

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Kapolei Investment Group, LLC
Business Address 900 Fort Street Mall, Suite 1188, Honolulu, Hawaii 96813
Project Name(\*) KAPOLEI CENTER
Address Corner of Kapolei Parkway and Kamokila Boulevard, Kapolei, Hawaii 96707

Registration No. 6102

Effective date: March 21, 2007
Expiration date: April 21, 2008

Preparation of this Report:

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

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

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

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

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

Type of Report:

- PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
FIRST SUPPLEMENTARY: (pink) This report updates information contained in the:
[X] Preliminary Public Report dated:
[X] Final Public Report dated: September 5, 2006
[X] Supplementary Public Report dated:
And [X] Supersedes all prior public reports
[ ] Must be read together with
[ ] This report reactivates the public report(s) which expired on

(\*)Exactly as named in the Declaration
This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

**Disclosure Abstract:** Separate Disclosure Abstract on this condominium project:

Required and attached to this report       Not Required - Disclosures covered in this report.

**Summary of Changes from Earlier Public Reports:**

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all-inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the developer.

Changes made are as follows:

1. Section II.A. and Exhibit "C" reflect the First Amendment to Declaration of Condominium Property Regime of Kapolei Center dated ("First Amendment to Declaration"). The First Amendment to Declaration was filed to (i) confirm that any alteration of an apartment in the Project is subject to the Kapolei Design Guidelines; (ii) clarify Developer's reserved right to subdivide and withdraw portions of the land; and (iii) amend certain provisions pertaining to the lot owner and Developer.

2. Sections II.A., II.B. and Exhibit "D" reflect the Second Amendment to Declaration of Condominium Property Regime of Kapolei Center and Condominium Map ("Second Amendment to Declaration"). The Second Amendment to Declaration was filed to reflect certain changes in the limited common element areas, the resulting change in common interests appurtenant to all apartments in the Project, and the reallocation of the maximum FAR allocable to each apartment in the Project.

3. Section II.C. reflects the First Amendment to Bylaws of the Association of Apartment Owner of Kapolei Center ("First Amendment to Bylaws"). The First Amendment to Bylaws was filed to (i) adjust the quorum requirements from 50% of total authorized votes of all apartments to 52% of total authorized votes of apartments; (ii) amend the term "majority of Apartment Owners" from meaning those apartment owners having more than 50% of the common interest present at any meeting, to mean those apartment owners having more than 52% of the common interest present at any meeting; (iii) require a 52% majority vote of the apartment owners to add, alter, repair, improve or restore the Project in certain situations; (iv) require individual apartment owners to procure their own insurance instead of the Association procuring such insurance; and (v) amend certain provisions pertaining to the lot owner and Developer.

4. Section III.C.5. and Exhibit "L" reflect the Declaration of Covenants, Conditions and Restrictions ("Declaration of CC&Rs"). The Declaration of CC&Rs prohibits Units 1 and 2 of the Project from developing or using such units, including the limited common element private yard area appurtenant thereto, as a self-storage facility as defined in the Land Use Ordinance, Chapter 21 of the Revised Ordinances of Honolulu, as amended, as well as requiring the FAR restriction contained in the Second Amendment to Declaration to survive termination of the Project.

**5. PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THIS PUBLIC REPORT AND PAGE 20 AND THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION REGARDING THE FOREGOING.**

6. Section I has been updated to reflect the current broker for the Project.

7. The Purchase Agreement has been revised, among other things, to include to a due diligence period for the Purchaser and revise the payment schedule.

8. An updated title report was ordered and is attached as Exhibit "G". The date of such report is noted in Section III.E. The updated title report reflects that the Developer is now the fee owner of the Project, and reflects references to the First Amendment to Declaration, Second Amendment to Declaration, First Amendment to Bylaws, Declaration of Covenants, Conditions and Restrictions, Mortgage, Security Agreement and Fixture Filing and Financing Statement.

9. The specimen Deed Form has been revised to reflect the updated title report.

**SPECIAL NOTES**

1. This public report does not constitute approval of the Project by the Real Estate Commission, or any other government agency, nor does it ensure that all applicable County codes, ordinances and subdivision requirements have been complied with.

2. THE PROJECT IS A CONDOMINIUM PROJECT AND NOT A SUBDIVISION. THE PRIVATE YARD AREA IMMEDIATELY APPURTENANT TO EACH APARTMENT ("EXCLUSIVE USE AREA") IS A LIMITED COMMON ELEMENT APPURTENANT TO THE APARTMENT AND NOT A LEGALLY SUBDIVIDED LOT. THE BOUNDARIES OF EACH LIMITED COMMON ELEMENT EXCLUSIVE USE AREA, AS DEPICTED ON THE CONDOMINIUM MAP, ARE FOR ILLUSTRATIVE PURPOSES ONLY AND SHOULD NOT BE CONSTRUED TO BE THE PROPERTY LINES OF A LEGALLY SUBDIVIDED LOT.

3. The apartments comprising the Project consist of storage sheds. Each apartment has appurtenant to it as a limited common element the Exclusive Use Area under and immediately surrounding the apartment, as depicted on the Condominium Map. A purchaser of an apartment, or the Developer, has the right to alter an apartment as provided in the Declaration of Condominium Property Regime of Kapolei Center ("Declaration") and further described in Exhibit "K" to this Public Report, provided that any such alterations must not exceed the allocable floor area ratio ("FAR") allocable to each apartment.

4. The Developer has reserved the right to subdivide and withdraw portions of the land underlying the Project and convey the withdrawn and/or subdivided land. Further, in connection with such reserved right, Developer has further reserved the right to terminate the Project and withdraw the Project from the condominium property regime upon such subdivision of land. Purchaser is advised to review the Declaration and Exhibit "A" to this Public Report to gain a full appreciation of this right and its implications.

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## **General Information On Condominiums**

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

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

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

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

## **Operation of the Condominium Project**

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

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Kapolei Investment Group, LLC Name\* Phone (808) 533-7468 (Business) 900 Fort Street Mall, Suite 1188 Business Address Honolulu, Hawaii 96873

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

Manager: Kapolei Investment Group Holdings, LLC Managers & Members: Stephen B. Metter and Michael B. Wood

Real Estate Broker\*: Colliers Monroe Friedlander, Inc. Name Phone: (808) 524-2666 (Business) 220 S. King Street, Suite 1800 Business Address Honolulu, Hawaii 96813

Escrow: Title Guaranty Escrow Services of Hawaii, Inc. Name Phone: (808) 521-0211 (Business) 235 Queen Street 1st Floor Business Address Honolulu, Hawaii 96813

General Contractor\*: N/A Name Phone: (Business) Business Address

Condominium Managing Agent\*: Self-managed by Association of Apartment Owners Name Phone: (Business) Business Address

Attorney for Developer: Imanaka Kudo & Fujimoto LLLC Name Phone: (808) 521-9500 (Business) 745 Fort Street Tower, 17th Floor Business Address Honolulu, Hawaii 96813 Attn: Nina L. Yang, Esq.

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

**II. CREATION OF THE CONDOMINIUM;  
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

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

The Declaration for this condominium is:

Proposed  
 Recorded -Bureau of Conveyances: Document No. \_\_\_\_\_  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. 3446730

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

First Amendment to Declaration of Condominium Property Regime of Kapolei Center dated October 16, 2006 and filed in said Land Court as Document No. 3498728 and the Second Amendment to Declaration of Condominium Property Regime of Kapolei Center and Condominium Map dated November 10, 2006 and filed at said Land Court as Document No. 3513399.

- B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed  
 Recorded - Bureau of Conveyances Condo Map No. \_\_\_\_\_  
 Filed - Land Court Condo Map No. 1828

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

Second Amendment to Declaration of Condominium Property Regime of Kapolei Center and Condominium Map dated November 10, 2006 and filed in said Land Court as Document No. 3513399.

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

The Bylaws for this condominium are:

Proposed  
 Recorded -Bureau of Conveyances: Document No. \_\_\_\_\_  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. 3446731

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

First Amendment to Bylaws of Association of Apartment Owners of Kapolei Center dated October 16, 2006 and filed at said Land Court as Document No. 3498729.

D. **House Rules.** The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirement for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed                       Adopted                       Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents.** Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

|                                | <u>Minimum<br/>Set by Law</u> | <u>This Condominium</u> |
|--------------------------------|-------------------------------|-------------------------|
| Declaration<br>(and Condo Map) | 75%*                          | <u>75%</u>              |
| Bylaws                         | 65%                           | <u>65%</u>              |
| House Rules                    | ---                           | <u>N/A</u>              |

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

2. **Developer:**

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

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules:

See attached Exhibit "A".

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

**Leases for individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.**

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

Lease Term Expires: \_\_\_\_\_ Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:         Monthly                                 Quarterly  
    Semi-Annually                                 Annually

Exhibit \_\_\_\_\_ contains a schedule of the lease rent for each apartment per:  Month  Year

For Sub-leaseholds:

- Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:  
 Canceled         Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

- Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

**Leases for underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.**

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

Lease Term Expires: \_\_\_\_\_ Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:         Monthly                                 Quarterly  
    Semi-Annually                                 Annually

Exhibit \_\_\_\_\_ contains a schedule of the lease rent for each apartment per  Month  Year

Other:

**IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS**

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

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

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

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

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

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

**B. Underlying Land:**

Address: Corner of Kapolei Parkway and Kamokila Boulevard Tax Map Key (TMK): (1)9-1-118-008  
Kapolei, Hawaii 96707

Address  TMK is expected to change because \_\_\_\_\_  
\_\_\_\_\_

Land Area: 11.921  square feet  acre(s) Zoning: B-2



5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

Pets: \_\_\_\_\_

Number of Occupants: \_\_\_\_\_

Other: See Exhibit "K" and Exhibit "L"

There are no special restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

| <u>Apt. Type</u>    | <u>Quantity</u> | <u>BR/Bath</u> | <u>Net Living Area (sf)*</u> | <u>Net Other Area (sf)</u> | <u>(Identify)</u>   |
|---------------------|-----------------|----------------|------------------------------|----------------------------|---------------------|
| <u>Storage Shed</u> | <u>3</u>        | <u>N/A</u>     | <u>N/A</u>                   | <u>50</u>                  | <u>Storage Shed</u> |

Total Number of Apartments: 3

**\*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls. See Exhibit "D" for details.**

**Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.**

Boundaries of Each Apartment:

See Exhibit "B"

Permitted Alterations to Apartments:

See Exhibit "C"

Apartments Designated for Owner-Occupants Only: Not applicable.

Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has \_\_\_\_\_ elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 0\*

|                       | <u>Regular</u> |             | <u>Compact</u> |             | <u>Tandem</u>  |             | <u>TOTAL</u> |
|-----------------------|----------------|-------------|----------------|-------------|----------------|-------------|--------------|
|                       | <u>Covered</u> | <u>Open</u> | <u>Covered</u> | <u>Open</u> | <u>Covered</u> | <u>Open</u> |              |
| Assigned              | ___            | ___         | ___            | ___         | ___            | ___         | ___          |
| Guest                 | ___            | ___         | ___            | ___         | ___            | ___         | ___          |
| Unassigned            | ___            | ___         | ___            | ___         | ___            | ___         | ___          |
| Extra for Purchase    | ___            | ___         | ___            | ___         | ___            | ___         | ___          |
| Other: Handicapped    | ___            | ___         | ___            | ___         | ___            | ___         | ___          |
| Total Covered & Open: | ___            | ___         | ___            | ___         | ___            | ___         | <u>0</u>     |

Each apartment will have the exclusive use of at least 0 parking stall.  
Buyers are encouraged to find out which stall(s) will be available for their use.

\*No parking stalls have been designated for the units. In the event the storage sheds are replaced, parking will be provided in compliance with City ordinance.

Commercial parking garage permitted in condominium project.

Exhibit \_\_\_\_\_ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute/Enclosure(s)

Other: \_\_\_\_\_

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

There are no violations.

Violations will not be cured.

Violations and cost to cure are listed below:

Violations will be cured by \_\_\_\_\_  
(Date)

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

N/A

11. Conformance to Present Zoning Code

- a.  No variances to zoning code have been granted.  
 Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

|            | <u>Conforming</u> | <u>Non-Conforming</u>       | <u>Illegal</u>              |
|------------|-------------------|-----------------------------|-----------------------------|
| Uses       | <u>X</u>          | <u>                    </u> | <u>                    </u> |
| Structures | <u>X</u>          | <u>                    </u> | <u>                    </u> |
| Lot        | <u>X</u>          | <u>                    </u> | <u>                    </u> |

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

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

described in Exhibit “E”.

as follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

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

described in Exhibit “F”.

as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit “D”.

as follows:

- E. 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 an apartment in the project.

Exhibit “G” describes the encumbrances against the title contained in the title report dated November 22, 2006 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

- [ ] There are no blanket liens affecting title to the individual apartments.
- [X] There are blanket liens which may affect title to the individual apartments. \*

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

| <u>Type of Lien</u> | <u>Effect on Buyer's Interest and Deposit if Developer Defaults<br/>Or Lien is Foreclosed <b>Prior to Conveyance</b></u> |
|---------------------|--|
|---------------------|--|

\* The land underlying the Project is encumbered by that certain Mortgage, Security Agreement and Fixture Filing by and between Kapolei Investment Group, LLC, as Mortgagor, and Bank of Hawaii, as Mortgagee, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 3498731 ("Mortgage"). Developer obtained the loan secured by the Mortgage to finance the acquisition and further development of the Project. The Mortgage will be a "blanket lien" on the entire project, including all apartments. Upon conveyance of an apartment to a buyer, however, the Mortgage will be released as to the apartment being conveyed. If there is a default and foreclosure of the Mortgage prior to conveyance, the buyer may lose the right to buy the apartment, but will receive its deposit back.

F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:  
None.
  
2. Appliances:  
None.

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

Notice of completion for the units was published on July 21 & 28, 2006.

H. **Project Phases:**

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

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

**IV. CONDOMINIUM MANAGEMENT**

A. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Management Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

not affiliated with the Developer  the Developer or the Developer's affiliate.  
 self-managed by the Association of Apartment Owners  other \_\_\_\_\_

B. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your apartment and the apartment may be sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

\*Exhibit N/A contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

\*At this time, the developer anticipates that there will not be any initial maintenance fees for this project.

C. **Utility Charges for Apartments:**

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

None  Electricity (\_\_\_ Common Elements Only \_\_\_\_\_ Common Elements and Apartments)

Gas (\_\_\_ Common Elements Only \_\_\_\_\_ Common Elements and Apartments)

Water  Sewer  Television Cable

Other: \_\_\_\_\_

V. MISCELLANEOUS

A. **Sales Documents Filed With the Real Estate Commission:**

Sales documents on file with the Real Estate Commission include but are not limited to:

- [ ] Notice to Owner Occupants
- [ X ] Specimen Sales Contract  
Exhibit "H" contains a summary of the pertinent provisions of the sales contract.
- [ X ] Escrow Agreement dated July 3, 2006.  
Exhibit "I" contains a summary of the pertinent provisions of the escrow agreement.
- [ X ] Other: Apartment Deed. Exhibit "J" contains a summary of the pertinent provisions of the apartment deed.

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

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

**Preliminary Report:** Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

**Supplementary Report to a Preliminary Report:** Same as for Preliminary Report

**Final Report or Supplementary Report to a Final Report:** Sales made by the developer are binding if:

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

**Material Change:** Binding contracts with the Developer may be rescinded by the buyer if:

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**
- B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
  - B) Declaration of Condominium Property Regime, as amended.
  - C) Bylaws of the Association of Apartment Owners, as amended.
  - D) House Rules, if any.
  - E) Condominium Map, as amended.
  - F) Escrow Agreement.
  - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
  - H) Other: \_\_\_\_\_

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 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: [www.capitol.hawaii.gov](http://www.capitol.hawaii.gov)

Website to access unofficial copy of laws: [www.hawaii.gov/dcca/hrs](http://www.hawaii.gov/dcca/hrs)

Website to access rules: [www.hawaii.gov/dcca/har](http://www.hawaii.gov/dcca/har)

This Public Report is a part of Registration No. 6102 filed with the Real Estate Commission on June 30, 2006.

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

YELLOW paper stock

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C. Additional Information Not Covered Above

1. **Condominium Project.** The Kapolei Center condominium project is a condominium project and NOT A SUBDIVISION. Prospective purchasers are advised that Unit 1, Unit 2 and Unit 3 of the Project are not located on subdivided lots, and by purchasing an apartment in the Project, prospective purchasers are not purchasing a legally subdivided lot. The Exclusive Use Area immediately appurtenant to each Apartment is a limited common element appurtenant to the Apartment and not a legally subdivided lot. The boundaries of each Exclusive Use Area, as depicted on the condominium map, are for illustrative purposes only and should not be construed to be the property lines of a legally subdivided lot.
2. **Alterations to Apartments.** Each owner of apartment in the Project may alter its apartment by constructing, improving, renovating, remodeling, making additions to, enlarging, removing, replacing altering or restoring its apartment, provided that the FAR allocated to the owner's apartment, as set forth in Exhibit "D" to this public report is not exceeded.
3. **Developer's Reserved Rights.** Prospective Purchasers are advised that Developer has reserved the right to subdivide and withdraw the land underlying the Project, convey such withdrawn land it itself or to a third party, terminate the Project upon such subdivision and remove the Project from the condominium property regime. Prospective purchasers are advised to review Exhibit "A" to this public report and the Declaration regarding Developer's reserved rights.
4. **Use Restriction.** Prospective Purchasers are advised that the Project is subject to that certain Declaration of CC&Rs that prohibits the owners of Units 1 and 2 of the Project from developing or using such units, including the Exclusive Use Area appurtenant thereto, as a self-storage facility as defined in the Land Use Ordinance, Chapter 21 of the Revised Ordinances of Honolulu, as amended. Purchaser is advised to carefully review Exhibit "L" to this public report.
5. **FAR Restriction.** Prospective Purchasers are advised that the Project is subject to that certain Declaration of CC&Rs that requires that the maximum FAR allocated to each Unit in the Project as contained in the Second Amendment to Declaration shall survive the termination of the Project. Purchaser is advised to carefully review "Exhibit L" to this public report.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

Kapolei Investment Group, LLC,  
a Hawaii limited liability company

By Kapolei Investment Group Holdings, LLC,  
a Hawaii limited liability company  
Its Manager

By   
Stephen B. Metter  
Its Manager

1-10-07

Date

Distribution:

Department of Finance, City & County of Honolulu

Planning Department; City & County of Honolulu

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

**EXHIBIT "A"**

**RIGHTS RESERVED BY DEVELOPER**

Among other rights, the Developer will have the following reserved rights with respect to the Project which are more particularly set forth in the Declaration. Capitalized terms have the same meaning ascribed to such terms in the Declaration.

A. **RESERVED RIGHT TO GRANT EASEMENTS.** Developer does hereby reserve the right unto itself, its successors and assigns, to and until December 31, 2027 and in accordance with Article XIX of the Declaration, to delete, cancel, relocate, realign, reserve, designate, grant and receive any and all easements and rights of way over, under, through, across or upon the Land, the Common Elements, or involving adjacent parcels of land, deemed necessary or desirable in Developer's sole discretion, provided that such easements and/or rights of way shall not be exercised as to unreasonably disturb, impair or interfere with the normal use and enjoyment of the Project by the Apartment Owners.

B. **RESERVED RIGHT TO SUBDIVIDE AND WITHDRAW LAND, AND CONVEY LAND AND/OR APARTMENTS.** Developer does hereby reserve the right unto itself, its successors and assigns, to and until December 31, 2027, as provided in Article XX of the Declaration, to subdivide or withdraw said portions of the Land from the operation of the Declaration, and to convey said withdrawn land to itself or to a third party as it deems appropriate. The right to subdivide, withdraw and/or convey portions of the Land underlying the Project as provided in this paragraph shall be exercised in accordance with Article XX of the Declaration.

C. **RESERVED RIGHT TO AMEND DECLARATION AND TO MODIFY LEGAL DESCRIPTION.** Developer does hereby reserve the right unto itself, its successors and assigns, to and until December 31, 2026, as provided in Article XXI of the Declaration, to execute, file and deliver any amendment to the Declaration, the Condominium Map or the Bylaws as may be necessary or required to accurately reflect the current legal description of the Land underlying the Project after said subdivision and/or withdrawal.

D. **RESERVED RIGHT TO TERMINATE THE PROJECT AND WITHDRAW THE PROJECT FROM THE CONDOMINIUM PROPERTY REGIME.** Developer does hereby further reserve the right unto itself, its successors and assigns, to and until December 31, 2027, as provided in Article XXII of the Declaration, to terminate the Project and remove the Project from the condominium project regime created by the Declaration and to execute, file and deliver any amendment to the Declaration, the Condominium Map, Bylaws or any other instrument that may be necessary to accurately reflect such termination and removal of the Project from the condominium project regime. The right to terminate the Project and withdraw the Project from the condominium property regime shall be exercised in accordance with Article XXII of the Declaration.

E. **RESERVED RIGHT TO CONDUCT SALES ACTIVITIES.** Developer does hereby further reserve the right, unto itself, its brokers, sales agents and other related persons to conduct extensive sales activities at the Project and from any Apartment owned by the Developer, which shall include, without limitation, showing the Project to potential buyers, sales and management offices and the use of banners, signs or other extensive sales displays and activities in the Project, during the time periods specified in Article XXIII of the Declaration. Such sales activities may include the initial sale and resale of such Apartments. Apartment Owner acknowledges that such sales activities may result in noise, and nuisances, and consent to such activity by Developer, and further waives, releases and discharges any right, claims or actions such party may acquire against Developer, its brokers, sales agent, employees and lender, and their respective successors and assigns as a result of any such activity or activities.

F. **RESERVED RIGHT TO AMEND THE CONDOMINIUM DOCUMENTS TO REMOVE REFERENCES TO LOT OWNER AFTER ACQUISITION.** The Declaration, the Bylaws and the Condominium Map shall be deemed automatically amended to remove any references to Lot Owner as fee simple owner of the Land effective on the date filing of the conveyance documents conveying to Developer the Lot Owner's fee simple interests in the Land, and upon such date Developer shall have the reserved right, without the consent or joinder of any other person or party,

to file an amendment to this Declaration, the Bylaws and/or Condominium Map, as appropriate, to effect the same at said Land Court.

Owner by taking title to an Apartment consents to each of the foregoing reserved rights, and Developer's exercise thereof, and to the recording of any and all documents necessary to effect the same in said Office, including any amendment or amendments to the Declaration, the Condominium Map and the Bylaws, as appropriate; agrees to execute, deliver and file such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints the Developer and its successors and assigns and the Association as his attorney-in-fact with full power of substitution to execute, deliver and record such documents and instruments and to do such things on Owner's behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights in accordance with Article XXIX of the Declaration, and shall not be affected by the disability of such party or parties.

Notwithstanding anything stated herein to the contrary, the rights reserved to the Developer herein shall be fully assignable by the Developer in whole or in part, and every Apartment Owner in the Project and all holders of liens affecting any of the Apartments and each and every other party acquiring an interest in the Project or any part thereof, by acquiring such Apartment, lien or other interest, consents to any such assignment by Developer, and, to the extent designated by the Developer, agrees to recognize any assignee as the "Developer" under this Deed. This right shall be exercised as provided in and in accordance with Article XXVIII of the Declaration.

\* \* \* \* \*

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 A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF SUCH RESERVED RIGHTS, PURCHASER SHOULD REFER TO THE CONDOMINIUM DECLARATION TO DETERMINE THE ACTUAL RIGHTS RESERVED BY THE DEVELOPER. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DECLARATION, THE CONDOMINIUM DECLARATION WILL CONTROL.

**EXHIBIT "B"**

**BOUNDARIES OF EACH APARTMENT**

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

Each Apartment shall be deemed to include the entire storage shed structure of said Apartment as depicted on the Condominium Map.

\* \* \* \* \*

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE DESCRIPTION OF THE BOUNDARIES OF EACH APARTMENT. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL DESCRIPTION OF SUCH BOUNDARIES, PURCHASER SHOULD REFER TO THE CONDOMINIUM DECLARATION TO DETERMINE THE ACTUAL DESCRIPTION. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DECLARATION, THE CONDOMINIUM DECLARATION WILL CONTROL.

**EXHIBIT "C"**

**PERMITTED ALTERATIONS TO APARTMENTS**

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

A. **ALTERATION OF PROJECT BY APARTMENT OWNER.** Each Owner of an Apartment shall have the right at any time and from time to time at such Apartment Owner's sole cost and expense, as hereinafter set forth, without the necessity of the consent, joinder and/or approval of the other Apartments Owner or any other persons or entity (except the holders of first mortgage liens affecting the Apartment to be altered, if the lienholders so require), to construct, improve, renovate, remodel, make additions to, enlarge, remove, replace, alter or restore the Apartment or the improvements to or in such Owner's Apartment (collectively, the foregoing are referred to in this Article XII, Section A as "Alterations"), provided that the allocable floor area ratio ("FAR") allocable to the particular Apartment and its appurtenant Limited Common Element as set forth in Exhibit "B" is not exceeded. Each Owner of an Apartment shall have the right, without the consent or joinder of any other person, to amend this Declaration and the Condominium Map and do to such other things as may be reasonably necessary or convenient to accomplish any such Alterations, including, without limitation, applying for, processing and receiving all necessary governmental and quasi-governmental permits and approvals for such Alterations. If required by the Act, promptly upon such completion of such Alterations the Owner of the altered Apartment shall duly file an amendment to this Declaration in the Land Court, together with a complete set of the floor plans of such Apartment as so altered, certified by a registered architect or professional engineer to fully and accurately depict the Alterations of the Apartment "as built". If required by the Act, the Board shall be deemed to have approved all such Alterations. Every Apartment Owner and their respective mortgagees and all holders of liens affecting any of the Apartments of the Project and each and every other party acquiring an interest in the Project or any part thereof, by acquiring such Apartment, lien or other interest, consents to and agrees that he shall, if required by law or by any such Owner who shall have changed or altered an Apartment as aforesaid, join in, consent to, execute, deliver and file all instruments and documents necessary or desirable to effect the amendment to this Declaration and/or Condominium Map; and appoints such Owner and its assigns said Owner's attorney-in-fact with full power of substitution to execute, deliver and file such documents and to do such things on its 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.

Any Alterations to an Apartment pursuant to this Article XII, Section A shall be subject to the following conditions:

1. All building plans for any such Alterations and subsequent use of the Apartment shall conform with State of Hawaii and City and County of Honolulu land use, building and/or zoning laws, the Kapolei Design Guidelines and any and all other applicable State of Hawaii and City and County of Honolulu statutes, ordinances and/or regulations;

2. Alterations may decrease or increase the size of the affected Apartment, provided that all such Alterations to an Apartment shall observe and comply with any and all applicable restrictions or prohibitions affecting setback lines as imposed by the State and City or County of Honolulu and the Kapolei Design Guidelines and any such Alterations shall be subject to the approval of the appropriate and applicable entity overseeing development in Kapolei;

3. All Alterations shall be at the sole cost and expense of the Owner making the Alterations and shall be conducted in a manner that will not unreasonably interfere with the use and enjoyment of the other Apartment Owners or the Exclusive Use Area appurtenant to the other Apartments;

4. The Owner of the altered Apartment shall have the right to develop central and appurtenant installations for services to the Apartment affected by such Alterations for electricity, sewer and other utilities and services and, when applicable, to add, delete, relocate, realign, designate and grant easements and rights-of-way over, under and on the Common Elements as necessary or desirable in connection therewith; provided that the same shall not cause any interruption in service of such utilities to any other part of the Project, nor shall it

unreasonably interfere with the use and enjoyment of the other Apartments or the Exclusive Use Area appurtenant to the other Apartments; and

5. Each and every conveyance, lease, mortgage or other lien made or created on any Apartment and all Common Interests and other appurtenances thereto shall be subject to the provisions of this Article XII, Section A and any lease of an Apartment shall reserve to all Apartments the rights set forth herein.

**B. APARTMENT OWNERS TO EXECUTE AMENDMENT DOCUMENTS IN CERTAIN CASES.** In the event that any change or alteration of an Apartment pursuant to and in compliance with Article XII, Section A above shall alter the depiction of the particular Apartment on the Condominium Map or the description thereof in the Declaration, then the Owner of such Apartment 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 Apartment or Apartments and by no other party, and such shall become effective upon the filing thereof in said Land Court. The provisions of Article XIII below notwithstanding, such amendment shall not require the consent or joinder of the Owner of any other Apartment or any other person or entity, other than any mortgagee of such Apartment or Apartments which are changed or altered. Every Apartment Owner and all holders of liens affecting any of the Apartments of the Project and each and every other party acquiring an interest in the Project or any part thereof, by acquiring such Apartment, lien or other interest, consents to and agrees that he shall, if required by law or by any such Owner who shall have changed or altered an Apartment as aforesaid, join in, consent to, execute, deliver and file all instruments and documents necessary or desirable to effect the amendment of this Declaration and/or the Condominium Map; and appoints such Owner and its assigns said Owner's attorney-in-fact with full power of substitution to execute, deliver and file such documents and to do such things on its 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 APARTMENTS CONTAINED IN THE PROJECT DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF RIGHTS AND OBLIGATIONS UNDER THE PROJECT 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 PROJECT DOCUMENTS WILL CONTROL.

**EXHIBIT "D"**

**Apartment Numbers, Apartment Type, Approximate Net Square Footage,  
Approximate Exclusive Use Area, Percentage of Common Interest and Maximum FAR**

| <b>Apartment Number</b> | <b>Apartment Type</b> | <b>Approximate Net Square Footage</b> | <b>Approximate Exclusive Use Area (sf)</b> | <b>Percentage of Common Interest<sup>1</sup></b> | <b>Maximum FAR (sf) <sup>2</sup></b> |
|-------------------------|-----------------------|---------------------------------------|--|--|--------------------------------------|
| Unit 1                  | Storage Shed          | 50                                    | 265,944                                    | 51.216553%                                       | 244,863                              |
| Unit 2                  | Storage Shed          | 50                                    | 169,855                                    | 32.711351%                                       | 156,391                              |
| Unit 3                  | Storage Shed          | 50                                    | 83,455                                     | 16.072096%                                       | 118,000                              |
| <b>Total:</b>           |                       | <b>150</b>                            | <b>519,254</b>                             | <b>100.00000000%</b>                             | <b>519,254</b>                       |

**<sup>1</sup> Calculation of Common Interest**

The common interest attributable to each Apartment was calculated by dividing the approximate square footage of the Exclusive Use Area appurtenant to each individual Apartment by the total square footage of all of the Exclusive Use Areas within the Project.

**<sup>2</sup> Calculation of Maximum FAR Allocable to Apartments**

The maximum FAR allocable to each Apartment was calculated by multiplying the approximate total square footage of the Land comprising the Project (519,254) by 1.0, the permissible floor area ratio for the Land as currently provided by the terms and conditions of the City of Kapolei Declaration of Protective Covenants, Conditions, and Restrictions dated November 30, 1993 and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 2103428, as amended and supplemented from time to time. Developer then allocated the maximum FAR to the Apartments as follows: Unit 1 (244,863 square feet), Unit 2 (156,391 square feet) and Unit 3 (118,000).

**EXHIBIT "E"**

**COMMON ELEMENTS**

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

The Common Elements consist of:

- a. The Land in fee simple and any appurtenances thereto as described in Exhibit "A," subject, however, to the reserved right of the Developer to subdivide and withdraw a portion of the Project as set forth in Article XX of the Declaration; and
- b. All unimproved areas and other similar areas that are not part of an Apartment.

**EXHIBIT "F"**

**LIMITED COMMON ELEMENTS**

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

The Limited Common Elements consist of the Exclusive Use Area under and surrounding each Apartment, that are appurtenant to each Apartment, as more specifically designated in Exhibit "D," and as depicted on the Condominium Map. The costs and expenses of every description pertaining to the Limited Common Elements, including, but not limited to, the costs of maintenance, repair, replacement, improvement or additions to the Limited Common Elements, shall be charged to the Owner of the Apartment to which the Limited Common Element is appurtenant.

**EXHIBIT "G"**

**ENCUMBRANCES AGAINST TITLE**

1. The terms and conditions contained in that certain Amended Document Listing Conditions and Pre-Conditions to Reclassification dated November 14, 1999 as Land Court Document No. 1684751 by the Trustees under the Will and of the Estate of James Campbell, deceased.
2. The terms and conditions contained in that certain Unilateral Agreement and Declaration for Conditional Zoning dated September 9, 1991 as Land Court Document No. 1849708.

Said above Declaration was amended by instrument dated September 12, 1991, filed as Land Court Document No. 1850615.

3. The terms and conditions, including the failure to comply with any covenants, conditions and reservations, contained in that certain City of Kapolei Declaration of Protective Covenants, Conditions and Restrictions dated November 30, 1993 as Land Court Document No. 2103428.

Said above Declaration was modified by instruments dated May 12, 1994, filed as Land Court Document No. 2152082, dated March 30, 1995, filed as Land Court Document No. 2228679, dated March 30, 1995, filed as Land Court Document No. 2228680, dated March 6, 1997, filed as Land Court Document No. 2369693, dated March 26, 1997, filed as Land Court Document No. 2372518, dated April 1, 1997, filed as Land Court Document No. 2376561, dated October 10, 1997, filed as Land Court Document No. 2409507, dated September 9, 1998, filed as Land Court Document No. 2489739, dated December 9, 1998, filed as Land Court Document No. 2506094, dated September 22, 2000, filed as Land Court Document No. 2654911, dated November 17, 2000, filed as Land Court Document No. 2665797, dated November 17, 2000, filed as Land Court Document No. 2665798, dated April 10, 2001, filed as Land Court Document No. 2699380, dated April 10, 2001, filed as Land Court Document No. 2699381, dated May 31, 2001, filed as Land Court Document No. 2710921, dated December 21, 2001, filed as Land Court Document No. 2766063, dated May 16, 2003, filed as Land Court Document No. 2933812, dated May 16, 2003, filed as Land Court Document No. 2933814, dated April 28, 2006, filed as Land Court Document No. 3432142, and dated June 29, 2006, filed as Land Court Document No 3449337.

By Assignment and Assumption of Declarant's Rights and Obligations Under City of Kapolei Declaration of Protective Covenants, Conditions and Restrictions dated January 2, 2002, filed as Land Court Document No. 2770829 by the Trustees under the Will and of the Estate of James Campbell, deceased, assigned its rights and obligations to Campbell Hawaii Investors, LLC, a Hawaii limited liability company.

4. The terms and conditions, including the failure to comply with any covenants, conditions and reservations, contained in that certain Unilateral Agreement and Declaration for Conditional Zoning for Kapolei Power Center Project Phase 2 dated October 28, 1994 as Land Court Document No. 2192531.

Said above Unilateral Agreement and Declaration for Conditional Zoning was amended by instrument dated February 17, 1998, filed as Land Court Document No. 2438458.

5. Amended and Restated Document Listing Conditions to Reclassification dated September 11, 1995, filed as Land Court Document No. 2260754 and recorded as Document No. 95-119177.
6. Document Listing Conditions of Order Modifying Conditions dated September 11, 1995, filed as Land Court Document No. 2260756 and recorded as Document No. 95-119179.
7. The terms and provisions contained in that certain Agreement for Issuance of Conditional Use Permit Under Section 21-5.380 of the Land Use Ordinance (LUO) dated July 20, 1999, filed as Land Court Document No. 2566345 by the Trustees under the Will and of the Estate of James Campbell, deceased.

8. The terms and provisions contained in that certain Reciprocal Easement Agreement dated August 9, 1999, filed as Land Court Document No. 2566346 by the Trustees under the Will and of the Estate of James Campbell, deceased.

All rights and obligations of Trustees under the Will and of the Estate of James Campbell, deceased, was assigned to and assumed by Kapolei Property Development LLC, a Hawaii limited liability company, dated as of October 21, 2002, filed as Land Court Document No. 2854626.

Said above agreement was amended by Amendment of Reciprocal Easement Agreement, dated as of October 21, 2002, filed as Land Court Document No. 2854627.

9. The terms and provisions contained in that certain Warranty Deed dated January 2, 2002, filed as Land Court Document No. 2766590. The foregoing includes, but is not limited to, matters relating to matters relating to water rights.
10. Designation of Easement "7869", as shown on Map 1138, as set forth by Land Court Order No. 148337, filed December 2, 2002; for access purposes.
11. Access rights over Easement "7869" in favor of Lot 13644-A-2, as set forth by Land Court Order No. 148337, filed December 2, 2002.
12. Access rights over Easement "7869" in favor of Lot 15251, as set forth by Land Court Order No. 151642, filed July 9, 2003.
13. Grant to Pioneer Contracting Company, Limited, a Hawaii corporation, dated December 12, 2002, filed as Land Court Document No. 2871634, granting and easement over said Easement "7869".
14. The terms and provisions contained in that certain Declaration of Covenants, Conditions and Restrictions dated as of July 31, 2003, filed as Land Court Document No. 2971442.
15. Grant to Home Depot U.S.A., Inc., a Delaware corporation, dated July 31, 2003, filed as Land Court Document No. 2971444, granting and easement over said Easement "7869".
16. The terms and provisions contained in that certain Declaration of Condominium Property Regime of Kapolei Center dated June 29, 2006, recorded in said Office as Land Court Document No. 3446730, as shown on Condominium Map No. 1828 and any amendments thereto.

Said Declaration was amended by those certain instruments dated October 16, 2006, filed as Land Court Document No. 3498728, and dated November 10, 2006, filed as Land Court Document No 3513399.

17. The terms and conditions, including the failure to comply with any covenants, conditions and reservations, contained in that certain Bylaws of Association of Apartment Owners of Kapolei Center dated June 29, 2006, recorded in said Office as Land Court Document No. 3446731.

Said Bylaws were amended by that certain instrument dated October 16, 2006, filed as Land Court Document No. 3498729.

18. Encroachments or any other matters as shown on survey map prepared by Michael T. Kutaka, Land Surveyor, with Baseline Surveying, LLC, dated April 1, 2005.
19. Encroachments or any other matters which a survey prepared after April 1, 2005 would disclose.
20. The terms and provisions contained in that certain Limited Warranty Deed with Use Restrictions, Covenants and Reservation of Rights dated as of October 16, 2006, recorded in said Office as Land Court Document

No. 3498730.

21. Mortgage, Security Agreement and Fixture Filing dated August 2, 2006, by and between Kapolei Investment Group, LLC, as Mortgagor, and Bank of Hawaii, as Mortgagee, recorded in said Office as Land Court Document No. 3498731, in the amount of \$6,800,000.00.
22. Financing Statement by and between Kapolei Investment Group, LLC, as Debtor, and Bank of Hawaii, as Secured Party, recorded at the Bureau of Conveyances of the State of Hawaii on October 16, 2006 as Document No. 2006-188821.
23. The terms and provisions contained in that certain Declaration of Covenants, Conditions and Restrictions dated November 16, 2006, recorded in said Office as Land Court Document No. 3516501.
24. Any unrecorded leases and matters arising from or affecting the same.
25. Real property taxes that may be due and payable. For more information, contact City and County of Honolulu, Director of Finance, Real Property Assessment.

## EXHIBIT "H"

### SUMMARY OF PURCHASE AGREEMENT

Capitalized terms have the same meaning as ascribed to such terms in the Purchase Agreement.

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

Among other provisions the specimen Purchase Agreement provides:

1. That the Purchase Agreement shall become binding when (i) a true copy of the Final Public Report and Supplementary Public Report together with a return receipt form required by Hawaii Revised Statutes, Section 514A-62, as amended, is delivered to the Purchaser, (ii) the Purchaser has an opportunity to read the report(s), and (iii) a Deemed Acceptance of such report(s) by the Purchaser shall have occurred.
2. The Seller has entered into an Escrow Agreement, summarized in Exhibit "I" herein, with Title Guaranty Escrow Services, Inc. ("Escrow"), covering the deposit of all funds paid by Purchaser under the Purchase Agreement and the disbursement of funds by Escrow. In the event a purchase is cancelled, Escrow may charge a cancellation fee on account of escrow services performed.
3. The Purchase Agreement requires the Purchaser to pay the Purchase Price by a series of payments prior to and upon Closing. Such payments include the amount due upon execution of the Purchase Agreement and the balance of the Purchase Price due in escrow at or prior to the Closing.
4. The Purchase Agreement provides that Purchaser will not receive any interest on Purchaser's deposits. All interest on Purchaser's deposit, if any, shall accrue to Seller.
5. The Purchase Agreement provides that the Purchaser shall pay for the following closing costs: the escrow fee, cost of a preliminary title report, cost of preparation of the Apartment Deed, real property tax and other prorations, all acknowledgment fees, conveyance taxes, title insurance, if requested by Purchaser, and all recording costs or fees.
6. The Purchase Agreement provides that it shall not be construed as a present transfer of interest in the Property, but rather states that it is an agreement to transfer in the future in accordance with the terms and conditions set forth in the Sale Contract.
7. The Purchase Agreement provides that it may not be assigned to Purchaser. Any such assignment by Purchaser shall be void. Seller may, without any consent of Purchaser, freely assign the Seller's interest herein.
8. The Purchase Agreement provides that any dispute by or between the Seller and Purchaser arising out of or incident to the Purchase Agreement, or the development or management of the Project, the sale of the Apartment or the occupancy thereof, or any other aspect of the relationship between Seller and Purchaser regarding the Project which is raised otherwise shall be submitted to mediation, and if necessary to arbitration in accordance with the terms, conditions and procedures set forth in the Purchase Agreement.
9. The Purchase Agreement provides Purchaser specifically acknowledges and agrees that the Declaration contains reservations of certain rights which the Purchaser consents to, including, among other things, (a) the deletion, cancellation, relocation, realignment, reservation, designation, granting, or receiving of easements for deemed necessary or desirable in Seller's sole discretion; (b) the filing or recording of the Project amendments provided for in the Declaration which include amending the Project or the Declaration and/or Bylaws as may be

necessary to comply with requirements of certain mortgagees or other entities for any reason as set forth in Section C.5.b above, subject always to the qualifications set forth therein or to modify the legal description of the land subject to the condominium property regime; and (c) the exercise of the rights reserved to the Seller (the "Developer" in the Declaration) in Articles XIX through XXVIII of the Declaration, including, without limiting the generality of the foregoing, the right to subdivide and withdraw the land underlying the Project as provided in Article XX of the Declaration, to terminate the Project and withdraw the Project from the condominium property regime as set forth in Article XXII of the Declaration, to reconvey the Apartment to Purchaser as provided in Article XX of the Declaration and to amend the Declaration to modify the legal description of the land underlying the Project in the event of a subdivision of said land underlying the Project as provided in Article XXI of the Declaration.

10. The Purchase Agreement provides that Purchaser acknowledges and agrees that Seller shall have the unilateral right to terminate the condominium property regime pursuant to which the Apartment was created under Article XXII of the Declaration. Purchaser understands that Seller created the condominium property regime to facilitate the acquisition of the Apartment by Purchaser as an accommodation to Purchaser and to hasten the ability of Purchaser to gain site of the Apartment and the Apartment's appurtenant limited common elements. Upon any termination of the condominium property regime and reconveyance of the Apartment to Seller, the area that comprises the Apartment's limited common element exclusive use area shall, upon subdivision approval, be simultaneously conveyed to Purchaser. Purchaser acknowledges, understands and agrees that this plan of development is of material importance to Seller, and that Purchaser will not in any way impede Seller's development plan provided that upon any such reconveyance of the Apartment and termination of the regime, Seller shall simultaneously convey the subdivided lot comprised of the exclusive use area that its appurtenant to Purchaser's Apartment to Purchaser.

\* \* \* \* \*

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE PURCHASE AGREEMENT. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY 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.

## EXHIBIT "I"

### SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement for the Project contains the following provisions (which may be modified or otherwise limited by provisions which are not summarized hereinbelow):

A. As and when Seller shall enter into a Purchase Agreement for the conveyance of an apartment or other interest in the Project, it shall require the payments of deposits due thereunder to be promptly made to Escrow, and shall deliver an executed copy of the Purchase Agreement to Escrow together with the address of the purchaser. Seller shall also promptly pay over to Escrow all monies (including checks) received by Seller from or on behalf of the purchasers and all payments made on loan commitments from lending institutions on account of any apartment in the Project.

B. Escrow shall receive, deposit and hold in separate escrow accounts and disburse as herein set forth: (a) all payments received by it under Purchase Agreements, (b) such sums received by it hereunder from or for the account of Seller, and (c) all sums received by it from any other source with respect to the Project. Escrow shall not at any time commingle or permit the commingling of any purchasers' funds with funds belonging to or held for the benefit of Seller. All funds and instruments received from purchasers or prospective purchasers shall be held by Escrow in accordance with the provisions contained in the Condominium Property Act.

C. Notwithstanding anything contained herein to the contrary, Escrow shall make no disbursements of purchasers' funds or proceeds from the sale of such apartments (including any payments made on loan commitments from lending institutions), except by way of refunds thereof as provided hereinbelow, until (a) the Real Estate Commission has issued an effective date for Final Public Report for the Project, and (b) Escrow has received a letter from Seller stating that the purchasers have signed the required Receipt and Notice of Right to Cancel or are deemed to have receipted for the public reports and to have waived their right to cancel, and stating further that no subsequent events have occurred which would give the purchasers the right to rescind, the Purchase Agreements have "become binding" and "the requirements of Sections 514A-40, 514A-39.5 and 514A-63" of the Hawaii Revised Statutes have been met, as said phrases are used in Section 514A-65 of the Hawaii Revised Statutes, and further, that the requirements of Section 514A-62 of the Hawaii Revised Statutes have been met, as each of the foregoing sections may be amended on the date the Purchase Agreement becomes binding and effective. Seller agrees to inform Escrow promptly in writing of the development of any event or occurrence which renders the letter delivered by Seller pursuant to this paragraph untrue in any material respect.

D. Each purchaser shall be entitled to a return of his or her funds, without interest, and Escrow shall pay such funds to such purchaser, promptly after request for return by the purchaser, if one of the following has occurred:

(1) Escrow receives a written request from Seller to return to the purchaser the funds of the purchaser then being held hereunder by Escrow;

(2) Seller notifies Escrow in writing of Seller's exercise of the option to rescind the Purchase Agreement pursuant to any right of rescission stated therein or otherwise available to Seller; or

(3) The conditions providing for a refund under Section 514A-62 or under Section 514A-63 of the Hawaii Revised Statutes (as amended on the date upon which the Purchase Agreement becomes binding and effective) have been met, and written notice thereof has been provided by Seller to Escrow.

Upon the cancellation of any Purchase Agreement as specified above, Escrow shall be entitled to a \$25.00 cancellation fee. Notwithstanding anything herein or in any Purchase Agreement provided to the contrary, said compensation of Escrow shall be the sole expense of the individual purchaser and shall not in any way be the obligation of Seller, unless cancellation is made pursuant to either Section 514A-62 or 514A-63 of the Hawaii Revised Statutes, whereupon Seller shall pay such fee.

D. Except as otherwise provided by law, Escrow shall give each purchaser entitled to a return of his or her funds notice thereof by certified or registered mail, addressed to such purchaser at his address shown on the Purchase Agreement or any address later made known to Escrow by such purchaser. If such purchaser shall not have claimed such refund within one hundred twenty (120) days from the date said notice is mailed, Escrow, shall deposit such funds into a special account in a bank or other depository selected by Escrow in the name of Seller, as trustee for the benefit of such purchaser. After having sent Seller written notice of the foregoing acts, Escrow shall thereupon be released from further liability hereunder with respect to such funds and such purchaser.

E. If the purchaser fails to make any payment on or before the due date thereof or if the purchaser does or fails to do any act which would constitute a default under the Purchase Agreement, Seller shall promptly give to such purchaser and to Escrow written notice of default. If purchaser has failed to cure the default after the delivery of notice by Escrow and such default continues after the expiration of any grace period, Escrow shall so advise Seller. If Seller shall thereafter certify in writing to Escrow: (1) that Seller has elected to terminate the Purchase Agreement and has notified the purchaser, or (2) that purchaser is otherwise in default, then, and in either event, Escrow, subject to the provisions relating to dispute and conflicting demands hereinafter set forth in paragraph 14, shall thereafter treat all funds of the purchaser paid under such Purchase Agreement, less Escrow's cancellation fee, as funds of Seller and not of the purchaser. Thereafter, such funds shall be held 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 [less Escrow's cancellation fee] to Seller or order and shall return to Seller a copy the Purchase Agreement of 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.

**EXHIBIT "J"**

**SUMMARY OF DEED FORM**

Capitalized terms have the same meaning ascribed to such terms in the Apartment Deed.

The specimen Limited Warranty Apartment Deed, Encumbrances and Reservation of Rights With Power of Attorney for Kapolei Center ("Apartment Deed") contains, among others, the following provisions (which may be modified or otherwise limited by provisions which are summarized hereinbelow):

A. The premises conveyed comprise a portion of the Kapolei Center condominium property regime ("Project") situate at Kapolei, City and County of Honolulu, State of Hawaii.

B. The Developer (Developer) is the lawful owner of the fee simple interest in the real property and rights to be transferred to Purchaser; that the same are free and clear of and from all encumbrances except as identified in the Apartment Deed; and except for the lien of real property taxes not yet by law required to be paid, that the Developer has good right and title to sell and convey said real property in the manner set forth herein; and the Developer will WARRANT AND DEFEND the same unto the Purchaser forever against the lawful claims and demands of all persons, except as mentioned in the Apartment Deed.

C. Purchaser agrees and consents to the exercise by Developer of any of its reserved rights set forth in the Deed and in the Declaration, including Developer's reserved right to subdivide and withdraw the land underlying the Project, conveying such withdrawn land to itself or a third party and to terminate the Project upon such subdivision and withdraw the Project from the condominium property regime and reconvey Apartment to Seller. Purchaser does hereby further appoint the Developer and its assigns his attorney-in-fact with full power of substitution to execute, deliver, and record such documents and instruments and to do such things on Purchaser's behalf to effect such reserved rights, 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, and which means that the grant of such power will be binding upon any person or entity to which Purchaser transfers the Property, and will be considered automatically granted anew by any such person or entity upon such transfer of any interest therein, whether by deed, mortgage, or any other instrument of conveyance.

D. Purchaser agrees for the benefit of the apartment owners from time to time of all other apartments in said Project, to at all times observe, perform, comply with and abide by all of the covenants, agreements, obligations, conditions and other provisions set forth in the Declaration and Bylaws.

\* \* \* \* \*

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

**EXHIBIT "K"**

**SPECIAL USE RESTRICTIONS**

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

A. **APARTMENTS.** The Apartments shall be operated and used for those uses permitted under the applicable zoning ordinances of the City and County of Honolulu. The Apartments, and the limited common element area appurtenant thereto, are further subject to that certain Declaration of Covenants, Conditions and Restrictions dated November 16, 2006 and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3516501.

B. **OWNER'S RIGHT TO LEASE APARTMENT AND LIMITED COMMON ELEMENTS.** The Owners of the respective Apartments shall have the absolute right, without obtaining the consent or joinder or any other Owners, to lease or grant licenses with respect to such Apartments and the Limited Common Elements appurtenant thereto. All lease or rental agreements must be in writing and will be subject to the provisions of the Act, the Declaration and the Bylaws.

C. **OWNER'S RIGHT TO SELL.** The Owners of the respective Apartments shall have the absolute right, without obtaining the consent or joinder of any other Owners, to sell or otherwise transfer such Apartments subject to all provisions of the Act, the Declaration and the Bylaws, and any applicable provisions of any lease agreement to the extent that such provisions continue to be effective.

D. **OWNER'S RIGHT TO MORTGAGE.** The Owners of the respective Apartments shall have the absolute right, without obtaining the consent or joinder of any other Owners, to mortgage or otherwise transfer an interest in their respective Apartments as security for the repayment of a loan, subject to all provisions of the Act, the Declaration and the Bylaws.

E. **PROHIBITION ON ACTIVITIES WHICH JEOPARDIZE THE PROJECT.** No Apartment Owner shall do or suffer or permit to be done anything on any Apartment or elsewhere on the Project which will: (1) injure the reputation of the Project, (2) jeopardize the safety or soundness of the Project, (3) create a nuisance or interfere with or unreasonably disturb the rights of other Owners and occupants, (4) reduce the value of the Project, (5) result in the cancellation of insurance applicable to the Project or adversely affect the right of recovery thereunder or result in reputable companies refusing to provide insurance as required or permitted by the Bylaws, or (6) increase the rate of insurance applicable to the Apartments or the contents thereof, or to the Project.

F. **OWNERS TO MAINTAIN APARTMENTS IN GOOD ORDER.** The Owner of an Apartment shall keep its Apartment and the Limited Common Elements appurtenant thereto in good order and repair. Decisions on repair or modification to the Limited Common Elements shall be made by the Owners of Apartment to which such Limited Common Elements are appurtenant, subject to the provisions in the Bylaws.

G. **DEVELOPER'S RIGHT TO USE.** Notwithstanding anything provided in the Declaration to the contrary, as long as there are unsold Apartments in the Project, Developer shall have the right to use any Apartment which it owns and any Limited Common Elements appurtenant thereto for promotion purposes. The Developer may grant license rights to the Limited Common Element appurtenant to any Apartment owned by the Developer to the Association or to a third party to the extent permissible under the law. Additionally, the Developer will have the right to utilize Apartments which it owns or any Limited Common Element which is appurtenant to any Apartment which it owns as sales offices or as a place which is utilized to provide services to the Owners or other occupants of the Project, to the extent such use or uses are permitted under applicable law.

\* \* \* \* \*

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL USE RESTRICTIONS CONTAINED IN THE DECLARATION, BYLAWS, HOUSE

RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF SUCH USE RESTRICTIONS, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE PROJECT TO DETERMINE ALL OF THE USE RESTRICTIONS THAT MAY APPLY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE DECLARATION, BYLAWS, HOUSE RULES OR OTHER DOCUMENTS OF THE PROJECT, SUCH DOCUMENTS WILL CONTROL.

EXHIBIT "L"

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OFFICE OF THE  
ASSISTANT REGISTRAR, LAND COURT  
STATE OF HAWAII  
(Bureau of Conveyances)

The original of this document was  
recorded as follows:

Doc 3516501  
CTN 828,618  
NOV 20, 2006 03:00 PM

LAND COURT SYSTEM

REGULAR SYSTEM

AFTER RECORDATION: RETURN BY MAIL ( ) PICK UP (X)

Imanaka Kudo & Fujimoto (NLY)  
745 Fort Street, 17<sup>th</sup> Floor  
Honolulu, Hawaii 96813  
(808) 521-9500

Tax Map Key No. (1) 9-1-118-008

Total Pages: 6

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("Declaration"), is made by KAPOLEI INVESTMENT GROUP, LLC, a Hawaii limited liability company, with its principal place of business and post office address at 900 Fort Street Mall, Honolulu, Suite 1188, Honolulu, Hawaii 96813 (the "Declarant").

WITNESSETH:

WHEREAS, Declarant owns that certain parcel of land situated in Honouliuli, City and County of Honolulu, State of Hawaii, more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference; and

WHEREAS, said land has been submitted to a condominium property regime by way of that certain Declaration of Condominium Property Regime of Kapolei Center dated June 26, 2006, filed in the Office of the Registrar of the Land Court of the State of Hawaii as Document No. 3446730, as amended, and duly noted on Land Court Certificate of Title No. 828,618 and is scheduled to be developed in accordance with applicable law; and

WHEREAS, whether developed as a condominium project or otherwise, said land and improvements thereon shall be referred to herein as the "Project," and

WHEREAS, Declarant, as said owner of the Project, desires to establish restrictive covenants, conditions and restrictions relating to the use and development of said Project;

NOW THEREFORE, Declarant does hereby establish the following covenants, conditions and restrictions:

### I. DECLARATION

1.01. Declarant hereby declares that all portions of the Project, including the land underlying the Project, and each apartment unit in the Project, is and shall be held, sold, conveyed, encumbered, leased, occupied, used and improved, subject to the covenants, conditions and restrictions, including without limitation, the use restriction and floor area ratio ("FAR") restriction, set forth in this Declaration. These covenants, conditions and restrictions shall create equitable servitudes upon the Project, and shall create rights and obligations in, between and among Declarant and subsequent owners acquiring an apartment unit in the Project, and all corporations, agencies, persons and/or other entities having any right, title or interest in and to the Project, and shall be deemed to run with the land underlying the Project and shall inure to the benefit of the Declarant and its successors, successors in trust and assigns.

### II. PROPERTY SUBJECT TO RESTRICTIONS

2.01. The real property comprising the Project, as shown in Exhibit "A," and any and all existing future improvements thereupon, as the same shall be held, sold, conveyed, encumbered, leased, occupied and improved, shall be subject to this Declaration.

### III. RESTRICTIVE COVENANTS

The Project shall be subject to the following covenants, conditions and restrictions:

3.01. Units 1 and 2 of the Project, including, without limitation, the limited common element area appurtenant thereto, shall not be used or developed as any type of "self-storage facility" as such use is defined in the Land Use Ordinance, Chapter 21 of the Revised Ordinances of Honolulu, as amended.

3.02. The maximum FAR allocable to each unit in the Project shall be as follows: Unit 1 - 244,863 square feet, Unit 2 - 156,391 square feet and Unit 3 - 118,000 square feet.

3.03. In the event that the Declarant subdivides the land underlying the Project, and terminates the Project and removes the Project from the condominium property regime, the foregoing use restriction and FAR restriction provided in Sections 3.01 and 3.02 of this Declaration shall survive the termination of the condominium property regime, and such restrictions shall run with the land and shall be binding on all parties and persons claiming under Declarant. As to the subdivided parcels, upon termination of the condominium property regime and removal of the Project from the condominium property regime, Unit 1, Unit 2 and Unit 3 of the Project shall be referred to as "Parcel 1", "Parcel 2" and "Parcel 3", respectively, and the

foregoing use restriction and FAR restriction provided in Sections 3.01 and 3.02 of this Declaration shall apply to Parcels 1, 2 and 3.

Each and every party acquiring an interest in the Project, by such acquisition, consents to said restrictions set forth in Sections 3.01 and 3.02 of this Declaration and to the execution, delivery and filing (if necessary) of any and all documents necessary to effect the same, including, without limitation, a joint development agreement and any amendment to this Declaration; agrees to execute, deliver and file such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints Declarant and its assigns its attorney-in-fact with full power of substitution to execute, deliver and file such documents and instruments and do such things on its behalf, which grant of such power, being coupled with an interest, is irrevocable and shall not be affected by the disability of such party or parties.

3.04. Notwithstanding anything provided herein to the contrary, Declarant shall have the reserved right, in its sole discretion, to waive or modify the foregoing use restriction and/or the FAR restriction provided in Sections 3.01 and 3.02 of this Declaration; provided that as to the FAR restriction, Declarant may only adjust the prescribed FAR up to a maximum of ten percent (10%) of the assigned FAR allocated to a particular unit or parcel.

Each and every party acquiring an interest in the Project, by such acquisition, consents to Declarant's exercise of said reserved rights set forth in this Section 3.04 of this Declaration and to the execution, delivery and filing (if necessary) of any and all documents necessary to effect the same, including, without limitation, a joint development agreement; agrees to execute, deliver and file such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints Declarant and its assigns its attorney-in-fact with full power of substitution to execute, deliver and file such documents and instruments and do such things on its behalf, which grant of such power, being coupled with an interest, is irrevocable and shall not be affected by the disability of such party or parties.

#### **IV. MISCELLANEOUS PROVISIONS**

4.01. No provision of this Declaration may be amended or repealed, the effect of which amendment or repeal would be to limit, abridge, modify or terminate any rights, easements, privileges and immunities of Declarant, or any authority and powers reserved to Declarant, unless Declarant consents in writing to such amendment or repeal prior to the consideration of such amendment or repeal.

4.02. In the event the owner of any apartment unit in the Project or any part thereof or interest therein violates any provisions hereof, Declarant, the said apartment owner or owners of any other apartment unit in the Project or part thereof or interest therein, with respect to the use restriction and FAR restriction, may bring an appropriate civil action against the defaulting party to enforce specific compliance with this Declaration and the provisions herein contained, or to recover damages for such violation, plus a reasonable attorney's fee, as may be incurred by said prosecuting party in such proceeding or action. Failure by Declarant, any other apartment unit owner or owners in the Project their representatives, heirs, successors or assigns to enforce any of the covenants,

restrictions, reservations, or charges herein contained shall in no event be deemed a waiver of the right to do so thereafter, unless otherwise herein provided.

4.03. All of the covenants, conditions and restrictions of this Declaration shall be liberally construed to promote and effectuate the purposes of Declarant as set forth in the recitals to this Declaration.

4.04. No provision of this Declaration shall excuse any person from observing any law or regulation of any governmental agency, organization or other entity having jurisdiction over such person or over the Property.

4.05. If any provision of this Declaration is held to be invalid or unenforceable, the validity and enforceability of the other provisions will remain unaffected.

4.06. The singular shall include the plural and the plural shall include the singular unless the context requires the contrary, and the masculine, feminine and neuter shall each include the masculine, feminine or neuter as the context requires.

4.07. The titles of sections and paragraphs herein are inserted only for convenience and reference and shall in no way define, limit or describe the scope or intent of any provision of this Declaration.

4.08. This Declaration shall be governed by and construed in accordance with the laws of the State of Hawaii.

4.09. This Declaration and all covenants and agreements made herein shall survive and continue in full force and effect until such time as this Declaration terminates.

4.10. The covenants, conditions and restrictions contained herein are to run with the land and shall be binding on all parties and persons claiming under them.

4.11. The terms, covenants or conditions of this Declaration shall be binding upon, inure to the benefit of, Declarant and its respective successors and assigns. No party shall have any right, claim or interest against Declarant or any of its respective successors and assigns, or otherwise, by virtue of any provision hereof.

(The remainder of this page is intentionally left blank)

IN WITNESS WHEREOF, Declarant has executed this Declaration this 16<sup>th</sup> day of November, 2006.

KAPOLEI INVESTMENT GROUP, LLC,  
a Hawaii limited liability company

By Kapolei Investment Group Holdings, LLC,  
a Hawaii limited liability company  
Its Manager

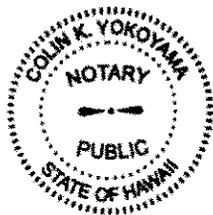
By Stephen B. Metter  
Stephen B. Metter  
Its Manager

“Declarant”

STATE OF Hawaii  
City and  
COUNTY OF Honolulu

SS:

On this 16<sup>th</sup> day of November, 2006, before me appeared Stephen B. Metter, to me personally known, who being by me duly sworn or affirmed, did say that such person(s) executed the foregoing instrument as the free act and deed of such person(s), and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.



Colin K. Yokoyama  
Name: Colin K. Yokoyama  
Notary Public, State of Hawaii

My commission expires: 2-17-09

**EXHIBIT "A"**

All of that certain parcel of land situate at Honouliuli, District of Ewa, City and County of Honolulu, State of Hawaii, described as follows:

LOT 15253, area 11.921 acres, more or less, as shown on Map 1174, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1069 of the Trustees under the Will and of the Estate of James Campbell, deceased;

Together with access to Kamokila Boulevard (a public street), over the following two (2) routes: (i) over Easement "8076" located within Lot 15251, and (ii) over Easement "8079" located within Lot 13641. Together also with access to Kapolei Parkway (a public street) over Easement "8076" located within Lot 15251, as set forth by Land Court Order No. 151642, filed July 9, 2003.

Being land(s) described in Transfer Certificate of Title No. 828,618 issued to KAPOLEI INVESTMENT GROUP, LLC, a Hawaii limited liability company.

**EXHIBIT "A"**  
**(Page 1 of 1)**

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**EXHIBIT "L"**  
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423871.3