AMENDED
DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME	SEASCAPE CONDOMINIUM PHASE I
Project Address	Nuuanu Place, Kailua-Kona, Hawaii 96740
Registration Number	6186
Effective Date of Report	**September 13, 2012**
Developer(s)	KONA 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 for this Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts or all pertinent changes, or both, about the project have been fully or adequately disclosed; and (3) is not the Commission's judgment of the value or merits of the project.

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

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

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

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

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]

This summary contains a general description of the changes, if any, made by the developer since the last Developer's Public Report was issued an effective date. It is not necessarily all inclusive.

Changes made are as follows (include a description of what the change is and page number and or exhibit alphabet or number; additional pages may be used):

1. Change in Developer. Kona Seascape Development LLC, a Nevada limited liability company ("**Developer**") is the successor in interest to Seascape Development, LLC, a Hawaii limited liability company ("**Original Developer**") with respect to the following unsold units in the Seascape Condominium Project Phase I, registered with the Real Estate Commission under Registration No. 6186 and in the Seascape Condominium Project Phases II, III and IV under Registration No. 6354 (collectively, the "**Projects**") by way of Commissioner's Deed dated May 26, 2011 and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2011-099200:

Phase I: Units C-102, C-103, C-203, D-102 and D-103
Phase II: Units E-101, E-102, E-103, E-201, E-202, F-103, F-204, G-101, G-102, G-103, G-104, G-201, G-202, G-203 and G-204
Phase III: Units H-101, H-102, H-103, H-104, H-201, H-202, H-203, H-204, I-101, I-102, I-103, I-104, I-201, I-202, I-203, I-204, J-101, J-102, J-201 and J-202
Phase IV: Units K-101, K-102, K-103, K-104, K-201, K-202, K-203, K-204, L-101, L-102, L-103, L-104, L-201, L-202, L-203, L-204, M-101, M-102, M-103, M-104, M-201, M-202, M-203 and M-204

Developer also succeeded to Original Developer's interest in the following by way of Assignment of Assignment of Rights under Covenants, Conditions and Restrictions, Sales Agreements, Permits, and Development Documents dated March 15, 2011 and recorded in the Bureau as Document No. 2011-050025: (a) all right, title and interest in any profits and/or sales proceeds (including earnest money deposits) now due or which may hereafter become due by virtue of any existing or future contracts which provide for the sale of Original Developer's interest in all or any part of the Projects; (b) all right, title and interest in and to any and all zoning, use, building and other similar permits, licenses, approvals, certificates and other similar authorizations, to the full extent permitted by law obtained by or on behalf of Original Developer, or previously transferred to Original Developer, in connection with the Projects; (c) all right, title and interest in any and all existing or future agreements which facilitate the development of or benefit the Projects; and (d) all right, title and interest, if any, as "Declarant" under all covenants, conditions and restrictions now or at any time hereafter encumbering the Project or any portion thereof, together with all amendments thereto.

Accordingly, Section 2.1 at page 9 is amended to reflect that Developer as the "Developer" of the Project. Additionally, the "Special Power of Attorney" attached to Exhibit F is amended to reflect the change in Developer.

2. Updated Title Report. Section 1.12 at page 5 is amended to reflect the date of the updated title report issued by Title Guaranty of Hawaii, Inc. Exhibit E is amended to reflect the updated encumbrances against title.

3. Updated Project Parties. Section 2 at page 9 is amended to reflect the change in Developer, Real Estate Broker, Escrow Depository and Attorney for Developer.

4. Amendments to Declaration and Condominium Map. Section 3.1 at page 10 is amended to reflect the filing of the following amendments to the Declaration: (a) dated May 14, 2007 (creating Phase II); (b) dated May 14, 2007 (creating Phase III); (c) dated May --, 2007 (creating Phase IV); (d) dated June 26, 2007 (making corrections to Phase II and Phase IV); (e) dated July 10, 2007 (filing the as-built certificate for Phase I; (f) dated October 29, 2007 (filing the as-built certificate for Phase II); and (g) dated August 29, 2008 (filing the as-built certificate for Phase III). Section 3.3 is amended to reflect an amendment to the Condominium Map filed therewith.

Note: the street number for each Building in Phases I are as follows:

Building:	Building:
A: 73-1107 Nuuanu Place	D: 73-1101 Nuuanu Place
B: 73-1105 Nuuanu Place	N: 73-1111 Nuuanu Place
C: 73-1103 Nuuanu Place	

5. Sales Documents. Section 5.1 at page 13 is amended to reflect the date of the new Escrow Agreement and to reflect that Title Guaranty Escrow Services, Inc. will be acting as the escrow company. Exhibit H has been amended to reflect the new Escrow Agreement and changes to the Sales Contract and Unit Deed.

6. No Blanket Liens. Section 5.3 at page 13 is amended to reflect that there are no blanket liens that may affect title to the individual units.

7. Construction Warranties. Section 5.4 at page 13 is amended to reflect that Developer does not offer any warranties for the Project, but will pass on any warranties it receives from the general contractor and appliance manufacturers. Section 5.7, item 8 at page 16 deletes reference to the "Builder's Limited Warranty" and notes the recordation of the Release of Sale Restrictions. Exhibit H, Section 2.6(b) is further amended to reflect that Developer makes no warranties for the Project.

8. Status of Construction and Completion Deadline. Section 5.5 at page 14 is amended to reflect the completion of Phase I.

9. Affiliates of Developer. Section 6.1 at page 18 is deleted in its entirety. Developer is not related to or affiliated with Original Developer and accordingly is not related to or affiliated with the Real Estate Broker or General Contractor for the Projects.

10. Additional Phases. Exhibit A has been updated to reflect the addition of Phases II, III and IV to the Project. Exhibit C has been updated to reflect the common interest of the units in the Project based on the additional Phases.

11. Maintenance Fees. Exhibit G has been updated to reflect the current Estimate of Maintenance Fees and Estimate of Maintenance Fee Disbursements.

12. Release of Resale Restrictions. Exhibit H has been amended to reflect that the restrictions against resale of the remaining units have been released by the County of Hawaii by way of that certain Release of Sale Restrictions dated December 12, 2007, recorded at the Bureau as Document No. 2008-000226.

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EXHIBIT D: Purposes and Uses
EXHIBIT E: Permitted Encumbrances
EXHIBIT F: Developer's Reserved Rights and Easements; Developer's Future Development and Phasing Plans; Form of Special Power of Attorney
EXHIBIT G: Estimate of Maintenance Fees and Estimate of Maintenance Fee Disbursements
EXHIBIT H: Summary of Purchase and Sales Contract (the "Purchase 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 individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

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

Operation of the Condominium Project

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

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

Until there 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	
Address of Project	Nuuanu Place, Kailua-Kona, North Kona, Hawaii 96740 (for street numbers, see page b above)
Address of Project is expected to change because	N/A
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 in Phase I
Floors Per Building	2 in Phase I
Number of New Building(s)	5 in Phase I
Number of Converted Building(s)	0
Principle 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, etc.)	Total Area
A	36	2/2	1010	56	Lanai	1066
B	4	2/2	1010	56	Lanai	1066
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
Attach Exhibit ___A___ 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). – N/A	
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, BBQ Pavilion

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: August 28, 2012
Company that issued the title report: Title Guaranty of Hawaii, Inc.

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning				
	Type of Use	No. of Units	Use Permitted by Zoning	Zoning
☒	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 purchaser 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 structure 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: Kona Seascape Development LLC Business Address: 2549-B Eastbluff Drive, #475 Newport Beach, California 92660 Business Phone Number: (949) 729-1660 E-mail Address: gbaker@mkacap.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).	George Baker, Manager
2.2 Real Estate Broker	Name: MacArthur & Company Sotheby's International Realty Business Address: 78-6831 Alii Drive, Suite 163 Kailua-Kona, Hawaii 96740 Business Phone Number: (808) 331-3131
2.3 Escrow Depository	Name: Title Guaranty Escrow Services, Inc. Business Address: 75-170 Hualalai Road, Suite C-210 Kailua-Kona, Hawaii 96740 Business Phone Number: (808) 327-3220
2.4 General Contractor	Name: Avalon Hawaii Construction* Business Address: P.O. Box 685 Kailua-Kona, Hawaii 96745 Business Phone Number: (808) 329-6063
2.5 Condominium Managing Agent	Name: Certified Management Business Address: 75-170 Hualalai Road, #A-200 Kailua-Kona, Hawaii 96740 Business Phone Number: (808) 329-2818
2.6 Attorney for Developer	Name: Imanaka Asato LLLC Business Address: 745 Fort Street, Suite 1700 Honolulu, Hawaii 96813 Business Phone Number: (808) 521-9500

* Avalon Hawaii Construction acted as the general contractor for Original Developer in connection with the construction of Phases I, II and III of the Project. Developer reserves the right to select a different general contractor for Phase IV of the Project.

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
Bureau of Conveyances	May 14, 2007	2007-089526 (created Phase II)
	May 14, 2007	2007-089527 (created Phase III)
	May --, 2007	2007-089528 (created Phase IV)
	June 26, 2007	2007-115331
	July 10, 2007	2007-123790
	October 29, 2007	2007-193713
	August 29, 2008	2008-139221

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 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.	
Land Court Map Number	N/A
Bureau of Conveyances Map Number	4401
Dates of Recordation of Amendments to the Condominium Map: May 17, 2007 (three separate amendments), June 27, 2007, July 11, 2007 and November 2, 2007	

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 interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.		
Document	Minimum Set by Law	This Condominium
Declaration	67%	67%
Bylaws	67%	67%

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

☐	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 for the common elements
☒	Water
☒	Sewer
☐	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 for the Unit only
☐	Water
☐	Sewer
☒	TV cable
☒	Other (specify) telephone

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

☒	Specimen Sales Contract Exhibit ___H___contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
☒	Escrow Agreement dated: September 28, 2011 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit ___H___ contains a summary of the pertinent provisions of the escrow agreement.
☒	Other: Form of Unit 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 sale to Owner-Occupants. N/A – the units in this Project are "affordable housing" which pursuant to Section 514B-99.5 of the Hawaii Revised Statutes are 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 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 on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance

5.4 Construction Warranties

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

Building and Other Improvements: Developer does not make any warranties for the Project, but will pass on any warranties made to it by the general contractor (or any other contractor or subcontractor) for the Project to correct any work found to be defective during the applicable warranty period, to the extent such warranties are assignable.

Appliances: Developer will pass on the manufacturer's warranties made to it, if any, on any appliances included as part of the unit being conveyed.

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

Status of Construction: Construction of Phases I has been completed.
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract: N/A
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 this box is checked, Section 5.6.2, which follows below, will not be applicable to the project.

5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):	
☐	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 purchase.**
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 Project, 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 Original Developer and the County of Hawaii dated March 7, 2006, recorded at the Bureau of Conveyances as Doc. No. 2006-049941, as amended by Release of Sales Restrictions dated December 12, 2007, recorded at said Bureau as Doc. No. 2008-000226; and Declaration of Joint Ownership and Use of Private Wastewater Treatment Facility dated January 25, 2007, recorded in said Bureau as Doc. No. 2007-030438.

Copies of the condominium and sales documents and amendments made by the Developer are available for review through the Developer or through the Developer's sales agent, if any. The Condominium Property Regime law (Chapter 514B, HRS) and the Administrative Rules (Chapter 107, HAR), are available online. Please refer to the following sites:
Website to access official copy of laws: www.capitol.hawaii.gov
Website to access rules: www.hawaii.gov/dcca/har

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

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

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

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

(1) The purchaser has signed the sales contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) Checking the waiver box on the rescission form; or

(2) Letting the 30-day rescission period expire, without taking any action to rescind; or

(3) Closing the purchase of the unit before the 30-day rescission period expires.

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

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

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

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

1. Phased Project. The entire condominium project contains 108 units. This Public Report covers 40 units (Phase I). Developer has obtained a separate Amended Developer's Public Report, Registration No. 6354, for the 68 units in Phases II, III and IV.

Although separate Amended Developer's Public Reports will be issued, all 108 units comprise a single condominium project. The common elements described in Exhibit C serve all 108 units. The estimate of maintenance fees in Exhibit G covers all 108 units. See Exhibit A for additional information regarding project phasing.

2. Private Wastewater Treatment Facility. The Project is subject to that certain Declaration for Joint Ownership and Use of Private Wastewater Treatment Facility dated January 25, 2007 and recorded at the Bureau of Conveyances of the State of Hawaii as Document No. 2007-030438 (the "STP Declaration"). Pursuant to the STP Declaration, a private wastewater treatment facility and other common facilities service the Project as well as Lots 1, 3 and 4 of the Lokahi Kau Subdivision. Developer, and, upon the first meeting of the Association, the Association, shall be the Managing Party under the STP Declaration and shall be ultimately responsible for the repair and maintenance of any commonly owned facilities at the expense of every party having an interest in said facilities. Purchasers should review the STP Declaration for further information regarding his or her rights and responsibilities thereunder.

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

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

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

KONA SEASCAPE DEVELOPMENT, LLC, a Nevada limited liability company
Printed Name of Developer

By: MANAGER 09/28/2011
Duly Authorized Signatory* Date

George Baker, 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

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 Phases I, II, III and IV are as shown and depicted on the Phases I, II, III & IV 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 Phases I, II, III & IV 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.

DESCRIPTION OF BUILDINGS AND OTHER IMPROVEMENTS IN PHASES I, II, III & IV (ALL PHASES). Phases I, II, III & IV are all the Phases of the Condominium and will have fourteen (14) 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 "N," inclusive. Except for Building "J", each residential Building contains eight (8) condominium units ("**Units**"), four (4) on the first and four (4) on the second floor, and have the same floor layout and are otherwise substantially identical, except for the roofs, some having different styles of gable roof and others having different styles of hip roof. Building "J" contains four (4) Units, two (2) on each floor.

Other improvements include: an archaeological site; a wastewater treatment plant; a pavilion; a park area; refuse facilities; 3 mail box pedestals; landscaping; lighting; walkways; driveways; and parking areas and stalls.

DESCRIPTION OF UNITS IN ALL PHASES.

1. **The Number and Type of Units**. Phases I, II, III and IV of the Condominium will have one hundred and eight (108) 2 bedroom 2 bathroom residential Units divided into 2 types. There are one hundred and four (104) Type A Units and four (4) Type B ADA compliant Units, all of 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 having 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 1,010 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 are 3 loading spaces and a total of 170 open parking stalls. One hundred and eight (108) stalls will be assigned as a Limited Common Element, one to each Unit, with one of the one hundred and four (104) regular stalls assigned to each of the one hundred and four (104) Type A Units, and one of the four (4) ADA stalls assigned to each of the four (4) Type B Units, with 62 regular guest stalls including 6 ADA guest stalls.

THE ABOVE SUMMARY IS NOT INTENDED TO BE EXHAUSTIVE. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY, BUYER MUST REFER TO THE CONDOMINIUM DOCUMENTS TO DETERMINE ITS ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DOCUMENTS, THE CONDOMINIUM DOCUMENTS WILL CONTROL.

EXHIBIT B

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 reasonably 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 State 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 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;

(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 Unit 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 withhold its consent, a Unit Owner shall not make any addition or alteration 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 Alterations 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 alteration means any addition or alteration which jeopardizes the soundness or 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.

THE ABOVE SUMMARY IS NOT INTENDED TO BE EXHAUSTIVE. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY, BUYER MUST REFER TO THE CONDOMINIUM DOCUMENTS TO DETERMINE ITS ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DOCUMENTS, THE CONDOMINIUM DOCUMENTS WILL CONTROL.

END OF EXHIBIT B

EXHIBIT C

DESCRIPTION OF COMMON INTERESTS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

A. COMMON INTERESTS FOR EACH UNIT IN PHASES I, II, III, AND IV (ALL PHASES).

Each Unit in Phases I, II, III and IV has a common interest of 1/108.

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 partition (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 (1) parking stall, which shall be that stall assigned to that Unit by the original Deed of the Unit from 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.

THE ABOVE SUMMARY IS NOT INTENDED TO BE EXHAUSTIVE. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY, BUYER MUST REFER TO THE CONDOMINIUM DOCUMENTS TO DETERMINE ITS ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DOCUMENTS, THE CONDOMINIUM DOCUMENTS WILL CONTROL.

END OF EXHIBIT C

EXHIBIT D

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 Condominium Documents shall be a default under the lease. All leases shall be in writing and a copy of such 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 jointly 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-live (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.

THE ABOVE SUMMARY IS NOT INTENDED TO BE EXHAUSTIVE. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY, BUYER MUST REFER TO THE CONDOMINIUM DOCUMENTS TO DETERMINE ITS ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DOCUMENTS, THE CONDOMINIUM DOCUMENTS WILL CONTROL.

END OF EXHIBIT D

EXHIBIT E

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. Mineral and water rights of any nature in favor of the State of Hawaii.

2. Designation of Archeological Site Buffers, 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.

3. The terms and provisions contained in the following:

INSTRUMENT :	AGREEMENT RE AFFORDABLE HOUSING
DATED:	March 7, 2006
RECORDED:	Document No. 2006-049941
PARTIES:	SEASCAPE DEVELOPMENT, LLC, a Hawaii limited liability company, and the COUNTY OF HAWAII
RE:	construction and sale of affordable housing units

RELEASE OF SALE RESTRICTIONS dated December 12, 2007, recorded as Document No. 2008-000226.

4. The terms and provisions contained in the following:

INSTRUMENT:	DECLARATION FOR JOINT OWNERSHIP AND USE OF PRIVATE WASTEWATER TREATMENT FACILITY
DATED:	January 25, 2007
RECORDED:	Document No. 2007-030438

5. The terms and provisions contained in the following:

INSTRUMENT :	DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR SEASCAPE CONDOMINIUM AND TO CREATE PHASE I
DATED:	February 16, 2007
RECORDED:	Document No. 2007-035079
MAP:	4401 and any amendments thereto

Said Declaration was amended by instruments dated May 14, 2007, recorded as Document No. 2007-089526 (re: creation of Phase II of the Seascape Condominium), as corrected by instrument dated June 26, 2007, recorded as Document No. 2007-115331, dated May 14, 2007, recorded as Document No. 2007-089527 (re: creation of Phase III of the Seascape Condominium), dated May --, 2007, recorded as Document No. 2007-089528 (re: creation of Phase IV of the Seascape Condominium), as corrected by instrument dated June 26, 2007, recorded as Document No. 2007-115331, dated July 10, 2007, recorded as Document No. 2007-123790, dated October 29, 2007, recorded as Document No. 2007-193713 (re: amendments Phase II of the Seascape Condominium), and dated August 29, 2008, recorded as Document No. 2008-139221.

6. The terms and provisions contained in the following:

INSTRUMENT:	BY-LAWS OF THE ASSOCIATION OF UNIT OWNERS OF SEASCAPE CONDOMINIUM
DATED:	February 16, 2007
RECORDED:	Document No. 2007-035080

7. GRANT OF EASEMENT in favor of the WATER BOARD OF THE COUNTY OF HAWAII, dated May 16, 2007, recorded as Document No. 2007-117240, granting the right in the nature of a perpetual easement for utility purposes, over and across Easement "W-1".

END OF EXHIBIT E

EXHIBIT F

DEVELOPER'S RESERVED RIGHTS AND EASEMENTS; DEVELOPER'S FUTURE DEVELOPMENT AND PHASING PLANS; FORM OF SPECIAL POWER OF ATTORNEY

PART 1: DEVELOPER'S RESERVED RIGHTS AND EASEMENTS

1. **Grant And Reservation of Reserved Rights**. 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 F* 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 F*, all of which are intended and shall constitute equitable servitudes and liens and covenants running with the land for the benefit of 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 persons 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 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 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 F* 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 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 Reserved Right in conjunction with anyone 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 Persons to 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**. 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, 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, Developer's exercise of any of such rights on any occasion shall not limit or otherwise affect Developer's right to utilize any such right from time to time. Developer's Reserved Rights are reserved and preserved to, and may be exercised by, 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**. Developer may exercise 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) Developer shall possess and may from time to time exercise 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) Developer can file and/or record any and all documents that 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 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 F*. 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 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 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 F*, and (y) all other documents, and (ii) do all other acts and things, which Developer, in its sole discretion, determines to be necessary for or convenient to each and every exercise of 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 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 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 Developer and its Representatives, licensees and invitees.

(d) **Limitation on Use of Powers of Attorney**. 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 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 acknowledgments, agreements, consents, waivers, releases and discharges of each Unit Owner or other Interested Person contained in this *Exhibit F*, 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 F*, 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 Developer in the exercise of the Reserved Rights, shall require the vote or written consent of only 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, 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 F*.

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, 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 transfer one or more of the Reserved Rights.

For more details regarding these Reserved Rights, see *Exhibit C* 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 Developer that any subsequent phase of the Condominium will be developed, or if developed will be as provided for in 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 F)* 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 F)* 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 F)* 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 F* 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 KONA SEASCAPE DEVELOPMENT LLC ("**KSD**"), 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 KSD as 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 February 16, 2007, recorded at the Bureau of Conveyances of the State of Hawaii as Document No. 2007-035079, 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. 2007-035080, as the same may be lawfully amended from time to time (the "**By-Laws**"). The Condominium is depicted on Condominium Map No. 4401 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 C* 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 KSD 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**. KSD's rights to modify any easements and grant additional easements in accordance with *Section 3* of the said *Exhibit C*.

2. **RESERVED RIGHTS AND EASEMENTS FOR SALES ACTIVITIES**. KSD'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 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 C*.

3. **RESERVED RIGHTS AND EASEMENTS TO COMPLETE IMPROVEMENTS AND CORRECT DEFECTS**. KSD'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 C*.

4. **RESERVED RIGHTS AND EASEMENT FOR NOISE, DUST, ETC**. KSD'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 C.

5. **RESERVED RIGHTS AND EASEMENTS TO CONTROL AND USE THE UNDEVELOPED LAND AREA**. KSD'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 C*.

6. **RESERVED RIGHTS AND EASEMENTS TO CREATE NEW UNITS**. KSD'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 C*.

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

8. **RESERVED RIGHTS TO SUBDIVIDE AND CONSOLIDATE THE LAND**. KSD'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 C*.

9. **RESERVED RIGHT TO WITHDRAW UNDEVELOPED LAND AREA FROM THE CONDOMINIUM**. KSD'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 C*.

10. **RESERVED RIGHTS AND EASEMENT TO ANNEX LAND AND IMPROVEMENTS**. KSD'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 C*.

11. **RESERVED RIGHT TO BUILD ADJACENT CONDOMINIUMS AND TO MERGE THEM WITH THE CONDOMINIUM**. KSD'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 C*.

12. **RESERVED RIGHT TO CHANGE THE CONDOMINIUM TO COMPLY WITH LAW**. KSD'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 Developer, in accordance with *Section 14* of said ***Exhibit C***.

13. **RESERVED RIGHTS TO AMEND THE CONDOMINIUM AND OTHER DOCUMENTS**. KSD'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 C*, in accordance with *Section 15* of said *Exhibit C*.

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

This appointment and grant of powers of attorney by the Owner to KSD includes the power to substitute for KSD the transferee of any of the Reserved Rights. The Owner agrees and consents to each such substitution by KSD, and agrees to recognize the transferee as "KSD" 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 KSD's Reserved Rights set forth above. The right of KSD to recalculate common interests and the method by which the common interests will be recalculated are set forth in *Section 8* of said *Exhibit C*.

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 _____, 20___.

_____
"OWNER"

STATE OF _____)

COUNTY OF _____)

On this _____ day of _____, 20___, before me appears _____, 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 MAINTENANCE FEES AND ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

CERTIFICATION OF ESTIMATE OF MAINTENANCE FEES FOR 2011 AND ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

I, Tammy Segawa, as agent for/and/or employed by Certified Management, Inc, the condominium managing agent for the Seascape Condominium hereby certify that the above estimates of initial maintenance fees and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Signature

9/29/2011
Date

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

603774.1

Project No: 414

SEASCAPE AOAO

SUB-ACCOUNT WORKSHEET for REVENUES/EXPENSES - MONTHLY BUDGET ANALYSIS
(for all budget input)
Approved budget to be effective on: January 1, 2012
(First Month of Year)
Prepared By: AE SEGAWA/ BUDGET COMMITTEE

Revised Date: 09/27/11

		2011 Budget	Actual Monthly Average	Proposed 2012 Budget	Approved 2012 Budget	
EXPENSES:						
OPERATING EXPENSES:						
OPERATING EXPENSES(Cont'd):						
	ADMINISTRATIVE					
70300-00-704	Education/Subscriptions	59	68	80		condo regs
70300-00-749	Postage & Shipping	50	29	50		
70300-00-754	Annual Meeting Expense	50	0	50		turn over?
70300-00-771	Admin Services/Supplies	200	180	225		
	TOTAL ADMINISTRATIVE	359	277	405	-	
	PETTY CASH REIMBURSEMENT					
70320-00-000	Petty Cash Reimbursement	0	0	300		
	TOTAL PETTY CASH REIMBURSEMENT	-	-	300	-	
	BAD DEBT EXPENSE					
70350-00-000	Bad Debt Expense	0	0	1,000		
	TOTAL BAD DEBT EXPENSE	-	-	1,000	-	
	CONTRACT LABOR					
	TOTAL CONTRACT LABOR	-	-	-	-	
	PROPERTY MANAGEMENT					
70800-00-759	Administrative/Fiscal Service	1,073	1,073	1,095		2.1% increase1 095
	TOTAL PROPERTY MANAGEMENT	1,073	1,073	1,095	-	
	LEGAL					
70900-00-763	Legal Fees - Common Expense	100	20	100		delinquecy
	TOTAL LEGAL	100	20	100	-	
	COVENANTS					
	TOTAL COVENANTS	-	-	-	-	
	OTHER PROFESSIONAL FEES					
71100-00-764	Accounting Fees - Audit/Tax	50	0	150		

Project No: 414

SEASCAPE AOAO

SUB-ACCOUNT WORKSHEET for REVENUES/EXPENSES - MONTHLY BUDGET ANALYSIS
(for all budget input)
Approved budget to be effective on: January 1, 2012
(First Month of Year)

Prepared By: AE SEGAWA/ BUDGET COMMITTEE

Revised Date: 09/27/11

		2011 Budget	Actual Monthly Average	Proposed 2012 Budget	Approved 2012 Budget	
	TOTAL OTHER PROFESSIONAL FEES	50	-	150	-	
	ELECTRICITY					
71200-00-763	Electricity-Common	3,746	4,792	5,000		
	TOTAL ELECTRICITY	3,746	4,792	5,000	-	
	WATER					
71300-00-763	Water-Common	1,210	4,820	5,000		Irrigation/ sewer/co mmon-3% increase
	TOTAL WATER	1,210	4,820	5,000	-	
	TELEPHONE					
71400-00-768	Telephone,Internet Service	95	95	95		for sewer plant- for cable on sewer
	TOTAL TELEPHONE	95	95	95	-	
	EXTERMINATION					
71700-00-770	Exterminating Contract	401	546	546		
	TOTAL EXTERMINATION	401	546	546	-	
	RUBBISH REMOVAL					
71800-00-000	Refuse Removal,General	1,250	864	875		common area
71800-00-770	Rubbish Removal Contract	-	900	933		sewer plant
	TOTAL RUBBISH REMOVAL	1,250	1,764	1,808	-	
	SECURITY					
71900-00-871	Security,Neighborhood Watch	0	0	50		
	TOTAL SECURITY	-	-	50	-	
	REPAIRS & MAINTENANCE					
72100-00-772	R&M, Equipment	75	0	75		
72100-00-774	R&M, Grounds	3,000	0	125		actual not posted
72100-00-778	R&M, Equipment Fuel	50	0	50		

Project No: 414 SEASCAPE AOAO

SUB-ACCOUNT WORKSHEET for REVENUES/EXPENSES - MONTHLY BUDGET ANALYSIS
(for all budget input)
Approved budget to be effective on: January 1, 2012
(First Month of Year)
Prepared By: AE SEGAWA/ BUDGET COMMITTEE Revised Date: 09/27/11

		2011 Budget	Actual Monthly Average	Proposed 2012 Budget	Approved 2012 Budget	
72100-00-803	R&M, Buildings	200	35	250		bulb
72100-00-804	R&M, Irrigation	0		166		
72100-00-805	R&M, Plants & Trees	0	0	110		
72100-00-808	R&M, Fire Equipment	120	0	120		
72100-00-815	R&M, Landscaping Contract	3396	0	3,500		no current contract
72100-00-816	R&M, Sewer Maint. Contract	3,538	5,730	3,538		expenses
72100-00-819	R&M, Lighting	0	0	208		street lights and building
72100-00-999	R&M, Contingency	-	-	2,500		polymer and sewer supplies
	TOTAL MAINTENANCE	10,379	5,765	10,642	-	
	VEHICLE COSTS					
72300-00-776	Mileage Reimbursement	30	0	30		
	TOTAL VEHICLE COSTS	30	-	30	-	
	TAXES					
72500-00-790	General Excise Tax	1	0	1		
	TOTAL TAXES	1	-	1	-	
	FIXED EXPENSES					
72600-00-401	Maintenance Fee	0	16,671	X		
	TOTAL FIXED EXPENSES	-	16,671	-	-	
	INSURANCE					
72700-00-064	Fidelity Bond	26	71	42		increase due to FHA
72700-00-065	Commercial Package Policy	3,024	4,671	4,700		
72700-00-071	Umbrella	117	0	89		
72700-00-072	Directors & Officers	123	0	146		
72700-00-077	Commercial General Liability	109	0	126		
72700-00-719	Service Charge	135	0	135		
	TOTAL INSURANCE	3,534	4,742	5,238	-	
	TOTAL OPERATING EXPENSES	22,228	40,565	31,460	-	

Project No: 414

SEASCAPE AOAO

SUB-ACCOUNT WORKSHEET for REVENUES/EXPENSES - MONTHLY BUDGET ANALYSIS
(for all budget input)
Approved budget to be effective on: January 1, 2012
(First Month of Year)

Prepared By: AE SEGAWA/ BUDGET COMMITTEE

Revised Date: 09/27/11

		2011 Budget	Actual Monthly Average	Proposed 2012 Budget	Approved 2012 Budget
TOTAL NON-OPERATING EXPENSES		-	-	-	-
TOTAL EXPENSES		22,228	40,565	31,460	-
NET INCOME BEFORE RESERVE FUND TRANSFERS		5,906	(6,573)	7,049	-
OPERATING RESERVE FUND TRANSFERS:					
11500-00-001	Operating reserve bank account 1	0	0	2,630	
	TOTAL TRANSFERS TO OP RESERVES	0	0	2,630	-
REPLACEMENT RESERVE FUND TRANSFERS:					
	TRANSFER FROM RESERVES				
36290-00-900	From Reserve - General Fund	6,000	0	-	
37290-00-499	TOTAL TRANSFER FROM RESERVES	6,000	-	-	-
	TRANSFER TO RESERVES				
36290-00-425	To Reserve - Interest/Dividend Inc	0	0	44	
36290-00-900	To Reserve - General Fund	6,000	0	4,375	
37290-00-799	TOTAL TRANSFER TO RESERVES	6,000	-	4,419	-
NET RESERVE FUND TRANSFERS (Replacement and Operating)		0	0	(7,049)	-
NET INCOME AFTER RESERVE FUND TRANSFERS		5,906	(6,573)	0	-

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CERTIFIED
HAWAII

PROJECT NUMBER: 414

MAINTENANCE FEE ANALYSIS FOR: KONA SEASCAPE AOAO

Approved budget to be effective on: January 1, 2012

Prepared By: AE SEGAWA/ BUDGET COMMITTEE

Board Approved Date: ____________

Unit Type	PerCent Common Interest	Number Of Units	Prior Year Maint Fees	Maint Fee Per Unit	Total Maint Fee (Unit Type)	Other Fees Per Unit	Special Assess Per Unit	Total Assess (Unit Type)	Total Amount Per Unit
Type A	0.925926	104	260.49	27,091.04			-	260.49	27,091.04
Type B	0.925926	4	260.49	1,041.96			-	260.49	1,041.96
			-	-			-	-	-
			-	-			-	-	-
			-	-	-		-	-	-
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CERTIFIED
HAWAII

PROJECT NUMBER: 414

MAINTENANCE FEE ANALYSIS FOR: KONA SEASCAPE AOAO

Approved budget to be effective on: January 1, 2012

Prepared By: AE SEGAWA/ BUDGET COMMITTEE

Board Approved Date:

Unit Type	PerCent Common Interest	Number Of Units	Prior Year Maint Fees	Maint Fee Per Unit	Total Maint Fee (Unit Type)	Other Fees Per Unit	Special Assess Per Unit	Total Assess Unit Type)	Total Amount Per Unit
			-	-	-		-	-	-
TOTALS	100.0000%	108		28,133.00	-	-	-		

CERTIFIED HAWAII

PROJECT NUMBER: 414

MONTHLY BUDGET ANALYSIS FOR: SEASCAPE AOAO

Approved budget to be effective on: January 1, 2012

Prepared By: AE SEGAWA/ BUDGET COMMITTEE Board Approved Date:

		2011 Budget	Actual Monthly Average	Proposed 2012 Budget	Approved 2012 Budget
REVENUE:	CHANGE-Fees, Dues, & Receipts =		0.0%	15.6%	-100.0%
40100	FEES, DUES & RECEIPTS	28,133	28,133	32,508	0
40100	ASSESSMENTS	0	0	0	0
40100&40200	TAXABLE INCOME	1	5,859	6,001	0
TOTAL REVENUES		28,134	33,992	38,509	-
EXPENSES:					
	OPERATING EXPENSES:				
70100	WAGES AND SALARIES	0	0	0	0
70200	EMPLOYEE BENEFITS	0	0	0	0
70300	ADMINISTRATIVE COSTS	359	277	405	0
70320	PETTY CASH REIMBURSEMENTS	0	0	300	0
70350	BAD DEBT EXPENSE	0	0	1,000	0
70500	CONTRACT LABOR	0	0	0	0
70700	MANAGEMENT SERVICES	0	0	0	0
70800	PROPERTY MANAGEMENT	1,073	1,073	1,095	0
70900	LEGAL	100	20	100	0
71000	COVENANTS ADMINISTRATION	0	0	0	0
71100	OTHER PROFESSIONAL	50	0	150	0
71200	ELECTRICITY	3,746	4,792	5,000	0
71300	WATER	1,210	4,820	5,000	0
71350	SEWER	0	0	0	0
71400	TELEPHONE	95	95	95	0
71500	GAS	0	0	0	0
71600	TELEVISION	0	0	0	0
71700	EXTERMINATING	401	546	546	0
71800	RUBBISH REMOVAL	1,250	1,764	1,808	0
71900	SECURITY	0	0	50	0
72000	CUSTODIAL	0	0	0	0
72100	MAINTENANCE	10,379	5,765	10,642	0
72120	SUPPLIES	0	0	0	0
72150	ELEVATOR	0	0	0	0
72200	AMENITIES	0	0	0	0
72300	VEHICLE COSTS	30	0	30	0
72500	TAXES	1	0	1	0
72600	FIXED EXPENSE	0	16,671	0	0
72700	INSURANCE	3,534	4,742	5,238	0
TOTAL OPERATING EXPENSES:		22,228	40,565	31,460	-
	NON-OPERATING EXPENSES:				
73000	RESERVE REPLACEMENT EXPENSE	0	0	0	0
77000	LEASE RENT PASS-THROUGH	0	0	0	0
78000	DEPRECIATION EXPENSE	0	0	0	0
TOTAL NON-OPERATING EXPENSES:		-	-	-	-

TOTAL EXPENSES		22,228	40,565	31,460	-
NET INCOME		5,906	(6,573)	7,049	-
	OPERATING RESERVE FUND TRANSFERS:				
11500	TRANSFER TO OPERATING RESERVES	-	-	2,630	-
	REPLACEMENT RESERVE FUND TRANSFERS:				
37290-499	TRANSFER CLEARING-FROM RESERVES	6,000	0	0	0
37290-799	TRANSFER CLEARING-TO RESERVES	6,000	0	4,419	0
NET RESERVE TRANSFERS		-	-	(7,049)	-
NET INCOME & NET RESERVE TRANSFERS		5,906	(6,573)	0	-

NOTE: The budgeted revenues and expenses are based on accrual-basis accounting.

END OF EXHIBIT G

EXHIBIT H

SUMMARY OF PURCHASE AND SALES CONTRACT (THE "CONTRACT") AND ESCROW AGREEMENT

1. **Contract and Escrow Agreement Complementary**. The Contract between Developer and each Buyer and the Escrow Agreement dated September 28, 2011 between Developer and Title Guaranty Escrow Services, Inc., as Escrow Agent complement each other, as follows:

1.1 **Purchase Price, Payment Terms and Handling of Buyer's Funds**. The 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) **Upon Closing to Developer**;

(2) **As a refund to Buyer**: If either Buyer or 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 Contract if Developer defaults on the Contract and does not cure that default within the time period required by the Contract; or if Developer exercises any of its rights to cancel, rescind or terminate where Buyer is not in default.

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

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

(a) **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**; 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 Agent 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.

(b) **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.

(c) **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 Developer's partial release of Blanket Liens, and Developer's share of pro-rated property taxes and 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 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
- 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 Developer or Buyer terminates this Contract before it becomes legally binding or if Developer terminates where the Buyer is not in default or as Buyer cancels as Buyer's sole and exclusive remedy where Developer is in default, *then*, Developer shall pay the Termination Costs, and in the case of Buyer termination due to default of Developer, Buyer shall also be entitled to any interest earned on Buyer's Funds deposited in escrow.

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

2.1 **Sales to Buyers who are not Qualified Households**. Pursuant and subject to the terms and conditions stated in the Agreement Re Affordable Housing dated March 7, 2006, between Original

Developer 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**"), Original Developer initially marketed the Units to prospective buyers as "*qualified households*" (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 Original Developer was unable, after good faith efforts, to sell any particular unit to a qualified household, and the County did not exercise its first right to purchase such Unit, then Developer is be permitted to sell such Unit to a non-qualified buyer at the "*affordable price*." Original Developer advised the County that after eleven months of good faith pre-registration marketing efforts, it has been unable to locate prospective qualified buyers for all of the units in the Condominium. By letter dated May 14, 2007, the County has waived its first right to purchase. Developer was therefore authorized to sell to buyers who are not qualified those units in Phases II, III and IV not reserved for or not subsequently contracted for purchase by or not sold to prospective qualified buyers, subject to certain "**Resale Restrictions**" in favor of the County. Subsequently by a "**Release of Sales Restrictions**" dated December 12, 2007 and recorded in the Bureau on January 2, 2008 as Document No. 008-000226, the County released all Units in the Seascape Condominium which had previously been sold or will be sold by Original Developer or Developer to buyers who are not "*qualified households*" at the affordable price of no more than $293,403 per Unit (all such units being referred to as the "**Released Units**"), such that "non-qualified household" buyers from Developer and subsequent owners from time to time of the Released Units are released from all Resale Restrictions, from all other restrictions under the County's Affordable Housing policy and from the Affordable Housing Agreement as well as any deed restrictions in favor of the County that have been imposed thereon.

2.2 **Buyer's Default and 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 Developer in an attempt to qualify or maintain Buyer's qualification for mortgage financing or, if applicable, 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 Developer gives written notice to Buyer of such failure.

If Developer cancels where Buyer is in default, the injury to Developer will be uncertain as to the nature and amount and difficult to ascertain in view of, but not limited to: 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 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 Developer as liquidated damages and not as a penalty for such default. It is understood that the damages suffered by 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 Developer does not elect to retain Buyer's Funds as liquidated damages, 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. 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 Developer due to any event of default by Buyer, but 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 Developer through the Escrow Agent Eighty and No/100 Dollars ($80.00) 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.

2.3 **Default by Developer; Developer's Cure Rights: Buyer's Exclusive Remedies**. If Developer shall fail to perform any material obligation required of Developer prior to or at Closing, Developer shall have the opportunity to cure such default within fifteen (15) days after the date Buyer notifies Developer in writing of such default by certified or registered mail. If Developer does not cure the default within that period, Buyer may elect, at Buyer's sole discretion, to either: (1) terminate this Contract, or (2) seek specific performance of the Contract. Buyer shall give written notice of its election to 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 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 Developer, and Buyer's Funds and any interest thereon shall be not refunded to Buyer.

2.4 **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 Developer. Buyer hereby authorizes 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 Developer.

2.5 **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 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.

2.6 **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) **No Developer Warranties, Express or Implied; Assignment of Appliance Warranties from Others**.

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, Developer is assigning to the Buyer and where applicable to the Condominium Association whatever warranties made to it by the general contractor or any other contractor or subcontractor) and any appliance warranties. All assignments of warranties by Developer are without recourse to Developer. Developer is not providing any 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 Developer on account of such breach. Instead, Buyer's sole remedy shall be expressly limited to the party making the warranty. 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 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 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 Developer (any "**Defect**"), including giving notice, inspection rights and the opportunity to cure to Developer. 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 Developer to repair, replace or cure any Defect or affect any other limitation on Developer's liability.

2.7 **General Limitations on Developer's Liability**. The Contract also provides other general limitations on Developer's liability, for example; (a) 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) 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, 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 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) Developer and Buyer waive trial by jury; and (f) Developer shall be notified as prescribed in the Contract.

Also at the election of Developer, claims, disputes or other matters in question between Developer and Buyer (other than Preclosing or Closing matters which at 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 Developer and Buyer, or between 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.

2.8 **Brokers**. The Contract also provides that Developer's Broker represents only Developer; that 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 Developer's 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 Developer harmless against claims to the contrary.

3. **Other Provisions of the Escrow Agreement**. The Escrow Agreement also provides that Developer shall provide a copy of each executed Contract to the Escrow Agent as well as other information relevant to that Contract and that Escrow Agents given certain protections by 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.

THE ABOVE SUMMARY IS NOT INTENDED TO BE EXHAUSTIVE. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY, BUYER MUST REFER TO THE CONTRACT AND THE ESCROW AGREEMENT TO DETERMINE ITS ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONTRACT AND/OR THE ESCROW AGREEMENT, THE CONTRACT AND/OR THE ESCROW AGREEMENT WILL CONTROL.

END OF EXHIBIT H