibility, efficiency, or aesthetics; furthermore, the Project Architect may increase or decrease the thickness of any foundation, wall, column, or floor slab, or make other changes to Seller's Plans and Specifications (as defined and discussed further in Section F.23 of the Purchase Agreement), which could result in the dimensions of Purchaser's Unit or any appurtenant Limited Common Element thus affected becoming smaller or larger, or resulting in a building height or elevation different from that shown on the Condominium Map or stated in the Declaration or the Public Report; provided that the variance in the net living area of the Unit shall not exceed two percent (2%) of the net living area represented in the Project Documents. Further, the Project Architect may make changes necessary to correct any design errors or shortcomings.

C. Any Material Change made while Purchaser is under a binding Purchase Agreement; provided that applicable rescission rights shall be given to Purchaser in accordance with Section 514B-87 of the Hawaii Revised Statutes, as amended, as further described in Section F.25 of the Purchase Agreement.

D. Any changes made pursuant to the rights reserved by Seller as Developer under the Declaration, as more fully explained in Section F.14.c. of the Purchase Agreement.

10. The Purchase Agreement provides that it shall not be construed as a present transfer of any rights or of any interest in the Unit, but rather states that it is an agreement to transfer in the future. By execution of the Purchase Agreement, the Purchaser agrees to waive, relinquish and subordinate the priority or superiority of any lien or other legal or equitable interest arising under the Purchase Agreement in favor of the lien or charge on the Project of the security interests of the Lender, including but not limited to any lien, mortgage or charge securing a loan

made to finance the acquisition of the land and the costs of construction (if applicable) and any and all advances therefor until the filing of the Unit Deed.

11. The Purchase Agreement provides that it may not be assigned by Purchaser without the written consent of Seller. See Purchase Agreement for definition of what constitutes an "assignment". Any assignment of the Purchase Agreement by Purchaser without the consent of Seller is void and of no legal effect. Notwithstanding the foregoing, Purchaser may assign its rights under the Purchase Agreement to affiliated entities for estate planning purposes without the consent of Seller, provided that any such assignment shall not release Purchaser from its obligations under the Purchase Agreement. In the event that Purchaser decides to make such an assignment for estate planning purposes, Purchaser shall provide written notice thereof to Seller at least fifteen (15) calendar days prior to the Pre-Closing Date, as defined in the Purchase Agreement, and shall provide to Seller copies of such documents as Seller, in its sole and absolute discretion, deems necessary to complete Closing.

12. Seller is developing the Project, but is not the general contractor or an affiliate of the general contractor who is building the Project. TO THE EXTENT PERMITTED BY LAW, SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, ABOUT THE UNITS OR THE PROJECT, OR ABOUT CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED OR CONTAINED IN THE UNITS OR THE PROJECT. THIS INCLUDES, BUT IS NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION, FITNESS FOR A PARTICULAR PURPOSE, OR SUFFICIENCY OF DESIGN.

13. HAWAII REVISED STATUTES, CHAPTER 672E, CONTAINS IMPORTANT REQUIREMENTS PURCHASER MUST FOLLOW BEFORE PURCHASER MAY FILE A LAWSUIT OR COMMENCE OTHER ACTION FOR DEFECTIVE CONSTRUCTION AGAINST THE CONTRACTOR WHO DESIGNED, REPAIRED, OR CONSTRUCTED PURCHASER'S UNIT. NINETY (90) DAYS BEFORE PURCHASER COMMENCES ANY ACTION, PURCHASER MUST SERVE ON THE CONTRACTOR A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS PURCHASER ALLEGES ARE DEFECTIVE. UNDER THE LAW, A CONTRACTOR HAS THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR AND/OR PAY FOR THE DEFECTS. PURCHASER IS NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY A CONTRACTOR. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER THE LAW, AND FAILURE TO FOLLOW THEM MAY NEGATIVELY AFFECT PURCHASER'S ABILITY TO FILE A LAWSUIT OR COMMENCE ANY OTHER ACTION AGAINST THE CONTRACTOR. THE ACT APPLIES TO ANY CIVIL ACTION, INCLUDING THE INITIATION OF AN ARBITRATION PROCEEDING. REFERENCE TO THE ACT OR CHAPTER 672E DOES NOT MEAN THAT PURCHASER HAS A RIGHT TO FILE A LAWSUIT WHENEVER CHAPTER 672E MAY APPLY.

14. The Purchase Agreement includes the following provision that applies to the resolution of Disputes (as defined below):

1. PURPOSE AND EXCLUSIVITY. THE PURPOSE OF THESE DISPUTE NOTIFICATION AND RESOLUTION PROCEDURES (THE "PROCEDURES") IS TO PROVIDE SELLER AND ITS MANAGERS, MEMBERS, OFFICERS, AGENTS, EMPLOYEES, BROKERS, AND OTHER REPRESENTATIVES, AND PURCHASER OR OTHER OWNER OF AN INTEREST IN THE UNIT, AND ANY PERSONS CLAIMING THEREUNDER (COLLECTIVELY, FOR PURPOSES OF THIS SECTION, THE "PARTIES"), WITH A MECHANISM TO RESOLVE DISPUTES THAT ARISE IN CONNECTION WITH THE PURCHASE AGREEMENT. THE PARTIES AGREE THAT THESE PROCEDURES SHALL BE THE METHOD EMPLOYED TO RESOLVE ALL DISPUTES.

a. DEFINITION. A "DISPUTE" MEANS AND INCLUDES ANY AND ALL ACTIONS, CLAIMS, OR DISPUTES BETWEEN OR AMONG THE PARTIES WITH RESPECT TO, ARISING OUT OF, OR RELATING TO THE PURCHASE AGREEMENT, WHERE THE TOTAL AMOUNT IN CONTROVERSY (INCLUDING ALL CLAIMS AND COUNTERCLAIMS) IS GREATER THAN THREE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$3,500.00). A DISPUTE SHALL NOT INCLUDE CONSTRUCTION DEFECTS COVERED UNDER THE CONTRACTOR REPAIR ACT.

b. PRE-CLOSING DISPUTE. NOTWITHSTANDING ANYTHING IN THIS SECTION TO THE CONTRARY AND SUBJECT TO SECTIONS F.30 AND F.31 OF THE PURCHASE AGREEMENT, ANY DISPUTE SOLELY BETWEEN SELLER AND PURCHASER ARISING OUT OF OR INCIDENT TO THE PURCHASE AGREEMENT MAY BE PURSUED IN A COURT OF COMPETENT JURISDICTION IN HONOLULU, HAWAII, WITHOUT THE OBLIGATION OF DISCUSSION OR MEDIATION, PROVIDED THAT SUCH CLAIM IS FILED PRIOR TO THE SCHEDULED CLOSING DATE HEREIN.

c. DISCUSSION. ANY PERSON WITH A DISPUTE SHALL NOTIFY THE PARTY TO WHOM THE DISPUTE IS DIRECTED IN WRITING OF THE DISPUTE, WHICH WRITING SHALL DESCRIBE THE NATURE OF THE DISPUTE AND ANY PROPOSED REMEDY (THE "DISPUTE NOTICE"). WITHIN A REASONABLE PERIOD AFTER RECEIPT OF THE DISPUTE NOTICE, WHICH PERIOD SHALL NOT EXCEED TWENTY-ONE CALENDAR (21) DAYS, THE PARTIES TO THE DISPUTE, REPRESENTED BY INDIVIDUALS WITH DECISION MAKING AUTHORITY, SHALL MEET AT A MUTUALLY ACCEPTABLE LOCATION WITHIN OR NEAR THE PROJECT TO DISCUSS THE DISPUTE. THE PARTIES TO THE DISPUTE SHALL NEGOTIATE IN GOOD FAITH IN AN EFFORT TO RESOLVE THE DISPUTE.

d. MEDIATION. IF THE PARTIES CANNOT RESOLVE SUCH DISPUTE PURSUANT TO THE PROCEDURES DESCRIBED IN SECTION A.1.c ABOVE WITHIN THIRTY (30) CALENDAR DAYS AFTER THE COMMENCEMENT OF DISCUSSIONS, THE MATTER SHALL BE SUBMITTED TO MEDIATION BY AND PURSUANT TO THE PROCEDURES ADOPTED BY DISPUTE PREVENTION AND RESOLUTION, INC. ("DPR") IN HONOLULU, HAWAII, OR ANY SUCCESSOR ENTITY THERETO, OR TO ANY OTHER ENTITY OFFERING MEDIATION SERVICES THAT IS ACCEPTABLE TO THE PARTIES.

(i) PARTIES PERMITTED AT SESSIONS. PERSONS OTHER THAN THE PARTIES, THEIR AUTHORIZED REPRESENTATIVES, AND THE MEDIATOR MAY ATTEND THE MEDIATION SESSIONS ONLY WITH THE CONSENT OF THE MEDIATOR; PROVIDED, HOWEVER, SUCH PERMISSION AND CONSENT SHALL NOT BE REQUIRED TO ALLOW PARTICIPATION OF SUCH PARTIES' LIABILITY INSURERS IN THE MEDIATION TO THE EXTENT REQUIRED UNDER SUCH PARTIES' LIABILITY INSURANCE POLICY.

(ii) RECORD. THERE SHALL BE NO STENOGRAPHIC RECORD OF THE MEDIATION PROCESS.

(iii) EXPENSES. THE EXPENSES OF WITNESSES SHALL BE PAID BY THE PARTY PRODUCING SUCH WITNESSES. ALL OTHER EXPENSES OF THE MEDIATION INCLUDING, BUT NOT LIMITED TO, THE FEES AND COSTS CHARGED BY THE MEDIATOR AND THE EXPENSES OF ANY WITNESSES OR THE COST OF ANY PROOF OR EXPERT ADVICE PRODUCED AT THE DIRECT REQUEST OF THE MEDIATOR, SHALL BE BORNE EQUALLY BY THE PARTIES TO THE MEDIATION UNLESS THEY AGREE OTHERWISE. EACH PARTY TO THE MEDIATION SHALL BEAR ITS OWN ATTORNEYS' FEES AND COSTS IN CONNECTION WITH SUCH MEDIATION.

(iv) NO JUDICIAL INTERVENTION. IF A PARTY INSTITUTES LITIGATION PRIOR TO OBSERVING THE PROCEDURES SET FORTH IN SECTIONS A.1.c AND A.1.d ABOVE ("PROHIBITED LITIGATION"), SUCH PARTY SHALL BE RESPONSIBLE FOR ALL REASONABLE EXPENSES AND FEES (INCLUDING ATTORNEYS' FEES) INCURRED BY THE OTHER PARTY IN OBTAINING A STAY OR DISMISSAL OF THE PROHIBITED LITIGATION.

(v) CONFIDENTIALITY. ALL NEGOTIATIONS, MEDIATION PROCEEDINGS, AND ANY DISCOVERY CONDUCTED PURSUANT TO THESE PROCEDURES ARE CONFIDENTIAL. ALL PROCEEDINGS CONDUCTED PURSUANT TO THESE PROCEDURES SHALL BE TREATED FOR ALL PURPOSES AS COMPROMISE AND SETTLEMENT NEGOTIATIONS WITHIN THE MEANING OF RULE 408 OF THE FEDERAL RULES OF EVIDENCE AND RULE 408 OF THE HAWAII RULES OF EVIDENCE.

e. FURTHER RESOLUTION. IF THE PARTIES ARE UNABLE TO RESOLVE A DISPUTE PURSUANT TO THE PROCEDURES DESCRIBED IN SECTIONS A.1.c AND A.1.d ABOVE, EACH PARTY SHALL HAVE THE RIGHT TO PURSUE THE RIGHTS AND REMEDIES AVAILABLE TO SUCH PARTY AT LAW OR IN EQUITY, EXCEPT AS OTHERWISE STATED HEREIN. IF A DISPUTE PROCEEDS IN COURT, SUCH ACTION SHALL BE BROUGHT EXCLUSIVELY IN THE FEDERAL OR STATE COURTS LOCATED IN HONOLULU, HAWAII. THE PARTIES HEREBY AGREE THAT THE COURT SHALL APPLY HAWAII SUBSTANTIVE LAW AND APPLICABLE STATUTES OF LIMITATIONS AND WILL HONOR CLAIMS OF PRIVILEGE RECOGNIZED BY LAW.

f. WAIVER OF JURY TRIAL. THE PARTIES ACKNOWLEDGE THAT THE PROCEDURES SET FORTH HEREIN HAVE BEEN A MATERIAL INDUCEMENT FOR THEM TO ENTER INTO THE PURCHASE AGREEMENT. ACCORDINGLY, WITH RESPECT TO ANY DISPUTE, THE PARTIES WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL ON ANY CLAIM OR CAUSE OF ACTION THAT IS BASED UPON OR ARISES OUT OF SUCH DISPUTE.

g. WAIVER OF CLASS-WIDE CLAIMS. THE PARTIES ACKNOWLEDGE AND AGREE THAT THE ADJUDICATION OF ANY DISPUTE SHALL BE BY AND BETWEEN THE PARTIES ONLY. THE PARTIES EXPRESSLY WAIVE ANY AND ALL RIGHTS TO PURSUE CLASS-WIDE CLAIMS RELATING TO ANY DISPUTE. THE PARTIES ACKNOWLEDGE AND AGREE THAT ANY DISPUTE SHALL NOT BE CONSOLIDATED WITH THE CLAIMS OF ANY OTHER PERSON.

h. STATUTES OF LIMITATION. THE APPLICABLE STATUTE OF LIMITATIONS SHALL NOT BE TOLLED BY ANYTHING CONTAINED IN THESE PROCEDURES. NOTWITHSTANDING THE PROHIBITION ON LITIGATION, A PARTY MAY COMMENCE AN ACTION SOLELY FOR THE PURPOSE OF TOLLING THE STATUTES OF LIMITATION, PROVIDED SUCH PARTY IMMEDIATELY STAYS THE ACTION TO RESOLVE THE DISPUTE PURSUANT TO THE PROCEDURES DESCRIBED IN SECTIONS A.1.c AND A.1.d ABOVE.

i. SURVIVAL; SUCCESSORS AND ASSIGNS. THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS SECTION SHALL SURVIVE THE CONVEYANCE OF THE UNIT PURSUANT TO THE PURCHASE AGREEMENT AND THE TERMINATION OR EXPIRATION OF THE PURCHASE AGREEMENT. THESE PROCEDURES, AND THE RIGHTS, DUTIES, AND OBLIGATIONS OF THE PARTIES, SHALL BE BINDING UPON AND SHALL INURE TO THE BENEFIT OF THEIR RESPECTIVE SUCCESSORS AND PERMITTED ASSIGNS.

j. THIRD-PARTY BENEFICIARY. IT IS THE INTENT OF SELLER AND PURCHASER THAT THE CONTRACTORS, SUBCONTRACTORS, DESIGN PROFESSIONALS, ENGINEERS AND SUPPLIERS WHO PROVIDED LABOR, SERVICES, OR MATERIALS TO THE PROJECT, AND SELLER'S AGENTS AND ATTORNEYS, SHALL BE THIRD-PARTY BENEFICIARIES UNDER THIS SECTION, AND SHALL BE ENTITLED TO ENFORCE THE PROVISIONS OF THIS SECTION

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS OR DISCLOSURES CONTAINED IN THE PURCHASE AGREEMENT. THE PURCHASE AGREEMENT CONTAINS OTHER DISCLOSURES ABOUT THE CHANGES THAT MAY BE MADE BY DEVELOPER IN THE PROJECT AND ABOUT OTHER ITEMS AFFECTING ENJOYMENT AND USE OF THE PROJECT. AS SUCH, THIS SUMMARY IS A GENERAL SUMMARY OF SOME OF THE PURCHASER'S RIGHTS AND OBLIGATIONS UNDER THE PURCHASE AGREEMENT, PURCHASER MUST REFER TO THE PURCHASE AGREEMENT TO DETERMINE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE PURCHASE AGREEMENT, THE PURCHASE AGREEMENT WILL CONTROL.

END OF EXHIBIT "I"

EXHIBIT "I"
(Page 5 of 5)

EXHIBIT "J"

SUMMARY OF ESCROW AGREEMENT

Capitalized terms have the same meanings ascribed to such terms in the Hale Ka Lae Escrow Agreement dated May 29, 2018, between Developer and Title Guaranty Escrow Services, Inc. ("**Agreement**"), as may be amended, and which Agreement contains the following provisions (which may be modified or otherwise limited by provisions which are not summarized herein below):

A. As and when Seller shall enter into a sales contract for the sale of a Unit in the Project, Seller shall deliver an executed copy of such sales contract and any amendments and/or addenda thereto to Escrow. Each sales contract shall (a) contain the correct name(s), mailing address(es) and email address(es) of the purchaser(s), (b) identify the unit number to be conveyed, (c) require that all payments to be made thereunder shall be made to Escrow, and (d) be accompanied by the Initial Deposit (as such term is defined in the sale contract) required thereunder.

B. Escrow shall receive, deposit and hold in escrow and disburse as herein set forth: (1) all payments received by Escrow under sales contracts executed by Seller; (2) all sums received by Escrow hereunder from Seller; (3) all funds from any lending institution pursuant to a mortgage loan for the purchase of any Residential Unit by individual purchasers; and (4) all sums received by Escrow from any other source on account of this Project. In accordance with written instructions from Seller that are acceptable to Escrow, Escrow shall deposit all funds so received, within a reasonable time of their receipt by Escrow and in reasonably convenient sums, in a federally-insured, interest-bearing account at any bank or savings and loan association, authorized to do business in the State of Hawaii; provided, however, if Escrow is instructed to make such deposits more frequently than once each calendar week, Seller shall pay to Escrow a reasonable service charge for each additional deposit made during such week.

C. Unless otherwise provided in the Agreement, any interest earned on funds deposited in escrow under this Agreement shall accrue as specified in the sales contract. If the sales contract does not specify to whom interest is to accrue, any interest earned on funds deposited in escrow under this Agreement shall accrue to the credit of the purchaser. Escrow shall not be liable to either Seller or any purchaser for loss or diminution in funds invested in accordance with instructions given to Escrow. If the purchaser requests that a separate account be established for the purchaser, the purchaser shall furnish to Escrow the purchaser's social security number or federal identification number and the purchaser shall pay Escrow a fee of \$25.00 for such separate account.

D. If purchaser deposits are to be released prior to closing or if Residential Units are conveyed or leased prior to completion of construction, then in connection with each disbursement request, Seller shall certify to Escrow in writing and to Escrow's reasonable satisfaction, and Escrow shall have the right to rely on such certification, that: (1) Seller has complied with all of the requirements of HRS §§ 514B-92 or 514B-93, as applicable; (2) Seller has complied with the requirements of Sections 5(a), 5(b) 5(c), and 5(d) of the Agreement; (3) the purchasers' sales contracts under which purchaser deposits being released are effective and binding; and (4) all conditions contained in the Agreement that must be met prior to the disbursement of such funds have been satisfied and no circumstances exist that would permit a purchaser to cancel or rescind the purchaser's sales contract.

E. Disbursements shall be made, as requested in writing by Seller, to Seller, to Seller's general contractor, or to Seller's lender for costs authorized under HRS §§ 514B-92 or 514B-93, including, but not limited to, the following:

1. Project Costs. To pay for construction costs of the buildings and other improvements and other costs incurred in connection with the construction of the building and other improvements of the Project (or in the case of conversion, for repairs necessary to cure violations of county zoning and building ordinances and codes) in such amounts and at such times and in proportion to the valuation of the work completed by the contractor in accordance with the terms of the construction contract, as certified by a licensed architect or engineer and as approved by Seller's lender or a qualified, financially disinterested person who shall be designated in writing by Seller and Seller's lender, if any, and who shall certify to Escrow in writing that such person is financially disinterested (and Escrow shall have the right to rely on said certification).

2. Fees and Other Expenses. To persons for architectural, engineering, interior design services, finance and legal fees and other incidental expenses of the Project (but not selling or marketing expenses or brokerage fees/commissions relating to sales of any unit) to the extent approved by Seller's lender or said financially disinterested person.

3. Furnishings and Fixtures. The costs of purchasing furnishings and fixtures for the units as approved by Seller's lender or said financially disinterested person.

The balance of monies remaining in escrow shall be disbursed in accordance with the directions of Seller and Seller's lender or said financially disinterested person only upon completion of the buildings of the Project and when Escrow has received satisfactory evidence that all mechanics' and materialmen's liens have been cleared or sufficient funds have been set aside to cover claims if liens have been filed; otherwise forty-six (46) days after the filing of the affidavit of publication of notice of completion in the office of the clerk of the circuit court where the Project is located, a copy of which shall have been delivered to Escrow; provided, further that if any notice of mechanics' or materialmen's liens shall have been filed, the funds shall be disbursed only when such liens have been cleared or sufficient funds have been set aside to cover such claims.

F. Unless otherwise provided in the Agreement, a purchaser shall be entitled to a return of such purchaser's funds and Escrow shall pay such funds to such purchaser, together with any accrued interest, if any one of the following has occurred:

1. Seller and purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

2. Seller shall have notified Escrow of purchaser's exercise of a purchaser's right to cancel the sales contract pursuant to HRS §514B-86 (thirty-day right to cancel) or the federal Interstate Land Sales Full Disclosure Act; or

3. Seller shall have notified Escrow of Seller's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Seller; or

4. Purchaser or Seller shall have notified Escrow of purchaser's exercise of purchaser's right to cancel the sales contract pursuant to HRS §514B-89 (failure to complete construction before specified completion deadline); provided that Escrow shall first verify with Seller that Seller has not extended the completion deadline by reason of force majeure; or

5. Purchaser or Seller shall have notified Escrow of purchaser's exercise of purchaser's right to rescind the sales contract pursuant to HRS §514B-87, by a valid rescission signed by all purchasers of the affected unit and postmarked no later than midnight of the thirtieth calendar day after the date that the purchasers received the notice of rescission from Seller, in which case the purchasers shall be entitled to a prompt and full refund of any moneys paid.

Upon the cancellation or rescission of any sales contract, as specified above, Escrow shall be entitled to a cancellation fee commensurate with the services rendered by Escrow prior to such cancellation, plus all costs incurred, up to a maximum of \$250.00. Notwithstanding anything herein or in any sales contract provided to the contrary, said cancellation fee shall be the sole expense of the purchaser and shall not in any way be the obligation of Seller, unless the purchaser rescinds the sales contract pursuant to HRS § 514B-87, whereupon Seller shall pay such fee. Seller understands and acknowledges that in the event of a rescission by the purchaser under HRS § 514B-87, if Seller required the purchaser to secure a financing commitment, the purchaser shall be entitled to reimbursement from Seller (and not from Escrow) of any fees incurred by the purchaser in securing that financing commitment required by Seller. No refund shall be made to a purchaser at the purchaser's request prior to receipt by Seller of written notice from Escrow of Escrow's intent to make such refund.

6. If a prospective Owner-Occupant has not obtained adequate financing, or a commitment for adequate financing, by a date specified in the sales contract, the sales contract may be canceled by either Seller or the purchaser in accordance with the Sales Contract. Upon a written request from either Seller or purchaser,

Escrow shall return purchaser's funds, without interest, and less an escrow cancellation fee commensurate with the work done by Escrow prior to such rescission, up to a maximum of \$250.00.

G. Escrow shall give each purchaser entitled to a return of funds notice thereof by registered, certified or regular mail, postage prepaid, addressed to such purchaser at the purchaser's address shown on the sales contract or any address later made known in writing to Escrow by such purchaser. If such purchaser shall not have claimed such refund, Escrow shall escheat such unclaimed funds pursuant to HRS §523A-3. Escrow shall thereupon be released from any further duties or liability hereunder with respect to such funds and such purchaser.

H. Seller shall give notice in writing to Escrow of the occurrence of each event that initiates an obligation of a purchaser to make a payment to Escrow pursuant to the sales contract as well as notice of the amount and due date of such payment. If the purchaser fails to make such payment to Escrow on or before the due date thereof or if the purchaser fails to perform in any matter that is being handled by Escrow, Escrow shall promptly notify Seller of any such failure on the part of the purchaser. If Seller subsequently certifies in writing to Escrow that Seller has terminated the sales contract in accordance with the terms thereof and provides to Escrow copies of all such notices of termination and proof of receipt sent to the purchaser, Escrow shall thereafter treat all funds of the purchaser paid on account of such purchaser's sales contract as funds of Seller and not as funds of the purchaser. Thereafter, such funds shall be free of the escrow established by this Agreement and shall be held by Escrow for the account of Seller. Upon written request by Seller, Escrow shall pay such funds to Seller, less any escrow cancellation fee. Escrow shall thereupon be released from any further duties or liability hereunder with respect to such funds and such purchaser.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE ESCROW AGREEMENT. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE ESCROW AGREEMENT, PURCHASER MUST REFER TO THE ESCROW AGREEMENT TO DETERMINE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE ESCROW AGREEMENT, THE ESCROW AGREEMENT WILL CONTROL.

END OF EXHIBIT "J"

EXHIBIT "K"

VERIFIED STATEMENT FROM COUNTY OFFICIAL
DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU
650 SOUTH KING STREET, 2ND FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6001
DEPT. WEB SITE: www.honolulu.gov/planning • CITY WEB SITE: www.honolulu.gov

KIRK CAUSWELL
MAYOR



KATHY K. SOKUGAWA
ACTING DIRECTOR

TIMOTHE F. T. HUI
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI
DEPUTY DIRECTOR

2018/ELOG-479(AC)

August 14, 2018

Mitchell A. Imanaka, Esq.
Imanaka Asato
Topa Financial Center
Fort Street Tower
745 Fort Street Mall, 17th Floor
Honolulu, Hawaii 96813

Dear Mr. Imanaka:

**SUBJECT: Condominium Conversion Project
7000 Hawaii Kai Drive
Tax Map Key: 3-9-008-068**

This is in response to your letter dated March 6, 2018, requesting verification that the structures on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that the 10-story, 213-unit apartment building (A) and 10-story, 56-unit apartment building (B), with 578 all-weather-surface off-street parking spaces, met all applicable code requirements when they were constructed in 2015 on this 87,120-square-foot A-2 Medium Density Apartment District zoned lot.

The investigation also revealed the following:

1. On May 12, 1994, subdivision (File No. 1994 (72)) was granted approval for the proposed subdivision of a portion of R.P. 4475, L.C. Aw. 7413, Apana 30 to V. Kamamalu into two lots: Lot 1 of 13.859 acres (for apartment purposes) and Lot 2 of 8.061 acres (remainder area for preservation purposes).

EXHIBIT "K"
(Page 1 of 4)

Mitchell A. Imanaka, Esq.
August 14, 2018
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2. On November 24, 1999, a subdivision (File No. 1999/SUB-135) was granted approval for the proposed subdivision of Lot 1 of Kaluanui 2 and 3 Development into six lots (Lots 1-A to 1-F) with areas ranging from 29,606 square feet to 6.530 acres; the designation of Easement "A" (for utility purposes in favor of Lot 1-A) affecting Lot 1-B and Easement "B" (for access and utility purposes in favor of Lots 1-B and 1-C) affecting Lots 1-B and 1-C; and the designation of a sight line restriction affecting Lot 1-F. Lots 1-A to 1-F will be developed as a "joint development."
3. On December 2, 1999, Conditional Use Permit (File No. 1999/CUP-26) was granted approval for joint development agreement.
4. On July 30, 2004, a subdivision (File No. 2004/SUB-120) was granted approval for the designation of Easements D-6 and D-7 for underground flowage purposes in favor of the City and designation of Easements W-1 and W-2 for water meter purposes in favor of the Board of Water Supply, as shown on a set of maps.
5. On December 22, 2004, a conditional use permit (minor) (File No. 2004/CUP-77) was granted approval with conditions for joint development and shall supersede Conditional Use Permit No. 1999/CUP-26.
6. On March 18, 2005, a subdivision (File No. 2004/SUB-273) was granted approval for the consolidation and resubdivision of Lot 2 (Kaluanui 2 & 3) as shown on DPP File No. 1994/SUB-72; Lot A of File Plan 2073; and, Lots 1-A, 1-B and 1-C as shown on DPP File No. 1999/SUB-135 into Lots 2-A, 1-A-1, G, H and J with areas ranging from 1.229 acres to 8.061 acres (for boundary adjustment purpose), designation of restriction of vehicular access rights affecting Lots G and J, and designation of sight line restriction affecting Lot G.
7. On February 17, 2006, a subdivision (File No. 2005/SUB-290) was granted approval of Lot J as shown on DPP file No. 2004/SUB-273 into two lots: Lot J-1 of 18,917 square feet and Lot J-2 36,818 square feet. Development of Lot J and others are covered by a Conditional Use Permit for Joint Development (DPP File No. 2004/CUP-77).
8. On March 8, 2007, a zone change (File No. 2006/Z-15) was recommended approval with conditions, for a change in allowable zoning height from 40- and 60-foot height limits to a uniform 90-foot height limit in an A-2 Medium Density Apartment District.

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(Page 2 of 4)

Mitchell A. Imanaka, Esq.

August 14, 2018

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9. On March 16, 2012, a conditional use permit (minor) (File No. 2011/CUP-65) was granted approval with conditions for joint development.
10. On November 10, 2014, a park dedication (File No. 2014/PARK-12) was granted approval for the proposed multi-family development project.

As a result of the adoption or amendment of any ordinance or code, the Department of Planning and Permitting cannot determine all legal nonconforming uses or structures.

No variances or other permits were granted to allow deviations from any applicable codes.

Conversion to a condominium property regime (CPR) is not recognized by the City and County as an approved subdivision. CPR delineates ownership, it does not create separate lots of record for subdivision and zoning purposes.

If you have any questions regarding this matter, please contact Samuel Rowland of our Commercial and Multi-Family Code Enforcement Branch, at 768-8162.

Vary truly yours,



Wallace J. Carvalho, Chief
Customer Service Division

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041
DEPT. WEB SITE: www.honolulu.gov • CITY WEB SITE: www.honolulu.gov

KIRK CALDWELL
MAYOR



KATHY K. SOKUGAWA
ACTING DIRECTOR

TIMOTHY F. T. HIJ
DEPUTY DIRECTOR

EUGENE H. TAKANASHI
DEPUTY DIRECTOR

September 6, 2018

Mitchell A. Imanaka, Esq.
Imanaka Asato
Topa Financial Center
Fort Street Tower, 17th Floor
745 Fort Street Mall
Honolulu, Hawaii 96813

Dear Mr. Imanaka:

**SUBJECT: Condominium Conversion Project
7000 Hawaii Kai Drive
Tax Map Key: 3-9-008: 068**

This is in response to your letter dated August 16, 2018. At this time, there are no current zoning or building ordinance or code violations on the above-referenced property.

Should you have any questions, please contact Samuel Rowland of our Commercial and Multi-family Code Enforcement Branch, at 768-8152.

Very truly yours,


Wallace J. Carvalho, Chief
Customer Service Division

SEP 12 2018

EXHIBIT "K"
(Page 4 of 4)

EXHIBIT "L"

**SUMMARY OF LIMITED WARRANTY UNIT DEED,
ENCUMBRANCES AND RESERVATION OF RIGHTS WITH POWER OF ATTORNEY**

Capitalized terms have the meanings ascribed to such terms in the Unit Deed (defined below) or in the Declaration.

The specimen Limited Warranty Unit Deed, Encumbrances and Reservation of Rights with Power of Attorney ("**Unit Deed**") contains among others, the following provisions (which may be modified or otherwise limited by provisions which are not summarized hereinbelow):

A. The premises conveyed comprises a Unit and its undivided Common Interest in the 7000 Hawaii Kai Drive condominium property regime situate in the City and County of Honolulu, State of Hawaii.

B. Grantor covenants and agrees with Grantee that Grantor is lawfully seized in fee simple of the Property and the rights granted, bargained, sold and conveyed as herein mentioned; and Grantor has good right to grant, bargain, sell and convey the same in the manner set forth herein; and that the same are free and clear of and from all encumbrances created or suffered by Grantor, except for the encumbrances set forth in Exhibit "A" attached to the Unit Deed, and except for the lien of real property taxes not yet by law required to be paid; and Grantor shall WARRANT AND DEFEND the same unto Grantee, forever, against the lawful claims and demands of all persons claiming through Grantor, except as herein set forth.

C. Grantee covenants and agrees, for the benefit of the Unit Owners from time to time of all other units in the Project, to at all times observe, perform, comply with and abide by all of the terms, covenants, conditions, agreements, obligations and restrictions set forth in the Declaration, the Bylaws and the House Rules, as any of the same exist or may hereafter be amended in accordance with law and does hereby accept and approve the Declaration, the Bylaws, and the House Rules and Grantee will indemnify and save harmless Grantor for any failure to observe and perform any such terms, covenants, conditions, agreements, obligations and restrictions for so long as the Declaration, Bylaws and House Rules exist and are in effect.

D. Grantee further acknowledges and agrees that Grantee has examined (or waived such examination), and has approved the following Project documents (and any and all supplements, addenda and amendments to said documents): the Declaration, the Bylaws, the Condominium Map for the Project, the House Rules, the Project escrow agreement and the Public Report issued for the Project. In addition, Grantee hereby agrees and acknowledges that each of the acknowledgments and agreements made by Grantee in the 7000 Hawaii Kai Drive Purchase Agreement and Deposit Receipt covering the Property, including all supplements, addenda and amendments thereto, shall survive the recordation of this Deed.

E. Grantee consents to all of the rights reserved unto Grantor as set forth in the Declaration, including, but not limited to those rights as set forth in Sections XVI through XXXVI of the Declaration, the permitted actions taken by Grantor pursuant thereto, and to the filing of any and all documents necessary to effect the same; agrees to execute, deliver, and record such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints Grantor, the Association, and/or their assigns as his or her attorney-in-fact with full power of substitution to execute, deliver, and record such documents and instruments and to do such things on his or her behalf, and to receive or send any legal notices, and to receive service of process (legal papers), which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights, and shall not be affected by the disability of such party or parties; which grant of such power shall be binding upon any

assign of, or successor-in-interest to, any such party and shall be deemed to be automatically granted anew by any assign or successor-in-interest upon any transfer of any Unit or any interest therein, whether by deed, Mortgage, or any other instrument of conveyance. Without limitation to the generality of the rights reserved unto Grantor as set forth in the Declaration and as permitted by law, Grantor will have the right to execute, deliver, and record any amendment to the Project Documents, any easement instrument, any deed, any amendment to a Unit Deed, assignment of rights or interest, or such other document, instrument, or agreement that may be necessary or appropriate to permit Grantor to exercise its rights pursuant to the provisions of the Declaration.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE UNIT DEED. THIS SUMMARY IS A GENERAL SUMMARY OF SOME OF THE PROVISIONS IN THE UNIT DEED AND PURCHASER MUST REFER TO THE UNIT DEED TO DETERMINE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE UNIT DEED, THE UNIT DEED WILL CONTROL.

END OF EXHIBIT "L"