DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME	SEASCAPE CONDOMINIUM PHASE I
Address	Kakahiaka Street Kailua-Kona, North Kona, Hawaii
Registration Number	6186
Effective Date of Report	March 15, 2007
Developer	SEASCAPE DEVELOPMENT, LLC

Preparation of this Report

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

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

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

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

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

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

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

SPECIAL ATTENTION

[Use this page for special or significant matters which should be brought to the purchaser's attention and that are not covered elsewhere in this report.]

The units in the Condominium (the **"Units"**) are *"affordable housing units"* as provided for in Article 1, Affordable Housing, Chapter 11, Hawaii County Code (the **"Affordable Housing Policy"**). Pursuant and subject to the terms and conditions stated in the Agreement Re Affordable Housing dated March 7, 2006, between Seller and the County of Hawaii (the **"County"**) recorded in the Bureau of Conveyances of the State of Hawaii on March 16, 2006 as Document No. 2006-049941 (**"Affordable Housing Agreement"**), Developer initially offer the Units for sale to a *"qualified household"* (as defined in the Affordable Housing Policy) earning 120% to 140% of the County's median family income at the time of sale. However, if Developer is unable, after good faith efforts, to sell any particular Unit to a qualified household, and the County does not exercise its right of first refusal to purchase such Unit, then Seller shall be permitted to sell such Unit to a non-qualified buyer at the *"affordable price."*

TABLE OF CONTENTS

Page

Preparation of this Report 1

General Information On Condominiums 2

Operation of the Condominium Project 2

1. THE CONDOMINIUM PROJECT 3

1.1 The Underlying Land 3
1.2 Buildings and Other Improvements 3
1.3 Unit Types and Sizes of Units 3
1.4 Parking Stalls 4
1.5 Boundaries of the Units 4
1.6 Permitted Alterations to the Units 4
1.7 Common Interest 4
1.8 Recreational and Other Common Facilities 4
1.9 Common Elements 5
1.10 Limited Common Elements 5
1.11 Special Use Restrictions 5
1.12 Encumbrances Against Title 5
1.13 Uses Permitted by Zoning and Zoning Compliance Matters 6
1.14 Other Zoning Compliance Matters 6
1.15 Conversions 7
1.16 Project In Agricultural District 8
1.17 Project with Assisted Living Facility 8

2. PERSONS CONNECTED WITH THE PROJECT 9

2.1 Developer 9
2.2 Real Estate Broker 9
2.3 Escrow Depository 9
2.4 General Contractor 9
2.5 Condominium Managing Agent 9
2.6 Attorney for Developer 9

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS 10

3.1 Declaration of Condominium Property Regime 10
3.2 Bylaws of the Association of Unit Owners 10
3.3 Condominium Map 10
3.4 House Rules 11
3.5 Changes to the Condominium Documents 11
3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents 11

4. CONDOMINIUM MANAGEMENT 12

4.1 Management of the Common Elements 12
4.2 Estimate of the Initial Maintenance Fees 12
4.3 Utility Charges to be Included in the Maintenance Fee 12
4.4 Utilities to be Separately Billed to Unit Owner 12

5. SALES DOCUMENTS 13

5.1 Sales Documents Filed with the Real Estate Commission 13
5.2 Sales to Owner-Occupants 13
5.3 Blanket Liens 13
5.4 Construction Warranties 13
5.5 Status of Construction, Date of Completion or Estimated Date of Completion 14

5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance 14

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance 14
5.6.2 Purchaser Deposits Will Be Disbursed Before Closing 14

5.7 Rights Under the Sales Contract 16
5.8 Purchaser's Right to Cancel or Rescind a Sales Contract 16

5.8.1 Purchaser's 30-Day Right to Cancel a Sales Contract 16
5.8.2 Right to Cancel a Sales Contract if Completion Deadline Missed 17
5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change 17

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT 18

EXHIBIT A: Description of Units, Their Boundaries, the Buildings in Which They Are Located, and Other Improvements, Including Parking Stalls
EXHIBIT B: Additions and Alterations to Units
EXHIBIT C: Description of Common Interests, Common Elements and Limited Common Elements
EXHIBIT D: Purposes and Uses
EXHIBIT E: Encumbrances against Title: Permitted Encumbrances and Blanket Liens
EXHIBIT F: Developer's Reserved Rights and Easements; Developer's Future Development and Phasing Plans; For of Special Power of Attorney
EXHIBIT G: Estimate of Initial Maintenance Fees and Estimate of Maintenance Fee Disbursements
EXHIBIT H: Summary of Purchase and Sales Contract and Escrow Agreement

General Information On Condominiums

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

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

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

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

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

Operation of the Condominium Project

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

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

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

1. THE CONDOMINIUM PROJECT

1.1 The Underlying land

Fee Simple or Leasehold Project	☑ Fee Simple ☐ Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	☑ Yes ☐ No
Fee Owner's Name if Developer is not the Fee Owner	N/A
Fee Owner's Address	Developer: P.O.Box 2808, Kailua-Kona, Hawaii 96745-2808
Address of Project	Kakahiaka Street [street address not yet assigned]
Address of Project is expected to change because	Street address not yet assigned.
Tax Map Key (TMK)	(3) 7-3-010:051
Tax Map Key is expected to change Because	N/A
Land Area	10.001 acres
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	N/A

1.2 Buildings and Other Improvements

Number of Buildings	5
Floors Per Building	2
Number of New Building(s)	5
Number of Converted Building(s)	0
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Steel framed, aluminum, glass, drywall and allied building materials

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage,	Area
A	36	2/2	1010		Lanai	56
B	4	2/2	1010		Lanai	56
See Exhibit __A___.						

40	Total Number of Units in Phase I

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

1.4 Parking Stalls

Total Parking Stalls in the Project:	58 including 5 ADA
Number of Guest Stalls in the Project:	18 including 3 ADA
Number of Parking Stalls Assigned to Each Unit:	One
Attached Exhibits A and B specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open.)	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights. See Exhibit B	

1.5 Boundaries of the Units

Boundaries of the Unit: See Exhibit A

1.6 Permitted Alterations to the Units

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

1.7 Common Interest

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

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

☐	Swimming pool
☐	Laundry Area
☐	Storage Area
☐	Tennis Court
☐	Recreation Area
☐	Trash Chute/Enclosure(s)
☐	Exercise Room
☐	Security Gate
☐	Playground
☑	Other (describe): Archaeological Site; Private Wastewater Treatment Facility

1.9 Common Elements

Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.

Described in Exhibit C.

Described as follows:

Common Element	Number
Elevators	NONE
Stairways	2 PER BUILDING
Trash Chutes	NONE

1.10 Limited Common Elements

Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.

Described in Exhibit C.

Described as follows:

1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below:

☑	Pets: See Exhibit D
☑	Number of Occupants: See Exhibit D
☑	Other: See Exhibit D; Declaration Section 7; Bylaws Article 6, Section 10; and House Rules
☐	There are no special use restrictions.

1.12 Encumbrances Against Title

An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit. (See Section 5.3 on Blanket Liens.)

Exhibit E describes the encumbrances against title contained in the title report described below.

Date of the title report: March 1, 2007 (amended)

Company that issued the title report: Hawaii Escrow & Title, Inc.

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning				
	Type of Use	No. of Units	Use Permitted by Zoning	Zoning
☑	Residential	40	☑Yes ☐ No	RM-4
☐	Commercial		☐ Yes ☐ No	
☐	Mix Residential/Commercial		☐Yes ☐ No	
☐	Hotel		☐Yes ☐ No	
☐	Timeshare		☐Yes ☐ No	
☐	Ohana		☐Yes ☐ No	
☐	Industrial		☐Yes ☐ No	
☐	Agricultural		☐ Yes ☐ No	
☐	Recreational		☐Yes ☐ No	
☐	Other (specify)		☐ Yes ☐ No	
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			☑Yes ☐ No	
Variances to zoning code have been granted.			☐ Yes ☑ No	
Describe any variances that have been granted to zoning code.				

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots

In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.

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

	Conforming	Non-Conforming	Illegal
Uses	☑	☐	☐
Structures	☑	☐	☐
Lot	☑	☐	☐

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

1.15 Conversions

Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.	☐ Applicable ☑ Not Applicable
Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units:	
Developer's statement of the expected useful life of each item reported above:	
List of any outstanding notices of uncured violations of any building code or other county regulations:	
Estimated Cost of curing any violations described above:	

Verified Statement from a County Official
Regarding any converted structures in the project, attached as Exhibit ___ is a verified statement signed by an appropriate county official which states that either: (A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable: (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the sturcture into compliance; Or (B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.
Other disclosures and information:

1.16 Project In Agricultural District

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

1.17 Project with Assisted Living Facility

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

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer	Name: Seascape Development, LLC Address: P.O. Box 2808 Kailua-Kona, Hawaii 96745-2808 Business Phone Number: (808) 326-4675 E-mail Address: reception@westprodev.com
Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC)(attach separate sheet if necessary).	Alan Dickler, Manager Stevens Family Limited Partnership, LLLP, Member Westpro Development, Inc., Member
2.2 Real Estate Broker	Name: Akamai Realty, LLC Address: 75-143 Hualalai Road, Ste 103 Kailua-Kona, Hawaii 96740 Business Phone Number: (808) 331-1886 E-mail Address: Jan@akamairealty.com
2.3 Escrow Depository	Name: Hawaii Escrow and Title, Inc. Address: 700 Bishop Street Honolulu, Hawaii 96813 Business Phone Number: (808) 532-2977
2.4 General Contractor	Name: Avalon Hawaii Construction Address: 75-170 Hualalai Road, # 205 Kailua-Kona, HI 96740 Business Phone Number: (808) 329-2818
2.5 Condominium Managing Agent	Name: Certified Management Address: 75-170 Hualalai Road, #A-200 Kailua-Kona, HI 96740 Business Phone Number: (808) 329-6063
2.6 Attorney for Developer	Name: Robert E. Warner, Esq. Address: 1099 Alakea Street, 16th Floor Honolulu, Hawaii 96813 Business Phone Number: (808) 523-9000

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

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

3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	February 16, 2007	2007-035079

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.2 Bylaws of the Association of Unit Owners

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	February 16, 2007	2007-035080

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominuim Map

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

Land Court Map Number	
Bureau of Conveyances Map Number	4401
Dates of Recordation of Amendments to the Condominium Map:	

3.4 House Rules

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

The House Rules for this project:	
Are Proposed	☐
Have Been Adopted and Date of Adoption	☑ September 12, 2006
Developer does not plan to adopt House Rules	☐

3.5 Changes to the Condominium Documents

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common inteest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.

Document	Minimum Set by Law	This Condominium
Declaration	67%	67%
Bylaws	67%	67%

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

☐	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
☑	Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House Rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows: See Exhibit F

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

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

The Initial Condominium Managing Agent for this project is (check one):	
☑	Not affiliated with the Developer
☐	None (self-managed by the Association)
☐	The Developer or an affiliate of the Developer
☐	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

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

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:	
☑	Electricity for the common elements
☐	Gas
☑	Water (common elements only)
☑	Sewer (a private wastewater treatment plant located on the underlying Land)
☐	TV cable
☑	Other (specify) refuse

4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:	
☑	Electricity for the Unit only
☐	Gas
☑	Water for the Unit only
☐	Sewer
☑	TV cable
☑	Other (specify) telephone

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

Sales Documents on file with the Commission include, but are not limited to, the following:	
☑	Specimen Sales Contract **Exhibit H** contains a summary of the pertinent provisions of the sales contract.
☑	Escrow Agreement dated: November 15 and 16, 2006 Name of Escrow Company: Hawaii Escrow and Title, Inc. **Exhibit H** contains a summary of the pertinent provisions of the escrow agreement.
☑	Other: Form of apartment deed

5.2 Sales to Owner-Occupants

If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sales to Owner-Occupants. N/A –This project is 100% Affordable Housing which pursuant to Section 514B-99.5 is not subject to the requirements of sales to Owner-Occupants.

☐	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
☐	Developer has designated **all** the units for sale to Owner-Occupants in this report. See Exhibit _ .
☐	Developer has or will designate the units for sale to Owner-Occupants by publication.

5.3 Blanket Liens

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

☐	There are no blanket liens affecting title to the individual units.
☑	There are blanket liens that may affect title to the individual units.

Type of Lien	Effect of Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgages	The lien is superior to the interests of the buyers of apartments, and foreclosure of the lien would foreclose out buyer's interest. If buyer's interest is foreclosed, the buyer's deposit will be returned, less any escrow cancellation fees not to exceed $250.

5.4 Construction Warranties

Construction Warranties: Developer has been accepted for participation in the insurance-backed Professional Warranty Program (the "Program') administered by Professional Warranty Service Corporation ("PWC"), has agreed with PWC to construct the Condominium in conformity with PWC's warranty performance standards.
Building and Other Improvements: Developer agrees to enroll each Buyer's Unit in the Program, which will also cover the common elements excluding the private wastewater treatment facility and related common facilities. No other warranty or Developer warranty is given, express or implied. (continued on page 13a)
Appliances: The PWC Warranty Program will not cover appliances. Developer will assign all appliance and vendor warranties for fixtures installed in the apartments. No other warranty or Developer warranty on applicances is given, express or implied.

Continuation of Section 5.4 on Construction Warranties, Building and Other Improvements:

The PWC Warranty Program provides for a BUILDER'S LIMITED WARRANTY that will conform to and be governed and controlled by "BUILDER'S LIMITED WARRANTY" document.

Among other things, the BUILDER'S LIMITED WARRANTY document states and defines: (1) the coverage obligations of the Developer as the "Builder"; (2) the beginning and ending dates for each warranty (or the method of calculating them); (3) the coverages provided, which change over the course of the Warranty Program's ten year term, and coverage limitations and exclusions; (4) the procedures each Buyer must follow to request performance under the BUILDER'S LIMITED WARRANTY; (5) the binding arbitration procedure that must be followed to resolve disputes; and (6) the definitions, general conditions and certain forms for this BUILDER'S LIMITED WARRANTY. Among other limitations and exclusions, this BUILDER'S LIMITED WARRANTY does not cover consequential damages or incidental damages, and there are no warranties which extend beyond the face of this BUILDER'S LIMITED WARRANTY.

To complete the enrollment of a Buyer's Unit in the PWC Warranty Program, an Application for Warranty Issuance to PWC must be completed by a Buyer, including any required attachments and addendum as well as the "Home Buyer Acknowledgement" section of this Application. After completion of a Buyer's Unit, its inspection for compliance with warranty performance standards, and PWC's receipt, review and acceptance of the Application and the enrollment fee which the Developer agrees to pay, PWC will issue the Buyer a BUILDER'S LIMITED WARRANTY document and a "Builder's Limited Warranty Coverage Validation Form" which will state the amount of all warranty coverages for the Buyer's Unit. This amount is the limit of the Developer's warranty liability to the Buyer. It is the most that will be paid or expended for all warranty coverages for the Buyer's Unit regardless of the number of claims made during the warranty period. Once this limit of liability has been paid, no further claims can be made against the Buyer's BUILDER'S LIMITED WARRANTY.

If a Buyer decides to sell the Buyer's Unit, the transfer of title will not affect the remaining term of this BUILDER'S LIMITED WARRANTY. All the new owner has to do is complete and process with the Developer a "Subsequent Home Buyer Acknowledgment and Assignment" form.

Except for the warranties on title given in any deed and each of the foregoing express BUILDER'S LIMITED WARRANTY, Developer is not giving any Buyer, the Association or any other person or entity any express or implied warranty. AMONG OTHER THINGS, DEVELOPER IS NOT GIVING ANY BUYER, THE ASSOCIATION OR ANY OTHER PERSON OR ENTITY ANY IMPLIED WARRANTIES WITH RESPECT TO A UNIT, THE COMMON ELEMENTS OR CONSUMER PRODUCTS OR OTHER THINGS WHICH MAYBE INSTALLED OR WHICH ARE CONTAINED IN A UNIT OR THE COMMON ELEMENTS, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTIESOF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION, OR SUFFICIENCY OF DESIGN, OR FITNESS FOR A PARTICULAR USE.

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

Status of Construction: Construction has commenced. The estimated date of commencement and completion of construction is June 31, 2007, subject to extension for delays caused by acts of nature and Good (force majeure).
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract: September 30, 2007, subject to extension for delays caused by acts of nature and Good (force majeure).
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: N/A

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

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

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

☑	The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project. If the box to the left is checked, Section 5.6.2 and 5.7, which follow below, will not be applicable to the project.

5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):	
☐	For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or
☐	For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.

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

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

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

5.7 Rights Under the Sales Contract

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

1.	**Developer's Public Report**
2.	**Declaration of Condominium Property Regime (and any amendments)**
3.	**Bylaws of the Association of Unit Owners (and any amendments)**
4.	**Condominium Map (and any amendments)**
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other: Unrecorded Archaeological Mitigation Plan (Rechtman and Clark, August 2004) including for the Archaeological Site(s) on the land underlying the Condominium, as approved by the Department of Land and Natural Resources, State of Hawaii by Letter dated March 11, 2005, LOG NO: 2005.0448/DOC NO: 0503MM01; Agreement Re Affordable Housing between the Developer and the County of Hawaii dated March 7, 2006, recorded in the Bureau of Conveyances as Doc. No. 2006-049941; Declaration of Joint Ownership and Use of Private Wastewater Treatment Facility dated January 25, 2007, recorded in said Bureau as Doc. No. 2007-030438; and a sample "BUILDER'S LIMITED WARRANTY" document and form of Application for Builder's Limited Warranty Issuance (see Section 5.4 above).

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

Website to access official copy of laws: www.capitol.hawaii.gov
Website to access rules: www.hawaii.gov/dcca/har

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

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

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

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

(1) The purchaser has signed the sales contract.

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

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

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

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

(b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or

(c) Closes the purchase of the unit before the 30-day cancellation period expires.

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

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

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

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

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

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

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

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

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

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

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

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

6.1 Affiliates of Developer. The Real Estate Broker and the General Contractor for the project, which are Akamai Realty, LLC ("Akamai") and Avalon Hawaii Construction, LLC ("Avalon"), respectively, are affiliated with the Developer as follows:

(a) Each of Akamai and Aaalon is a manager-managed Hawaii limited liability company whose sole member is Stevens Family Limited Partnership, LLLP ("SFLP") and whose manager is Westpro Holdings, LLC. ("WPH"). The Developer is manager-managed Hawaii limited liability company whose members are SFLP and Westpro Development, Inc. ("WDI") and whose manager is WPH.

(b) SFLP is a Nevada limited liability limited partnership whose General Partner is WPH and whose partners are John R. Stevens and Ron L Stevens.

(c) WPH is a manager-managed Hawaii limited liability company whose members are John R. Stevens and Ron L. Stevens and whose managers are John R. Stevens and Alan Dickler.

(d) WDI is a Nevada corporation whose officers are John R. Stevens, Ron Stevens and Alan Dickler.

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

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

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

SEASCAPE DEVELOPMENT, LLC, a Hawaii limited liability company,
By its Manager, Westpro Holdings LLC, a Hawaii limited liability company
Printed Name of Developer

By: _____ 2/16/07
Duty Authorized Signatory* Date

ALAN DICKLER, Its Manager
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Hawaii

Planning Department, County of Hawaii

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

EXHIBIT A
to
DEVELOPER'S PUBLIC REPORT ON SEASCAPE CONDOMINIUM PHASE I

DESCRIPTION OF UNITS, THEIR BOUNDARIES, THE BUILDINGS IN WHICH THEY ARE LOCATED AND OTHER IMPROVEMENTS, INCLUDING PARKING STALLS

The Buildings, the Units located in the Buildings and other Improvements for Phase I are as shown and depicted on the Phase I Condominium Map and as described below; *provided, however*, if the descriptions and divisions set forth in this Exhibit A conflict with the depictions and divisions shown on the Phase I Condominium Map, the Condominium Map shall control; *provided, further*, that the Condominium Map is intended only to show a site plan, the layout, location, Unit numbers and dimensions of the Units and elevations of the Buildings and is not intended and shall be not deemed to contain or make any other representation or warranty.

A. DESCRIPTION OF BUILDINGS AND OTHER IMPROVEMENTS IN PHASE I. Phase I of the Condominium will have five (5) two-story steel framed residential Buildings, without basements, constructed primarily of steel, aluminum, glass, drywall and allied building materials. These Buildings are identified by the letters "A" through "D," inclusive, and "N." Each of them contains eight (8) condominium units (**"Units"**), four (4) on the first and four (4) on the second flood, and have the same floor layout are otherwise substantially identical, except for the roofs, some having different styles of gable roof and others having different styles of hip roof.

Other improvements include: an archaeological site; a wastewater treatment plant; refuse facilities; a mail box pedestal; landscaping; lighting; walkways; driveways; and parking areas and stalls.

B. DESCRIPTION OF UNITS IN PHASE I.

1. The Number and Type of Units. Phase I of the Condominium will have forty (40) 2 bedroom 2 bathroom residential Units divided into 2 types. There are thirty-six (36) Type A Units, and four (4) Type B ADA compliant Units which are located on the first floor (ground level) in Building "N".

2. Unit Configurations and Layouts and Access to Grounds. Each Type A and each Type B Unit has substantially the same configuration and layout as every other Type A and every other Type B Unit, respectively, except that some are the mirror images of others and there are minor differences between end and interior Units. All Units include a kitchen, a dining area, a living area, a linen closet, a master bedroom with an adjoining bathroom, a second bedroom, a second bathroom, and a lanai with a closet for a hot water heater. Type A and Type B Units have different layouts of the master bedroom and bathroom. All Units have an interior linen closet, and locate the washer/dryer closet on the lanai. Each first floor (ground level) Unit has direct access to the grounds. Each second floor Unit has access to the grounds via a stairway.

3. Unit Identification and Numbering. Units are identified by the letter of the Building in which they are located, and a three digit number. The first digit is either a "1" or a "2" depending on the location of the Unit on the first or second floor, following by the numbers "01", "02", "03" or "04," inclusive, indicating each Unit's relative location on the floor, with Unit numbered "01" and "04" being end units, and Units number "02" and "03" being interior units. For example with respect to Building "A", Units A-101 and A-104 are first floor end units, Units A-102 and A-103 are first floor interior units; Units A-201 and A-204 are a second floor end units, Units A-102 and A-103 are first floor interior units.

4. Units Boundaries and Areas. Each Unit is bounded:

(a) *horizontally* by the unfinished or undecorated interior surfaces of the floors and the ceilings (in the case of first floor Units) or the building roof (in the case of second floor Units); and

(b) *vertically* by the centerline of all perimeter walls which are party walls, i.e., walls between Units or between a Unit and a Common Element, and by the exterior of all other perimeter walls that are not party walls and the exterior of all windows and doors along the perimeter; and

(c) *with respect to that Unit's lanai*, horizontally by the unfinished or undecorated surface of the floor, then vertically by lines running from the outer edges of the floor but including the outer edges of the lanai railings, to a height equal to the height of the interior ceiling, in the case of first floor Units, or to the same height, as measured in feet and inches, in the case of second floor Units.

All Units have the same net living areas of 1010 square feet, with a lanai of 56 square feet. These areas are approximations only, based on the floor plan for each Type of Unit. They are not exact or based on actual measurements of the Units themselves, and are net areas, meaning that they are calculated from the interior surface of all perimeter walls and other perimeter improvements, and not from the vertical boundaries established for each Unit and its lanai.

5. Unit Space and Improvements Excluded From and Included In the Units. Each Unit consists of all space and improvements within its boundaries, *provided, however*, that each Unit specifically includes and excludes the following improvements:

(a) Improvements that are part of each Unit include: **(1)** the finished or decorated interior surfaces of each Unit's perimeter walls, floors and ceilings (or roof), and all load bearing walls, columns and other structural members, if any, within the boundaries of that Unit; **(2)** all windows and window frames and doors and door frames along the Unit's perimeter, and **(3)** the finished or decorated surface of the lanai floor, and all lanai railings, including railing connections and supports.

(b) Improvements that are not part of each Unit, being instead Common Elements, include: **(1)** all other pipes, wires, conduits, or other utility or service lines, if any, that run through that Unit but which are utilized for or serve more than that one Unit; and **(2)** all load bearing walls, columns and other structural members within the boundaries of that Unit and the perimeter and party walls and the floors and ceilings themselves for the Unit, except for their finished or decorated interior surfaces which are part of that Unit.

C. PARKING STALLS. There is one (1) loading space and a total of fifty-eight (58) open parking stalls. Forty (40) stalls will be assigned as a Limited Common Element, one to each Unit, with one of thirty-six (36) regular stalls assigned to each of the thirty-six (36) Type A Units, and one of the four (4) ADA stall assigned to each of the four (4) Type B Units, with 15 regular guest stalls and 3 ADA guest stalls.

END OF EXHIBIT A

EXHIBIT B
to
DEVELOPER'S PUBLIC REPORT ON SEASCAPE CONDOMINIUM PHASE 1

ADDITIONS AND ALTERATIONS TO UNIT

1. Additions and Alterations Within Or With Respect to Units or Their Limited Common Elements, Generally. With the consent of all mortgagees of record of any interest in an Owner's Unit *but without* the consent or joinder of the Board, the Association, any other Unit Owner, Developer or any other person except as otherwise stated below, and *subject to* the other requirements stated below, each Unit Owner shall be free, at such Owner's sole cost and expense and from time to time and at any time, to make additions and alterations within such Unit Owner's Unit or within that Unit's Limited Common that are not **"material"** (as such term is defined in below), as reasonably determined by the Board.

2. Minor, Non-Material Additions Or Alterations to the Common Elements. With the prior written consent of the Board and subject to such terms and conditions as the Board may reasonable impose, a Unit Owner may also, at such Owner's sole cost and expense and from time to time and at any time, make minor and not **"material"** (as such term is defined below) additions to or alterations of the Common Elements for the benefit of that Owner's Unit if such additions or alterations can be accomplished without substantial impact on the interest of other Owners in the Common Elements, as reasonably determined by the Board.

3. Notice and Submittals to the Board Commencing Any Work. Prior to commencing any and each and every addition or alteration, the Unit Owner shall first give written notice thereof to the Board and provide to the Board:

(a) copies of the plans and specifications therefore prepared by and bearing the stamp of a licensed Hawaii architect or engineer, unless the Board in writing waives the requirement for such copies predicated upon the nature of the proposed improvements;

(b) a certification in form reasonably satisfactory to the Board signed by an architect or engineer duly registered in the Sate of Hawaii, that such addition or alteration will not adversely affect the structural integrity of the Common Elements or any other Unit in the Condominium, unless the Board in writing waives the requirement for such certification predicated upon the nature of the proposed improvements (and the Board may, at the cost of the Unit Owner, engage a structural engineer to advise the Board on this matter);

(c) evidence reasonably satisfactory to the Board that all governmental permits and approvals required for such addition or alteration have been duly obtained,

(d) evidence reasonably satisfactory to the Board that all work will be performed by a Hawaii licensed and insured contractor; and

(e) if the cost of such addition or alteration or removal, as reasonably determined by the Board, shall exceed the sum of $25,000.00, the Board may require that the Owner provide evidence satisfactory to the Board of sufficient financing to complete such addition or alteration; or or in lieu thereof, require that the Owner obtain a performance and lien payment bond, naming as obligees the Board and the Association and collectively all Unit Owners and their respective mortgagees of record, as their interests may appear, for a penal sum of not less than one hundred percent (100%) of the estimated cost of such alteration or removal.

4. Material and Other Alterations Prohibited Without the Consent of the Board. The Board shall always have the right to disapprove and prohibit a proposed addition or alteration by a Unit Owner that the Board reasonably determines could be **"material"** as that term is defined below. Additionally, without the express prior written consent of the Board and the compliance by the Unit Owner with other applicable requirements stated in this *Exhibit B*, a Unit Owner shall not make:

(a) any hard surface flooring in any of the second floor Units;

(b) any change to the Common Elements; and

(c) any structural additions to or structural alterations in that Owner's Unit or to the Unit's Limited Common Elements;

(d) any interior improvements or alterations in or additions to the Unit visible from the exterior of the Unit or the exterior of any of the Unit's Limited Common Elements; and

(e) any alterations or additions to the exterior of the Unit or to any exterior portion of the Unit's Limited Common Elements.

5. **Certain Work Prohibited Without the Consent of Units Owners.** Without first obtaining the prior written consent of **(i)** sixty-seven percent (67%) of the Unit Owners, **(ii)** all Unit Owners whose Units or appurtenant Limited Common Elements are directly affected, and the **(iii)** the Board, which may not unreasonably withheld its consent, a Unit Owner shall not make any addition or alternation that are not within that Owner's Unit or within a Limited Common Element Common appurtenant solely to that Owner's Unit that:

(a) is **"material"** (as such term is defined below); or

(b) adds any material structure or excavates any basement or cellar.

6. **Structural Alternations and Changes.** No alterations or changes of any nature under any circumstances shall be made to the structural elements of the building, including, without limitation, roofs, floors, supporting walls, foundations, columns, girders, floor slabs, supports, perimeter, party or load bearing walls and partitions without first obtaining the certification from a licensed structural engineer reasonably acceptable to the Board that the plans for such alterations or changes will not in any way diminish the present structural integrity of the building and the elements therein.

Material Additions and Alterations Defined. A **"material"** addition or alternation means any addition or alteration which jeopardizes the soundness of safety of the Condominium, reduces its value, impairs any easement, detracts from the appearance of the Condominium, interferes with or deprive any non-consenting Unit Owner of the use or enjoyment of any part of the Condominium or directly affects any non-consenting Unit Owner.

END OF EXHIBIT B

EXHIBIT C
to
DEVELOPER'S PUBLIC REPORT ON SEASCAPE CONDOMINIUM PHASE I

DECRIPTION OF COMMON INTERESTS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

A. COMMON INTERESTS FOR EACH UNIT IN PHASE I.

Each Unit in Phase I has a common interest of 1/40, which is subject to adjustment as additional Phases are added to the Condominium.

B. DESCRIPTION OF COMMON AND LIMITED COMMON ELEMENTS.

1. The **"Common Elements"** of the Condominium consist of the following as well as the limited common elements described below:

(a) The underlying Land in fee simple;

(b) The archaeological area as shown on the Condominium Map, , subject to the Archaeological Mitigation Plan with respect to that site that is referred to in *Exhibit E* attached to this Public Report.

(c) All walkways, driveways, and parking areas including parking stalls and loading stalls;

(d) All yards, grounds, trees, bushes and other landscaping, and refuse facilities located on the grounds;

(e) All foundations, floor slabs, columns, girders, beams, supports, and perimeter and party walls and partitions (excluding the finishes thereon), ceilings, roofs and stairways;

(f) All vents, shafts, sewer lines, water lines, pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations on, above, over, under and across the Condominium and serving two or more Units to the point of their respective connections to a part of each Unit, including, without limitation, those providing electricity, light, gas (if any), water, air conditioning, sewer, refuse, drainage, irrigation, telephone, and radio and television signal distribution (if any) to more than one Unit;

(g) An undivided interest in the Private Wastewater Treatment Facility and other Common Facilities pursuant to that certain recorded Agreement for Joint Ownership and Use of Wastewater Treatment Facility referred to in *said Exhibit E* that is also attached to this Public Report, which Facilities are to service the Condominium as well as Lots 1, 3 and 4 of the Lokahi Ka'u Subdivision as shown and described in that certain Affidavit of Peter H. Souza, Jr. also referred to in *said Exhibit E*; and

(h) Any and all other apparatus and installations existing for common use by more than one Unit, and any and all other parts of the Condominium necessary or convenient to its existence, maintenance or safety, or normally in common use.

2. The **"Limited Common Elements"** include:

(a) An exclusive easement for each Unit for the use of one (1) mailbox located on grounds and bearing the same number as such Unit.

(b) An exclusive easement for each Unit for the use of one (l) parking stall, which shall be that stall assigned to that Unit by the original Deed of the Unit from the Developer to a third-party buyer; provided that parking stalls may be transferred between Units by an instrument recorded in the Bureau as long as there is one (1) parking stall appurtenant to each Unit.

(c) An exclusive easement for each set of two (2) second story Units for the use of the stairway leading to and serving such Units.

(d) Any portion of any chute, flue, duct, wire, conduit, or other fixture which serves only that one Unit and which lies outside or partially outside the boundaries of that Unit.

END OF EXHIBIT C

EXHIBIT D
to
DEVELOPER'S PUBLIC REPORT ON SEASCAPE CONDOMINIUM PHASE 1

PURPOSES AND USES

The Condominium and each of the Units are intended for and shall be restricted to the following purposes and uses.

1 **Residential Units.** Each Unit shall at all times be occupied and used exclusively for residential purposes in compliance with all applicable zoning and land use laws, codes and regulations. This shall not be deemed to restrict the right of the Unit Owners to rent or lease their Units in accordance with the terms of this Condominium Declaration, the Condominium Bylaws and the rules and regulations (the **"House Rules"**) adopted from time to time by the Association or its Board.

2 **Limitations on Leasing.** The Owner of a Unit shall not lease less than such Owner's entire Unit and any appurtenant Limited Common Element. Any lease agreement for a Unit in the Condominium shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the Act, the Condominium Documents, and the Unit Owner's Deed, and that the failure of either the lessor or the lessee to comply with the terms of such Documents shall be a default under the lease. All leases shall be in writing and a copy of each lease agreement shall be filed with the Association. An Owner who rents that Owner's Unit shall at all times remain primarily as a Unit Owner and shall be joint and severally liable with the Owner's tenants for any failure on the tenants' part to observe and comply with the Condominium Documents.

3 **Prohibition on Activities which Jeopardize the Condominium.** No Unit Owner shall do or suffer or permit to be done anything on any Unit or elsewhere on the Condominium which will: **(a)** injure the reputation of the Condominium; **(b)** jeopardize the safety or soundness of the Condominium; **(c)** create a nuisance or interfere with or unreasonably disturb the rights of other owners and occupants; **(d)** reduce the value of the Condominium; **(e)** result in the cancellation of insurance applicable to the Condominium or adversely affect the right of recovery thereunder or result in reputable companies refusing to provide insurance as required or permitted by the Condominium Bylaws, or **(f)** increase the rate of insurance applicable to the Units or the contents thereof, or to the Condominium.

4 **Exterior Appearance.** No Unit Owner shall place or permit any sign, awning or canopy, or advertising matter or decoration or lettering which shall be visible from outside of the Unit without the consent of the Board. The Board shall establish reasonable and uniform regulations governing the exterior appearance of the Units as shall be aesthetically suitable and appropriate to the design and function of the Condominium.

5 **Common Elements.** The Common Elements shall be used only for the purposes and use for which they are designed and intended or to such changed purposes and uses as are made from time to time in accordance with the provisions of the Condominium Declaration and the Condominium Property Act.

6. **Pets**. With the exception of aquarium fish, no animals of any kind shall be raised, bred or kept in the Condominium, except that not more than one dog of less than twenty (20) inches in height at the shoulder and not more than twenty-five (25) pounds, or one cat, or other single household pet needing no access to the outside, approved and licensed by the Board or Managing Agent, may be brought on the Condominium and suitably housed in a Unit. The animals shall not include those described as pests under *HRS Section 150A-2*, or animals prohibited from importation under *Sections 141-2, 150A-5 or 150A-6, HRS*. If the Owner of a Unit has agreed in writing to allow the Owner's tenants to keep a pet in the Unit, the tenants may keep only those types of pets which may be kept by the Owner. No pet may be kept, bred or maintained for any commercial purposes. No pet may be caged or kenneled on a lanai. Any pet causing or creating a nuisance or unreasonable disturbance or noise, shall be permanently removed from the Condominium subject to these restrictions upon three (3) days' written notice from the Board. In no event shall any dog be permitted access to any portion of the Common Elements unless carried or on a leash. Dogs shall be permitted only upon license from the Board. Pursuant to the license agreement executed by each Owner of a dog permitted in the Condominium, a dog shall carry a conspicuous tag and may be picked up by any person, and detained if found running loose. Such dog will be released to its Owner upon the payment of a

reasonable charge which shall be paid over to the person picking up and delivering the dog to the Association or Managing Agent. The Owner of such dog shall compensate any person hurt or bitten by the dog, and shall hold the Board, the Association and the Managing Agent harmless from any claim resulting from any action of his or her dog. Notwithstanding any other provision herein, visually impaired persons, hearing impaired persons and physically impaired persons shall be allowed to keep certified seeing-eye dogs, certified signal dogs, and certified service dogs, respectively, in their Units. Further, nothing herein shall hinder full access to the Units and the Common Elements by persons with disabilities.

Any amendment adopted to the Bylaws which prohibits pets or certain kinds of pets that prior to that amendment were not prohibited shall not apply to any Owner who was keeping such a pet prior to the effective date of that prohibition, and that Owner may, upon the death of such a pet, replace the animal with another of the same kind and continue to do so for as long as the Owner continues to reside in the Owner's Unit or another Unit subject to the Bylaws.

7. House Rules. The Board, upon giving notice to all Owners and an opportunity to be heard thereon, may adopt, amend or repeal any administrative or supplemental rules and regulations (sometimes referred to as the "**House Rules**") governing the details of the operation and use of the Common Elements not inconsistent with any provision of law, the Condominium Declaration or the Bylaws.

END OF EXHIBIT D

Exhibit E
to
DEVELOPER'S PUBLIC REPORT FOR SEASCAPE CONDOMINIUM PHASE I

A. Permitted Encumbrances

The following now encumber title to the land, will remain as encumbrances on the title to a Unit conveyed to the Buyer, and together with such other encumbrances as may be placed on the title that do not materially and adversely affect the use or value of a Unit, are sometimes called the "Permitted Encumbrances."

1. Title to all minerals and metallic mines reserved to the State of Hawaii.

2. Affidavit of Peter H. Souza, Jr. dated February 8, 2006, recorded in the Bureau of Conveyances of the State of Hawaii on February 21, 2006, as Document No. 2006-034153, including but not limited to, the designation of archaeological site buffers, being SIHP Sites 5747, 23413 and 23414, as shown on subdivision map of Lokahi Ka'u prepared by Peter H. Souza, Jr., licensed professional surveyor, Certificate No. 9279, revised March 16, 2005 affecting Lot 2 (among others).

3. An Archaeological Mitigation Plan (unrecorded) for Ten Sites on TMK: 3-7-3-10:03 prepared by Rechtman Consulting, LLC (Robert B. Rechtman, Ph.D. and Matthew R. Clark, B.A.) dated August 2004, with respect to the archaeological site referenced to in 2(a) above only, being said SIHP Sites 5747, 23413 and 23414, as accepted by letter dated March 11, 2005 to Rechtman Consulting Inc. from the State of Hawaii Department of Land and Natural Resources.

4. Agreement Re Affordable Housing dated March 7, 2006, between the Seascape Development LLC and the County of Hawaii recorded on March 16, 2006 as Document No. 2006-049941.

5. Declaration of Joint Ownership and Use for Private Wastewater Treatment Facility dated January 25, 2007 recorded on February 16, 2007 as Document No. 2007-030438, as amended from time to time (the **"Wastewater Declaration"**).

6. Declaration of Condominium Property Regime for Seascape Condominium and Creation of Phase I dated February 16, 2007, recorded as Document No. 2007-035079, the By-Laws of the Association of Unit Owners of Seascape Condominium of even date therewith recorded as Document No. 2007-035080 the Condominium Map recorded as Map No. 4401, as each of the same may be lawfully amended from time to time, including as amended by the exercise of the Reserved Rights, and the unrecorded House Rules promulgated from time to time pursuant to said Bylaws (all of documents as so amended and the Wastewater Declaration being sometimes called the **"Condominium Documents"**).

B. Blanket Liens

A Blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. The title is presently encumbered by the following Blanket Liens. The title may also be encumbered by additional Blanket Liens placed against the Condominium or the Property during the course of construction. However, all Blanket Liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser, see Section 5.3 above.)

1. (a) Construction Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing from Seascape Development. LLC, as mortgagor, in favor of California Savings Bank, as mortgagee, dated December 6, 2006, recorded in said Bureau on December 7, 2006, as Document No. 2006-224221.

   (b) Assignment as Collateral Security and Security from Seascape Development. LLC, as assignor, in favor of California Savings Bank, as assignee, dated December 6, 2006, recorded in said Bureau on December 7, 2006, as Document No. 2006-224222.

(c) Assignment of Rights under Covenants, Conditions and Restrictions, Sales Agreements, Permits and Development Documents, from Seascape Development. LLC, as assignor, in favor of California Savings Bank, as assignee, dated December 6, 2006, recorded in said Bureau on December 7, 2006, as Document No. 2006-224223.

(d) Financing Statement from Seascape Development. LLC, as debtor, in favor of California Savings Bank, as secured party, recorded in said Bureau on December 7, 2006, as Document No. 2006-224224.

END OF EXHIBIT E

EXHIBIT F

TO DEVELOPER'S PUBLIC REPORT FOR SEASCAPE CONDOMINIUM PHASE I

PART 1: DEVELOPER'S RESERVED RIGHTS AND EASEMENTS

1. Grant And Reservation of Reserved Rights. The Developer grants, reserves to and preserves for itself, and its successors and assigns the easements and other rights (the **"Developer's Reserved Rights and Easements"** or simply the **"Reserved Rights"**) in and with respect to the Property and Condominium, as described in this *Exhibit E* and elsewhere in the Condominium Documents.

1.1 Declaration Regarding the Reserved Rights. In furtherance of the foregoing grant, reservation and preservation of the Reserved Rights, Developer declares and agrees that

(a) All Units and their appurtenant Common Interests and all Common Elements (including, without limitation, the Limited Common Elements) are subject to each and every one of the Reserved Rights and each and every one of the provisions of this *Exhibit E*, all of which are intended and shall constitute equitable servitudes and liens and covenants running with the land for the benefit of the Developer, its successors, and assigns, and binding on all subsequent Unit Owners, Lenders, tenants, and occupants of all or any part of the Property or the Condominium and any and all other person who may own or use any part of the Property or the Condominium, and each of their respective heirs, legal representatives, successors and assigns;

(b) By acquiring any interest in the Property or the Condominium, each Interested Person shall be deemed conclusively and absolutely: **(1)** to consent to each of the Reserved Rights and to each exercise and each transfer of each such Rights; and **(2)** to authorize the Developer, as such Person's Representative and/or attorney-in-fact and/or otherwise on such Person's behalf and without any further authorization from such Person, to join in and execute such Documents as the Developer may deem necessary or convenient to evidence further and give each such consent; and

(c) Each of the Reserved Rights: **(1)** is granted, shall be reserved and preserved and may be exercised on and in accordance with their respective terms and conditions stated in this *Exhibit E*, notwithstanding anything stated in or inferable from any other provision contained in the Declaration, the Bylaws or any other of the Condominium Documents or any other document creating, governing, or encumbering the Property or the Condominium or any part thereof; **(2)** is granted, shall be reserved and preserved and may be exercised over the entire term of the **"Development Period"** which shall commence as of the initial recordation of the Condominium Documents and shall last until December 31, 2021, unless with respect to any particular Reserved Right, an earlier termination date is expressly stated or prior to expiration of the Development Period the Developer shall record in the Bureau a declaration that states an earlier termination date; **(3)** may be exercised separately or in combinations with one or some or all of the Reserved Rights and at one or more times; **(4)** shall include the right to do anything necessary or convenient, including without limitation the right to use each such Reserve Right in conjunction with any one or more of the other Reserved Rights, including without limitation, those stated or referred to in this *Section 1.1* and in *Sections 1.2 and 1.3*, and including also by way of illustration the consents, authorizations and powers of attorney given and to be given by each Unit Owner and other Interested Person to the Developer pursuant to *Section 1.2* below, in order to exercise fully each such Right; and **(5)** may be exercised and transferred without any further notice to or the consent or joinder of anyone else.

1.2 General Provisions Applicable to the Reserved Rights.

(a) **Nature of Developer's Reserved Rights**. The Developer has the right, but not the obligation, to exercise any of the Reserved Rights separately or in one or more combinations and at one or more times. By way of example and not limitation, the Developer shall not be obligated to create any New Units, build any New Improvements, subdivide any of the Land, delete any of the Land, annex any Adjacent Parcel, or merge the Condominium with any Adjacent Condominium. Conversely, the Developer's exercise of any of such rights on any occasion shall not limit or otherwise affect the Developer's right to utilize any such right from time to time. The Developer's Reserved Rights are reserved and preserved to, and may be exercised by, the Developer regardless of anything stated in or that may be inferred from any provision of the Condominium Documents or any other document creating, governing, or encumbering the Condominium or any part thereof.

(b) **Consents; Special Power of Attorney**. The Developer may exercise the Developer's Reserved Rights without being required to provide notice to or to obtain the approval, consent, or joinder of any other party, including, but not limited to, the Association, any Unit Owner, any Lender, or any other Interested Person. If and when any Unit Owner or other Interested Person acquires any Unit or any other interest in the Condominium, such Unit Owner or Interested Person shall be deemed to have conclusively agreed to the following:

(1) to have taken such Owner's or Person's interest in the Unit or Condominium subject to the Reserved Rights, and each and every exercise and/or assignment of them;

(2) to have acknowledged, approved, and agreed that:

(i) the Developer shall possess and may from time to time exercise the Developer's Reserved Rights,

(ii) the exercise of any of the Reserved Rights may result in the recalculation of the Common Interest of some or all Units and

(iii) the Developer can file and/or record any and all documents that the Developer deems necessary or convenient to the exercise of such rights, including, but not limited to, amendments to some or all of the Condominium Documents;

(3) to have appointed the Developer as such Owner's or Person's attorney-in-fact to join in, consent to, sign, have notarized, deliver and record all documents and to do all other acts and things on his, her or its behalf, and to do all things necessary or desirable to exercise the Reserved Rights and to make and confirm the agreements, consents, waivers and releases of such Owner or Person contained in this *Exhibit E*. Such appointment shall be deemed to have been made pursuant to a durable power of attorney, with full power of substitution, and shall not be affected by any disability of such Unit Owner or other Interested Person; and

(4) to have agreed that such Owner or Person, promptly upon request therefor made by the Developer from time to time, shall: **(i)** join in, consent to, execute (and if requested, acknowledge before a notary public), deliver, and record **(x)** a power of attorney in favor of the Developer as is provided for above in *Section 1.2(b)(3)*, including without limitation a power of attorney in the form found in *Part 3* of this *Exhibit E*, and **(y)** all other documents, and **(ii)** do all other acts and things, which the Developer, in its sole discretion, determines to be necessary for or convenient to each and every exercise of the Developer's Reserved Rights or to accomplish the purposes for which such Rights were reserved and preserved.

(c) **Additional Acknowledgments, Consents, Waivers and Releases by Unit Owners**. By acquiring any interest in a Unit, each Unit Owner and other Interested Person shall be also conclusively deemed to have acknowledged and agreed that all of the activities resulting from any exercise of the Reserved Rights above may result in traffic, noise, dust, soot, smoke, odors, surface water runoff, vibrations and other inconveniences, nuisances and hazards, and with respect thereto:

(1) to have consented to such activities;

(2) to have assumed the risk of any property damage, personal injury or loss in property value arising from any of such activities;

(3) to have waived any rights, claims, or actions that such Owner or Person may have, either at the time of such acquisition or at any time thereafter, against the Developer and/or its Representatives, licensees, invitees, successors and assigns; and

(4) to have released and discharged Developer and its Representatives, licensees, invitees, successors and assigns from any and all such rights, claims, and actions.

Each Unit Owner and every other Interested Person by accepting any interest in any Unit also:

(i) agrees to stay out of the Undeveloped Land Area and any specifically fenced area thereof and to comply with all other rules and regulations that the Developer may establish for the Undeveloped Land Area;

(ii) accepts that from time to time there may be construction and other activities ongoing within the Undeveloped Land Area which may detract from the appearance of the Condominium; and

(iii) waives and releases any rights, claims or actions such Unit Owner may have arising from or with respect to the foregoing as against the Developer and its Representatives, licensees and invitees.

(d) **Limitation on Use of Powers of Attorney.** The Developer shall not use the power of attorney given under this *Section 1.2* to do any of the following:

(1) to waive or release any right of any Unit Owner under the Condominium Property Act which permits such Unit Owner to cancel the purchase of a Unit;

(2) to mortgage such Unit; or

(3) to otherwise encumber any Unit unless this Declaration expressly permits the Developer to do so.

(e) **Scope of Documents Subject to Developer's Reserved Rights.** Any reference to "documents" in this *Section 1.2* or any other Section of this Declaration with respect to the Reserved Rights and/or the acknowledgements, agreements, consents, waivers, releases and discharges of each Unit Owner or other Interested Person contained in this *Exhibit E*, refers to all documents and instruments of any kind, including, without limitation: deeds and other conveyance instruments; powers of attorney; grants of easements; amendments to the Condominium Documents; and applications to governmental agencies or authorities; as well as such acknowledgements, agreements, consents, waivers, releases and discharges themselves.

(f) **No Consent of Unit Owners Required**. Notwithstanding anything contained in this *Exhibit E*, the Developer intends, and this Declaration shall be construed to provide, to the fullest extent permitted by law, that any amendment to the Condominium Documents made in connection with the exercise of the Reserved Rights, and any other action taken by the Developer in the exercise of the Reserved Rights, shall require the vote or written consent of only the Developer and not any Unit Owner or other Interested Person; *provided, however*, that to the extent the vote or written consent of any Unit Owner or other Interested Person is required, the Developer may use the special power of attorney to cast such vote or give such consent on behalf of such Unit Owner or other Interested Person except as otherwise expressly stated elsewhere in this Exhibit E.

1.3 Enumeration of Certain Reserved Rights. Without limiting the generality of *Section 1*, and on the terms and conditions stated in said Section, for itself and its successors and assigns, the Developer hereby grants, reserves and preserves, as part of its Reserved Rights, the rights as stated in *Sections 1.1 and 1.2* and following rights and easements:

- To change the Condominium or a Unit prior to Recording a First Deed.
- To modify easements and grant additional easements.
- For sales activities.
- To complete Improvements and correct defects.
- For traffic, noise, dust, etc..
- To use and control the Undeveloped Land Area.
- To create New Units.
- To design, develop, build, add to and complete New Improvements.
- To subdivide and consolidate the Land.
- To withdraw Undeveloped Land Area from the Condominium.
- To annex Adjacent Land and Improvements.
- To build Adjacent Condominium Condominiums and to merge them with the Condominium.
- To change the Condominium to comply with law.
- To amend the Condominium and other Documents.
- To transfer one or more of the Reserved Rights.

For more details regarding these Reserved Rights, see Exhibit E to the Condominium Declaration.

PART 2: DEVELOPER'S FUTURE DEVELOPMENT AND PHASING PLANS

1. No Guaranty. Nothing stated in or inferable from this document is intended or shall be deemed or construed as any representation, warranty, guarantee or other assurance by the Developer that any subsequent phase of the Condominium will be developed, or if developed will be as provided for in the Developer's present development and phasing plan

2. Phase II. As of the date of the first recordation of the Condominium Documents, the development and phasing plan for Phase II is as follows:

Phase II will include three (3) two-story residential steel framed new Buildings, without basements, lettered "E, "F" and "G", constructed primarily of steel, aluminum, glass, drywall and allied building materials. Each New Building will contain eight (8) New Units, four (4) on each floor, for a total of twenty-four (24) New Units in Phase II. The New Units will all be Type A Units, and they will be

identified and numbered in the same manner, have the same Net Living Areas, Unit configurations and layouts, access to the grounds and boundaries, will include the same space and include and exclude the same kind of improvements, and have the same kind of Limited Common Elements and easements, as the Type A Unit in Phase I.

The total number of Units in both Phases I and II will be sixty-four (64), sixty (60) Type A Units and four (4) Type B Units located in eight (8) buildings identified by the letters "A" through "G," inclusive, and "N." The Common Interest appurtenant to each such Unit (calculated and subject to adjustment when and if additional Phases are created within the Condominium as provided for in *Section 8* of *Part 1* of this *Exhibit E*) will be 1/64.

3. Phase III. As of the date of the first recordation of the Condominium Documents, the development and phasing plan for Phase III is as follows:

Phase III will include three (3) two-story residential steel framed new Buildings, without basements, lettered "H", "I" and "J", constructed primarily of steel, aluminum, glass, drywall and allied building materials. Buildings "H" and "I" will contain eight (8) New Units, four (4) on each floor, Building "J" will contain four (4) Units, two (2) on each floor, for a total of twenty (20) New Units in Phase III. The New Units will all be Type A Units, and they will be identified and numbered in the same manner, have the same Net Living Areas, Unit configurations and layouts, access to the grounds and boundaries, will include the same space and include and exclude the same kind of improvements, and have the same kind of Limited Common Elements and easements, as the Type A Unit in Phase I.

The total number of Units in Phases I, II and III will be eighty-four (84), eighty (80) Type A Units and four (4) Type B Units located in eleven (11) buildings identified by the letters "A" through "J," inclusive, and "N." The Common Interest appurtenant to each such Unit (calculated and subject to adjustment when and if additional Phases are created within the Condominium as provided for in *Section 8* of *Part 1* of this *Exhibit E*) will be 1/84.

4. Phase IV. As of the date of the first recordation of the Condominium Documents, the development and phasing plan for Phase IV is as follows:

Phase IV will include three (3) two-story residential steel framed new Buildings, without basements, lettered "K", "L" and "M", constructed primarily of steel, aluminum, glass, drywall and allied building materials. Each New Building will contain eight (8) New Units, four (4) on each floor, for a total of twenty-four (24) New Units in Phase IV. The New Units will all be Type A Units, and they will be identified and numbered in the same manner, have the same Net Living Areas, Unit configurations and layouts, access to the grounds and boundaries, will include the same space and include and exclude the same kind of improvements, and have the same kind of Limited Common Elements and easements, as the Type A Unit in Phase I.

The total number of Units in all Phases I, II, III and IV will be one hundred and eight (108), one hundred and four (104) Type A Units and four (4) Type B Units located in fourteen (14) buildings identified by the letters "A" through "N," inclusive. The Common Interest appurtenant to each such Unit (calculated as provided for in *Section 8* of *Part 1* of this *Exhibit E*) will be 1/108.

PART 3: FORM OF SPECIAL POWER OF ATTORNEY

A form of special power of attorney referred to in *Part 1* above of this *Exhibit E* is as follows starting on the next page:

SPECIAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That _____, being the owner (the "**Owner**") of Unit No. _____ in the Seascape Condominium (the **"Condominium"**), whose residence and post office address is _____, does hereby appoint **SEASCAPE DEVELOPMENT, LLC** ("**SSD**"), the principal place of business and post office address of which is _____, as the Owner's true and lawful attorney, for Owner in Owner's name, place and stead and for Owner's use and benefit to act for Owner in connection with the rights reserved (the **"Reserved Rights"**) by SSD as the Developer under, and as more fully set forth in, that certain *"Declaration of Condominium Property Regime for Seascape Condominium and Creation of Phase I"* dated _____ __, 200_, recorded at the Bureau of Conveyances of the State of Hawaii as Document No. 200_-_____, as the same may be lawfully amended from time to time (the "**Condominium Declaration**"), and the *"By-Laws of the Association of Unit Owners of Seascape Condominium"* of even date therewith, and recorded in said Bureau as Document No. 200_-_____, as the same may be lawfully amended from time to time (the "**By-Laws**"). The Condominium is depicted on Condominium Map No. _____ as the same may be lawfully amended from time to time (the **"Condominium Map"**). The Condominium Declaration, the By-Laws and the Condominium Map as each may be lawfully amended are sometimes called the **"Condominium Documents."** Terms that are used herein with capitalized initial letters shall have the meaning given to them in the Condominium Documents. All relevant provisions of the Condominium Documents with respect to the Reserved Rights, including without limitation *Exhibit E* to the Condominium Declaration, are incorporated herein and made a part of this Special Power of Attorney.

Without limiting the generality of the foregoing appointment and grant of powers of attorney, the Owner does hereby grant to SSD the full power to sign, execute, acknowledge, convey, deliver, and set over all documents and instruments and otherwise to do all acts and things necessary or convenient for any and all transactions in connection with the following Reserved Rights:

1. RESERVED RIGHT TO MODIFY EASEMENTS AND GRANT ADDITIONAL EASEMENTS. SSD's rights to modify any easements and grant additional easements in accordance with *Section 3* of the said *Exhibit E*.

2. RESERVED RIGHTS AND EASEMENTS FOR SALES ACTIVITIES. SSD's rights and easements to conduct, within the Undeveloped Land Area and/or the Common Elements and from any Unit (including, but not limited to, its Limited Common Elements) owned and/or leased by the Developer, extensive promotion of the Condominium and extensive sales activities in connection with the initial sale as well as resale of any Unit in the Condominium, including any New Unit and any Unit in any Adjacent Condominium, in accordance with *Section 4* of said *Exhibit E*.

3. RESERVED RIGHTS AND EASEMENTS TO COMPLETE IMPROVEMENTS AND CORRECT DEFECTS. SSD's rights and easements over, under and upon the Condominium, including, without limitation, the Common Elements, Limited Common Elements, and all Units, as may be reasonably necessary or convenient to complete any Improvements and correct any defects and other punch list items in the Common Elements, Limited Common Elements, or any Unit, or for the exercise of any of the other Reserved Rights, in accordance with *Section 5* of said *Exhibit E*.

4. RESERVED RIGHTS AND EASEMENT FOR NOISE, DUST, ETC. SSD's rights and easements over, under and upon the Condominium and each and all of its parts, to create and cause noise,

dust, soot, smoke, odors, surface water runoff, vibrations, and other nuisances or hazards in connection with the exercise of any and all of the Reserved Rights, in accordance with *Section 6* of said *Exhibit E*.

5. RESERVED RIGHTS AND EASEMENTS TO CONTROL AND USE THE UNDEVELOPED LAND AREA. SSD's rights and easements of control over the Undeveloped Land Area and the exclusive right and an exclusive easement to use the Undeveloped Land Area for any lawful purpose, in accordance with *Section 7* of said *Exhibit E*.

6. RESERVED RIGHTS AND EASEMENTS TO CREATE NEW UNITS. SSD's rights and easements to create one or more New Units in the Condominium and to designate Limited Common Elements appurtenant to any New Unit at any time and from time to time before the Development Period ends, in accordance with *Section 8* of said *Exhibit E*.

7. RESERVED RIGHTS AND EASEMENTS TO DESIGN, DEVELOP, BUILD, ADD TO, AND COMPLETE NEW IMPROVEMENTS. SSD's rights and easements to design, develop, build, add, and complete New Improvements on the Land, in accordance with *Section 9* of said *Exhibit E*.

8. RESERVED RIGHTS TO SUBDIVIDE AND CONSOLIDATE THE LAND. SSD's rights and easements to subdivide the Land and/or to consolidate and resubdivide the Land with any one or more Adjacent Parcels, in accordance with *Section 10* of said *Exhibit E*.

9. RESERVED RIGHT TO WITHDRAW UNDEVELOPED LAND AREA FROM THE CONDOMINIUM. SSD's rights and easements to withdraw and delete from the Condominium all or any part of the Undeveloped Land Area, in accordance with *Section 11* of said *Exhibit E*.

10. RESERVED RIGHTS AND EASEMENT TO ANNEX LAND AND IMPROVEMENTS. SSD's rights and easements to change the Condominium by annexing any or all interests in any Adjacent Parcel and Improvements located on such Adjacent Parcel into the Condominium, in accordance with *Section 12* of said *Exhibit E*.

11. RESERVED RIGHT TO BUILD ADJACENT CONDOMINIUMS AND TO MERGE THEM WITH THE CONDOMINIUM. SSD's rights to develop one or more Adjacent Condominiums on any Adjacent Parcel and to merge any Adjacent Condominium with the Condominium, in accordance with *Section 13* of said *Exhibit E*.

12. RESERVED RIGHT TO CHANGE THE CONDOMINIUM TO COMPLY WITH LAW. SSD's rights to change the Units, the Common Elements, the Limited Common Elements, and/or to amend the Condominium Documents as required to comply with any laws that apply to the Condominium, the Association, or the Developer, in accordance with *Section l4* of said *Exhibit E*.

13. RESERVED RIGHTS TO AMEND THE CONDOMINIUM AND OTHER DOCUMENTS. SSD's rights and easements to amend the Condominium Documents and other documents as is permitted or required by any other part or Section of said *Exhibit E*, in accordance with *Section 15* of said *Exhibit E*.

14. TRANSFER OF RESERVED RIGHTS. SSD's right to transfer and assign from time to time any one or more of its Reserved Rights in accordance with *Section 16* of said *Exhibit E*.

This appointment and grant of powers of attorney by the Owner to SSD includes the power to substitute for SSD the transferee of any of the Reserved Rights. The Owner agrees and consents to each such substitution by SSD, and agrees to recognize the transferee as "SSD" under this document.

It may be necessary to recalculate the common interests appurtenant to the Units in the Condominium upon the exercise of certain of SSD's Reserved Rights set forth above. The right of SSD to recalculate common interests and the method by which the common interests will be recalculated are set forth in *Section 8* of said *Exhibit E*.

WITH FULL POWER to sign, execute, acknowledge, convey, deliver and set over all documents and instruments and do all other acts and things necessary or convenient for any and all transactions in connection with any or all of the foregoing, including, without limitation, any and all amendments to the aforesaid Condominium Documents or to any deed, and any and all grants, deletions, relocations, realignments, reservations or acceptance of any easement, license and/or right-of-way.

GIVING AND GRANTING UNTO the Owner's attorney full power, authority and discretion to do and perform all and every act and thing whatsoever which it may deem necessary or proper to accomplish the foregoing, all as fully for all intents and purposes as the Owner might or could do if the Owner was personally present; and the Owner hereby ratifies and confirms all that her said attorney lawfully do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, the undersigned has executed these presents this ____ day of _____, 200__.

_____

"OWNER"

STATE OF _____)

COUNTY OF _____)

On this _____ day of _____, 200__, before me appeared _____, to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to executed such instrument in such capacity.

_____

Name of Notary: _____

Notary Public, State of _____

My commission expires: _____

END OF EXHIBIT F

EXHIBIT G

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apart-ment	Units	Common Interest	Monthly Fee/Unit	Fee x 12 Months Yearly Total
A	40	0.925926	200.25	96,120.00

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments *and disbursements for their accuracy or sufficiency*

Revenue	Monthly Fee x 12 months	Yearly Total
Maintenance Fees	8,010.00	96,120.00
Utilities		
Electricity	500.00	6,000.00
Television	33.33	400.00
Water	555.56	6,666.72
Sewer	1,111.11	13,333.33
Subtotal Utilities	2,200.00	26,400.00
Repairs and Maintenance		
Building	92.60	1,111.20
Supplies	103.70	1,244.44
Rubbish	462.96	5,555.55
Landscaping	157.41	1,888.88
Pest Control	116.66	1,399.99
Subtotal Repairs and Maintenance	933.33	11,200.09
Administrative		
Audit and Tax Fees	27.77	333.33
Management Fee	416.66	4,999.99
Resident Manager Fees	1,635.55	19,626.66
Accounting Fee		
Legal	37.04	444.48
Registration and Fees		
Office Supplies	314.81	3,777.77
Mauna Lani Resort Fee		
Insurance	1,518.89	18,226.68
Subtotal Administrative	3,950.72	47,408.64
Reserves	925.95	11,111.40
Total Expenses	8,010.00	96,120.00

I, Kathy Cooley ,as agent for/and/or employed by Certified Management the Condominium managing agent/developer for the Seascape Condo. hereby certify that The above estimates of the initial maintenance fee assessments and maintenance fee disbursements Were prepared in accordance with generally accepted accounting principles.

Kathy Cooley
Signature

9-25-06
Date

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514B-148, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative

STATE OF HAWAII)
) SS:
COUNTY OF HAWAII)

On this 25th day of September, 2006, before me personally appeared Kathy Cooley, to me known to be the person(s) described in and who executed the foregoing instrument, and acknowledged that ~~he~~/she/~~they~~ executed that same as ~~his~~/her/~~their~~ free act and deed.

CONNIE K. VOHDEN
NOTARY
PUBLIC
STATE OF HAWAII

Signature of Notary Public

Print Name: Connie K. Vohden
My Commission Expires: 07/23/2010

Pursuant to §514B-148, HRS, a new association need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

In arriving at the figures for "Reserves" stated above, the Developer has required the condominium managing agent Certified Management, Inc. to conduct a reserve study in accordance with §514B-148, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

End of Exhibit G

EXHIBIT H

Summary of Purchase and Sale Contract (the "Purchase Contract") and Escrow Agreement

1. Purchase Contract and Escrow Agreement Complementary. The Purchase Contract between the Developer as The Developer and each Buyer and the Escrow Agreement dated November 15 and 16, 2006 between the Developer and Hawaii Escrow Title, Inc., as Escrow Agent complement each other, as follows:

1.1 Purchase Price, Payment Terms and Handling of Buyer's Funds. The Purchase Contract states the purchase price and payment terms for Buyer's purchase and requires that all Buyer's Funds be deposited with and held, handled and disbursed by the Escrow Agent in accordance with the Escrow Agreement, including as follows.

(a) Interest on Buyer's Funds. Any interest earned on Buyer's Funds held in escrow belongs to Developer, except as otherwise agreed in writing or as stated below in *Section 1.3(c)* of this Exhibit.

(b) Disbursement of Buyer's Funds. Escrow shall disburse Buyer's Funds:

(1) To pay certain construction and related costs on the conditions stated above in *Section 5.6.2* of this Public Report;

(2) Upon Closing to the Developer;

(3) As a refund to Buyer: if either Buyer or the Developer cancels the Contract before it become legally binding as stated above in *Section 5.8.1* of this Public Report; or if as Buyer's sole and exclusive remedy Buyer cancels if the Completion Deadline for the completion of construction is missed as stated above in *Section 5.8.2* of this Public Report; or if as Buyer's sole and exclusive remedy Buyer rescinds after a material change as stated above in *Section 5.8.3* of this Public Report; or if as Buyer's sole and exclusive remedy Buyer elects to terminate the Purchase Contract if the Developer defaults on the Contract and does not cure that default within the time period required by the Contract; or if the Developer exercises any of its rights to cancel, rescind or terminate where Buyer is not in default.

(4) As Liquidated Damages to The Developer, if The Developer terminates because the Buyer is in default.

1.2 Closing Terms and Conditions. The Purchase Contract and Escrow Agreement state the terms and conditions on which each Buyer's purchase will close as scheduled by the Developer, including as follows:

(a) Construction is substantially completed as evidenced by the first publication of the Notice of Completion pursuant to *HRS Chapter 507, Part 2*. The Developer will attempt to schedule an inspection of Buyer's Unit prior to the Closing but Closing shall not be delayed if the inspection does not occur prior to the Closing or if Buyer, for any reason, does not attend the inspection or does not accept Buyer's Unit; *however,* any incomplete items shall be completed by the Developer as soon as reasonably possible after Closing;

(b) There is a commitment to issue to Buyer upon Closing an Owner's Title Policy insuring that Buyer's title to the Unit is free and clear of:

(1) All Blanket Liens as stated above in *Section 5.3* of this Public Report; and

(2) All Other Encumbrances except for the Permitted Encumbrances which are stated in Exhibit E to this Public Report.

Buyer shall pay for the Title Policy and is free at Buyer's expense to choose any Title Insurer Buyer wants that is licensed in Hawaii to issue the Title Policy. But unless Buyer tells Escrow in writing differently, the Escrow Agent will make its own arrangements for title insurance for Buyer. If the Title Commitment is arranged for by the Escrow Agent, the premium for the Title Policy shall be as stated in the Escrow Agreement.

(c) **Protection against Mechanic's and Materialmen's Liens.** Closing may occur prior to the expiration of the applicable lien period established pursuant to said *HRS Chapter 507, Part II* as long as the Title Insurer issuing the Title Policy to Buyer is committed upon closing to include in Buyer's Title Policy protections against any and all mechanic's and materialmen's liens, whether or not filed, arising from the construction of the Unit, or if the Title Insurer cannot insure the Buyer against such liens, the Closing shall occur only when such liens have been released, or sufficient funds have been set aside to cover the amount of such lien.

(d) **Buyer shall pay all closing expenses,** which *include* but are not limited to: **(1)** the cost of evidence of title and the premium for the Buyer's Title Policy, and any additional costs relating to the issuance of endorsements, an extended coverage policy, or a lender's policy; **(2)** the cost of drafting any revisions or addenda to this Contract; **(3)** the cost of obtaining any consent necessary for Buyer to enter into and/or fulfill its obligations under this Contract; **(4)** Buyer's notary fees; **(5)** all conveyance taxes and recording fees; **(6)** two months' maintenance fees and start-up fees for the Condominium Association; **(7)** Buyer's share of pro-rated property taxes and if applicable insurance premiums; **(8)** the Escrow Agent's fees; and **(9)** any fees or charges incurred in connection with any mortgage loan obtained by Buyer; and *exclude* only the costs of preparation of the Unit Deed (provided Buyer will pay all costs of redrafts due to changes made by Buyer), preparation and recording of The Developer's partial release of Blanket Liens, and The Developer's share of pro-rated property taxes and The Developer's notary fees.

1.3 Cancellation, Rescission and Termination Rights.

(a) **Buyer's Rights** are summarized above in *Section 1.1(b)(3)* of this Exhibit.

(b) **Developer's Rights include the right to terminate** at any time before the Contract becomes as stated in *Section 5.8.1*, of this Public Report; or if Buyer does not return to the Developer any cancellation, rescission or waiver notice delivered to Buyer within the prescribed time period; or if Buyer (or if multiple Buyers or any one of them) should die or become incompetent or suffer any incapacitating injury or disease prior to the Closing; or if Buyer shall fail to qualify or maintain Buyer's qualification for mortgage financing or for the purchase of a Unit as a ***"qualified household"*** under the Affordable Housing Policy of the County of Hawaii earning 120% to 140% of the County median family; or if Buyer should default on the Contract.

(c) **Refund to Buyer and Termination Expenses.** Upon any cancellation, termination or rescission of the Contract except upon a default by Buyer, Buyer shall be entitled to a prompt and full refund of all moneys paid, without interest, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of $250 as stated above in *Section 5.8.1* of this Public Report (collectively, the **"Termination Costs"**). *However,* if either the Developer or Buyer terminates this Contract before it becomes legally binding or if the Developer terminates where the Buyer is not in default or as Buyer cancels as Buyer's sole and exclusive remedy where the Developer is in default, *then,* the Developer shall pay the Termination Costs, and in the case of Buyer termination due to default of the Developer, Buyer shall also be entitled to any interest earned on Buyer's Funds deposited in escrow.

2. Other Purchase Contract Provisions. The Contract also provides as follows:

2.1 Buyer's Default and The Developer's Remedies, Including Liquidated Damages. Buyer will be in default under the Contract if: Buyer fails to make a payment when due; or Buyer acts in bad faith as determined by the Developer in an attempt to qualify or maintain Buyer's qualification for mortgage financing or for the purchase of a Unit a ***"qualified household"***; or if Buyer fails to observe or perform any other material obligation required to be observed or performed by Buyer under this Contract and such failure continues for fifteen (15) days after the Developer gives written notice to Buyer of such failure.

If the Developer cancels where Buyer is in default, the injury to the Developer will be uncertain as to the nature and amount and difficult to ascertain in view of, but not limited to: the Developer's financial commitments with respect to the Condominium, including without limitation, Developer's construction loan; the connection between the sale, cancellation or such default with respect to one Unit and the sale, cancellation or any default with respect to other Units in the Condominium; and the nature of the real estate market in Hawaii. As a reasonable estimate of the Developer's damages resulting from any such default, the sums previously paid by Buyer under the

Contract together with all accrued interest thereon shall become, at Developer's option, the sole property of the Developer as liquidated damages and not as a penalty for such default. It is understood that the damages suffered by the Developer by virtue of such a default later in time will likely be greater than such a default occurring at an earlier point in time. If The Developer does not elect to retain Buyer's Funds as liquidated damages, The Developer may instead pursue any other rights and remedies and combination thereof permitted at law or in equity, including, but not limited to, actual and consequential damages, and specific performance. The Developer may also, at its sole discretion, elect to have its claims for Preclosing and Closing defaults by Buyer resolved by binding arbitration on an expedited basis.

If Closing does not occur on the date scheduled by the Developer due to any event of default by Buyer, but the Developer does not then elects to terminate the Contract and Closing occurs at a later date, *then*, upon Closing, as liquidated damages for Buyer's default, Buyer shall be required to pay the Developer through the Escrow Agent One Hundred and No/100 Dollars ($100.00) per day for each day the Closing is delayed due to Buyer's default, commencing as of the initially scheduled Closing date and continuing until the actual Closing date.

2.2 Default by the Developer; The Developer's Cure Rights; Buyer's Exclusive Remedies. If The Developer shall fail to perform any material obligation required of the Developer prior to or at Closing, the Developer shall have the opportunity to cure such default within fifteen (15) days after the date Buyer notifies the Developer in writing of such default by certified or registered mail. If the Developer does not cure the default within that period, Buyer may elect, at Buyer's sole discretion, to either: **(1)** terminate this Purchase Contract, or **(2)** seek specific performance of the Contract. Buyer shall give written notice of its election to the Developer. If Buyer elects to terminate, *then* as its sole and exclusive remedy Buyer shall be entitled to receive a full refund of Buyer's Funds in escrow plus any interest accrued thereon, and shall have no other rights or remedies whatsoever, including, without limitation, claims for damages, and the Developer shall be released and discharged from any further obligation under this Contract. If Buyer seeks specific performance, *then* Buyer shall not be entitled to recover any damages from, pursue any other right or remedy against, or obtain any other relief from the Developer, and Buyer's Funds and any interest thereon shall be not refunded to Buyer.

2.3 Buyer Qualification for Mortgage Financing and Affordable Housing Purchase; Credit Inquiries. Immediately upon signing the Contract, Buyer must qualify for mortgage financing and qualify to purchase as a **"qualified household"** and during the term of the Contract must keep and maintain those qualifications and confirm them at the request of the Developer. Buyer hereby authorizes The Developer to make credit inquiries about Buyer including, but not limited to, obtaining credit reports on Buyer and verifying by any legal means any financial information submitted to The Developer.

2.4 Buyer Approval of Estimated Initial Budget and Schedule of Maintenance Fees and Buyer's Obligation to the Condominium Association. The Contract also provides: that Buyer has examined and approved the estimated initial budget for the Association and the estimated monthly maintenance assessments for the Unit as shown in Exhibit G attached to the Public Report; and that Buyer is aware and accepts: **(1)** that such amounts are only estimates, are subject to change for various reasons, and Buyer also accepts any such changes; **(2)** that SUCH ESTIMATES ARE NOT INTENDED TO BE AND DO NOT CONSTITUTE ANY REPRESENTATION OR WARRANTY BY THE DEVELOPER OR THE MANAGING AGENT, INCLUDING, BUT NOT LIMITED TO, ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF SUCH ESTIMATES; and **(3)** that under the Condominium Documents, Buyer shall be liable for the payment of a monthly assessment to the Association for the operation and maintenance of the Common Elements and the Limited Common Elements of the Condominium and the administration of the affairs of the Association.

2.5 Regarding Construction. The Contract also provides that:

(a) Notice to Buyer Required By HRS Chapter 672E: "CHAPTER 672E OF THE HAWAII REVISED STATUTES CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT OR OTHER ACTION FOR DEFECTIVE CONSTRUCTION AGAINST THE CONTRACTOR WHO DESIGNED, REPAIRED, OR CONSTRUCTED YOUR UNIT. NINETY DAYS BEFORE YOU FILE YOUR LAWSUIT OR OTHER ACTION, YOU MUST SERVE ON THE CONTRACTOR A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE. UNDER THE LAW, A CONTRACTOR HAS THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR AND/OR PAY

FOR THE DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY A CONTRACTOR. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER THE LAW AND FAILURE TO FOLLOW THEM MAY NEGATIVELY AFFECT YOUR ABILITY TO FILE A LAWSUIT OR OTHER ACTION."

Buyer shall provide to Seller a copy of any notice Buyer serves on any Contractor pursuant to *HRS Chapter 672E*.

(b) Builder's Limited Warranty; No Other Developer Warranties, Express or Implied; Assignment of Appliance Warranties from Others. Buyers will be given the BUILDER'S LIMITED WARRANTY, see Section 5.4 of the Public Report.

Except for the BUILDER'S LIMITED WARRANTY, THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE UNIT, THE CONDOMINIUM OR ANY PHASE OF THE CONDOMINIUM, ANY CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED IN THE UNIT OR IN THE CONDOMINIUM, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION, ADEQUACY OF DESIGN OR FITNESS OF THE UNIT FOR A PARTICULAR PURPOSE.

By recording the Unit Deed to Buyer, the Developer is assigning to the Buyer and where applicable to the Condominium Association whatever appliance warranties, see also said Section 5.4. All assignments of appliance warranties by the Developer are without recourse to the Developer. The Developer is not providing any appliance warranty to Buyer, is merely attempting to pass through to Buyer any warranties given by others, and is not adopting any such warranties or acting as co-warrantor. In the event of the breach of any warranty, Buyer shall have no claim against the Developer on account of such breach. Instead, Buyer's sole remedy shall be expressly limited to the party making the warranty. The Developer's obligation with respect to any defects will be limited to assisting Buyer and if applicable the Condominium Association in presenting to the warranting party those claims for defects reported in writing to the Developer within the term of such warranty.

(c) Certain Buyer Acknowledgments and Agreements. The Contract also includes certain Buyer acknowledgement and agreements regarding construction matters that the Developer recommends Buyer read with care, as well as certain required procedures to be followed should Buyer discover any material, structural or other defect in the Unit that Buyer believes may be the responsibility of the Developer (any **"Defect"**), including giving notice, inspection rights and the opportunity to cure to the Developer. The Developer is not liable for any general, special or consequential damage, cost, diminution in value or other loss Buyer may suffer as a result of any Defect which reasonably might have been avoided had Buyer followed such procedures; *however,* following such procedures will not create or otherwise establish any contractual duty or obligation on the part of the Developer to repair, replace or cure any Defect or affect any other limitation on the Developer's liability.

2.6 General Limitations on the Developer's Liability. The Contract also provides other general limitations on the Developer's liability, for example: **(a)** The Developer is using every commercially reasonable effort to avoid, eliminate, minimize and mitigate inherent risks in connection with the development and construction of the Condominium; **(b)** The Developer is not responsible for the actions of third parties or events beyond its control; and **(c)** to the fullest extent permitted by law and without limiting the applicability of any of the provisions of the Contract, The Developer's total liability to Buyer for any and all injuries, claims, losses, expenses, damages, or claim expense related to, arising from or associated with, directly or indirectly, in whole or in part, the acts or omissions of the Developer, shall not exceed the limits of any applicable insurance covering such injuries, claims, losses, expenses, damages, or claim expense; **(d)** Buyer waives all claims for consequential damages including without limitation, damages incurred for rental expenses, loss of use, income, profit, financing, business and reputation, and for loss of productivity or services; **(e)** The Developer and Buyer waive trial by jury; and **(f)** The Developer shall be notified as prescribed in the Contract.

Also at the election of the Developer, claims, disputes or other matters in question between the Developer and Buyer (other than Preclosing or Closing matters which at the Developer's election are subject to special arbitration proceedings) shall be subject to mediation and/or arbitration, and where a dispute involves common issues of fact or law requiring the presence of third-persons or entities if complete relief is to be accorded in arbitration, or where the failure to consolidate would create a risk of inconsistent results in disputes between the Developer and Buyer, or

between the Developer or Buyer and third-persons or entities, any such third person or entity necessary to resolve a claim shall be made parties to the same dispute resolution proceeding by consolidation or joinder.

2.7 **Brokers.** The Contract also provides that: the Developer's Broker represents only the Developer; that the Developer is not responsible for any representation or statement of Buyer's Broker, if any, that is inconsistent with those set forth in the Contract or the Public Report. If Buyer writes in the Contract that Buyer does not have any Broker, Buyer warrants that no real estate broker or other person represented Buyer or was engaged by Buyer in connection with Buyer's purchase and agrees to indemnify, defend, and hold the Developer harmless against claims to the contrary.

3. **Other Provisions of the Escrow Agreement.** The Escrow Agreement also provides that the Developer shall provide a copy of each executed Purchase Contract to the Escrow Agent as well as other information relevant to that Contract and that Escrow Agents given certain protections by the Developer and Buyer for acting as the escrow for the sale and purchase between the parties. The Escrow Agreement shall be subject to and shall be interpreted to comply with the Condominium Property Act.

END OF EXHIBIT H