**DEVELOPER'S PUBLIC REPORT**
**FOR A CONDOMINIUM**

| | |
|---|---|
| CONDOMINIUM PROJECT NAME | THE TOWN HOMES AT FAIRWAY'S EDGE, INCREMENT 7 |
| Project Address | Off Keone'ula Boulevard and Kapolei Parkway<br>Ewa Beach, Hawaii 96706 |
| Registration Number | **6274** |
| Effective Date of Report | **March 27, 2007** |
| Developer | Fairway's Edge 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.

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

## SPECIAL ATTENTION

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

A. The Town Homes at Fairway's Edge and Ocean Pointe.[1]

(1) The Town Homes at Fairway's Edge. The Town Homes at Fairway's Edge development is located on the corner of Keone'ula Boulevard and Kapolei Parkway. It is located immediately west of the Spinnaker Place Townhomes development, all of which are part of the master-planned Ocean Pointe community in Ewa, Hawaii. The Town Homes at Fairway's Edge is planned to be constructed incrementally and may be developed to include approximately 216 multi-family homes and a private recreation area. Sales and construction of Increment 1, which consists of 59 units, commenced in late 2005. Sales of Increment 2, which is comprised of 16 units, commenced in October, 2006. Sales of Increment 3, which is comprised of 24 units, commenced in December, 2006. Sales of Increment 4, which is comprised of 20 units, Increment 5, which is comprised of 16 units, and Increment 6, which is comprised of 20 units, are expected to commence shortly. Increment 7 will be comprised of 20 units and is the seventh of several increments that are planned to be developed. The recreation area may be constructed during a later increment of the development. Current plans for the recreation area generally include a swimming pool, spa, restroom facilities, kitchenette, picnic areas, a manager's office, and associated parking stalls. The recreation area will be an amenity of the overall development that unit owners, guests, visitors, and invitees of the development will have the right to use. Because the recreation area is partially being utilized by the Developer to fulfill certain park and open space requirements imposed by the City and County of Honolulu ("City"), the Developer has reserved the right, to the extent required by the City or any other governmental entity, agency or department, to record against the development lands a Declaration of Restrictive Covenants (Private Park) or similar document obligating the association of unit owners to, among other things, ensure the continued use of the recreation area and open space, and be responsible for the maintenance of such recreation area. A portion of the development will be located near the edge of a golf course being developed by the master developer of Ocean Pointe. Therefore, as set forth herein and elsewhere, there are several disclosures, restrictions, covenants, and conditions which may apply to a purchaser.

(2) Ocean Pointe. The Town Homes at Fairway's Edge is also a part of the approximately 1,100-acre master-planned mixed-use community of Ocean Pointe. Ocean Pointe is a long-range project with development expected to take place over the next 10 to 20 years. Approximately 4,850 residential units (some of which will be considered "affordable" under county standards) are envisioned at Ocean Pointe. Development of the first residential phase of Ocean Pointe (Ke 'Āina Kai and Mariners Place) was completed with 810 residential units. Development of the second residential phase of Ocean Pointe (Ke Noho Kai) was completed with 667 residential units. Spinnaker Place, a townhome development located across from The Town Homes at Fairway's Edge commenced development in late 2004 and was completed in 2006 with approximately 304 units. Construction and sales for the third major residential phase of Ocean Pointe (Ke'alohi Kai) commenced in early 2005. This project area, which will be comprised of up to 940 residential units to be developed over several phases, is located south of The Town Homes at Fairway's Edge and Spinnaker Place Townhomes developments. The master developer of the remaining areas of Ocean Pointe is HASEKO

[1] Nothing stated in this public report shall be construed as a representation or warranty by Developer or its affiliates that any of the above, with the exception of the condominium apartments that are part of this public report, will be developed, nor shall anything stated in this public report be construed to require the Developer or its affiliates to develop the remainder of The Town Homes at Fairway's Edge or Ocean Pointe, or to prohibit Developer or its affiliates from dealing freely with the remaining land, including, without limitation, developing the whole or any part of The Town Homes at Fairway's Edge and Ocean Pointe for a purpose inconsistent with the above.

(Ewa), Inc. In each of these developments, residences will be separated into various distinct, yet integrated neighborhood communities, some of which may be located adjacent to or in the vicinity of The Town Homes at Fairway's Edge development, with tree-lined streets, landscaping, and parks for use by the residents of Ocean Pointe. Although these neighborhood communities are incorporated into the master plan for Ocean Pointe, no specific development timetable has been established, and neither Seller nor any of its affiliates make any representation or warranty with respect to the timing or the sequencing for the development of such neighborhood communities, or that such neighborhood communities will even be developed.

In addition to the residential component, the long-range master plan for Ocean Pointe also calls for recreational and commercial components, including a golf course, full-service man-made marina, and retail/commercial center. The currently approved master plan is depicted in various advertising materials and displays but is still conceptual in nature and subject to change and reconfiguration as Ocean Pointe is developed. There are no guarantees that all or any of the components will be developed or that the components will be developed as depicted or described in these various advertising materials and displays. The golf course and marina, if constructed, will serve as a basin in the regional Kaloi drainage system. This system will service all of the residences in Ocean Pointe.

As mentioned above, the master plan is subject to change depending on a variety of factors, including market forces, the economy, land use permitting requirements, and changes in governmental regulations. Although the components of the master plan (i.e., the marina, golf course, retail/commercial center, parks, and residential components) will not likely change, there will likely be changes to the size, configuration or relative location of these components as Ocean Pointe is developed.

All owners of a unit in this condominium project will be subject to the provisions of Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential) (the "Master Declaration") and The Town Homes at Fairway's Edge Design Guidelines (see Exhibits "O" and "N" for a description of each document, respectively). All owners will also automatically become members of the Ocean Pointe Residential Community Association, Inc., which is the community association for Ocean Pointe. Unit owners will be responsible for the payment of their respective shares of the expenses incurred by this association in its maintenance of The Town Homes at Fairway's Edge and Ocean Pointe. The monthly fees for the various associations are estimated in the budgets attached as Exhibit "J".

B. Incremental Development. As noted above, Increment 7 is the seventh increment of The Town Homes at Fairway's Edge to be developed. Increment 7, like Increments 2 through 6, is being developed pursuant to Chapter 514B of the Hawaii Revised Statutes ("HRS"). Increment 1 was developed pursuant to HRS Chapter 514A. Pursuant to the reserved rights set forth in Section T.3 of the Declaration of Condominium Property Regime for The Town Homes at Fairway's Edge, Increment 1, the Developer has reserved the right to amend or modify the Declaration, the Bylaws, and the Condominium Map for Increment 1 in order to conform those documents to the recodified provisions governing condominium property regimes under HRS Chapter 514B and to achieve any results permitted under HRS Chapter 514B. On October 25, 2006, the Developer recorded amendments to the Declaration and Bylaws in accordance with those reserved rights.

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EXHIBIT O: Description of the Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential)

**General Information On Condominiums**

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

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

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

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

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

**Operation of the Condominium Project**

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

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

Until there 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 | | x | Fee Simple | | Leasehold (attach Leasehold Exhibit) |
| Developer is the Fee Owner | | x | Yes | | No |
| Fee Owner's Name if Developer is not the Fee Owner | N/A | | | | |
| | | | | | |
| Address of Project | Off Keone'ula Boulevard and Kapolei Parkway<br>Ewa Beach, Hawaii 96706 | | | | |
| Address of Project is expected to change because | Developer anticipates the City will be issuing new addresses and a new tax map key number in the near future | | | | |
| Tax Map Key (TMK) | (1) 9-1-012-070 (por.) | | | | |
| Tax Map Key is expected to change because | The land underlying the project was recently subdivided from a larger parcel. | | | | |
| Land Area | 1.350 acres | | | | |
| Developer's right to acquire the Property if Developer is not the Fee Owner (describe) | N/A | | | | |

### 1.2 Building and Other Improvements

| | |
|---|---|
| Number of Buildings | Five (5) |
| Floors Per Building | Two (2) |
| Number of New Building(s) | Five (5) |
| Number of Converted Building(s) | 0 |
| Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc. | Concrete, wood, glass, steel, and allied construction 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 |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| See Exhibit **A.** | | | | | | |

| | |
|---|---|
| **20** | **Total Number of Units** |

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

### 1.4 Parking Stalls

| | |
|---|---|
| Total Parking Stalls in the Project: | 47 |
| Number of Guest Stalls in the Project: | 4 + 3 stalls which the Association may lease |
| Number of Parking Stalls Assigned to Each Unit: | 2 |
| Attach Exhibit **B** specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open). | |
| If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.<br><br>N/A | |

### 1.5 Boundaries of the Units

| |
|---|
| Boundaries of the unit:<br><br>See Exhibit **C**. |

### 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):<br><br>See Exhibit **D**. |

### 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 **E**. |
| As follows:<br>See Exhibit **E**. |

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

| | | |
|---|---|---|
| | x | Swimming pool (To be constructed in a future increment—see Section A.(1) under Special Attention on Page 1a) |
| | | Laundry Area |
| | | Storage Area |
| | | Tennis Court |
| | x | Recreation Area (To be constructed in a future increment—see Section A.(1) under Special Attention on Page 1a) |
| | x | Trash Chute/Enclosure(s) |
| | | Exercise Room |
| | | Security Gate |
| | | Playground |
| | | Other (describe): |

## 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 **F**.

Described as follows:

See Exhibit **F**.

| Common Element | Number |
|---|---|
| Elevators | N/A |
| Stairways | 0 |
| Trash Chutes | 0 |

## 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 **G**.

Described as follows:

See Exhibit **G**.

## 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:

| | |
|---|---|
| x | Pets: Limited to two (2) generally recognized domestic house pets |
| | Number of Occupants: |
| x | Other: Permanent clotheslines, gas tanks, tool sheds, equipment, dog houses, and other outdoor structures and apparatus shall not be located, erected, constructed or installed in yards. |
| | 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 **H** describes the encumbrances against title contained in the title report described below.

Date of the title report: March 2, 2007

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 |
| x | Residential | 20 | x | Yes | No | A-1 |
| | Commercial | N/A | | Yes | No | N/A |
| | Mix Residential/Commercial | N/A | | Yes | No | N/A |
| | Hotel | N/A | | Yes | No | N/A |
| | Timeshare | N/A | | Yes | No | N/A |
| | Ohana | N/A | | Yes | No | N/A |
| | Industrial | N/A | | Yes | No | N/A |
| | Agricultural | N/A | | Yes | No | N/A |
| | Recreational | N/A | | Yes | No | N/A |
| | Other (specify) | N/A | | Yes | No | N/A |
| 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 | N/A |
| Describe any variances that have been granted to zoning code. | | N/A | | | | |

### 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.<br><br>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.<br><br>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 | x | | |
| Structures | x | | |
| Lot | x | | |

| 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:<br><br>N/A |
|---|

## 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**<br>☒ **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:<br><br>N/A | |
| Developer's statement of the expected useful life of each item reported above:<br><br>N/A | |
| List of any outstanding notices of uncured violations of any building code or other county regulations:<br><br>N/A | |
| Estimated cost of curing any violations described above:<br><br>N/A | |

| **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: N/A<br><br>(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:<br>(i) Any variances or other permits that have been granted to achieve compliance;<br>(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<br>(iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance;<br><br>or<br><br>(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above. N/A |
| Other disclosures and information:<br><br>N/A |

### 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?**<br>**If answer is "Yes", provide information below.** | ☐ **Yes**<br>☒ **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

N/A

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
N/A

If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.

Other disclosures and information:

N/A

### 1.17 Project with Assisted Living Facility

| | |
|---|---|
| **Does the project contain any assisted living facility units subject to Section 321-11(10), HRS?**<br>**If answer is "Yes", complete information below.** | ☐ **Yes**<br>☒ **No** |

Licensing requirements and the impact of the requirements on the costs, operations, management and governance of the project.

N/A

The nature and the scope of services to be provided.

N/A

Additional costs, directly attributable to the services, to be included in the association's common expenses.

N/A

The duration of the provision of the services.

N/A

Other possible impacts on the project resulting from the provision of the services.

N/A

Other disclosures and information.

N/A

## 2. PERSONS CONNECTED WITH THE PROJECT

| | |
|---|---|
| **2.1 Developer** | Name: Fairway's Edge Development, LLC<br>Business Address: 91-1001 Kaimalie Street, Suite 205, Ewa Beach, Hawaii 96706<br><br>Business Phone Number: (808) 689-7772<br>E-mail Address: tsagawa@haseko.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). | HASEKO Homes, Inc. – Manager/Member*<br>HASEKO Realty, Inc. – Member*<br><br>HASEKO Homes, Inc.<br>Toru Nagayama, President and Director<br>Tsutomu Sagawa, Executive Vice President, Secretary, Treasurer and Director<br>Nancy Maeda, Executive Vice President<br>Raymond S. Kanna, Executive Vice President<br>Richard S. Dunn (R), Vice President<br>Toshifumi Kiuchi, Vice President<br>Hutch Palmer, Vice President<br><br>HASEKO Realty, Inc.<br>Toru Nagayama, President and Director<br>Richard S. Dunn (R), Executive Vice President<br>Tsutomu Sagawa, Secretary and Treasurer |
| **2.2 Real Estate Broker** | Name: HASEKO Realty, Inc.<br>Business Address: 91-1001 Kaimalie Street, Suite 205 Ewa Beach, Hawaii 96706<br><br>Business Phone Number: (808) 689-7772<br>E-mail Address: dinafuku@ocean-pointe.com |
| **2.3 Escrow Depository** | Name: Title Guaranty Escrow Services, Inc.<br>Business Address: 235 Queen Street, First Floor Honolulu, Hawaii 96813<br><br>Business Phone Number: (808) 521-0211 |
| **2.4 General Contractor** | Name: HASEKO Construction, Inc<br>Business Address: 91-1001 Kaimalie Street, Suite 205 Ewa Beach, Hawaii 96706<br><br>Business Phone Number: (808) 689-7772 |
| **2.5 Condominium Managing Agent** | Name: Certified Management, Inc.<br>Business Address: 3179 Koapaka Street, 2nd Floor Honolulu, Hawaii 96819<br><br>Business Phone Number: (808) 836-0911 |
| **2.6 Attorney for Developer** | Name: Michael H. Lau<br>Morihara Lau & Fong LLP<br>Business Address: 841 Bishop Street, Suite 400 Honolulu, Hawaii 96813<br><br>Business Phone Number: (808) 526-2888 |

## 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 |
|---|---|---|
| Land Court | March 12, 2007 | 3573252 |

| Amendments to Declaration of Condominium Property Regime | | |
|---|---|---|
| Land Court or Bureau of Conveyances | Date of Document | Document Number |
| | | |
| | | |
| | | |

### 3.2 Bylaws of the Association of Unit Owners

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

| Land Court or Bureau of Conveyances | Date of Document | Document Number |
|---|---|---|
| Land Court | March 12, 2007 | 3573253 |

| 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 | 1875 |
| Bureau of Conveyances Map Number | |

Dates of Recordation of Amendments to the Condominium Map:

### 3.4 House Rules

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

| The House Rules for this project: | | | |
|---|---|---|---|
| Are Proposed | | ☐ | |
| Have Been Adopted and Date of Adoption | | x | March 12, 2007 |
| 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 Condominium Documents

| | |
|---|---|
| ☐ | No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any). |
| ☒ | Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows:<br><br>See Exhibit **I**. |

## 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): | |
|---|---|
| x | Not affiliated with the Developer |
| | None (self-managed by the Association) |
| | The Developer or any 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 **J** 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: | |
|---|---|
| x | Electricity for the common elements |
| | Gas for the common elements |
| x | Water |
| x | Sewer |
| | TV Cable |
| | Other (specify) |

### 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: | |
|---|---|
| x | Electricity for the Unit only |
| | Gas for the Unit only |
| | Water |
| | Sewer |
| x | TV cable |
| x | Other (specify) Telephone |

## 5. SALES DOCUMENTS

### 5.1 Sales Documents Filed with the Real Estate Commission

| Sales Documents on file with the Commission include, but are not limited to, the following: | |
|---|---|
| ☒ | Specimen Sales Contract<br>Exhibit **K** 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 14, 2006<br>Name of Escrow Company: Title Guaranty Escrow Services, Inc.<br>Exhibit **L** contains a summary of the pertinent provisions of the escrow agreement. |
| ☐ | Other |

### 5.2 Sales to Owner-Occupants

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

| | |
|---|---|
| ☒ | 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.<br>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 coveys 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. |
| x | There are blanket liens that may affect title to the individual units. |

| Type of Lien | Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance |
|---|---|
| Mortgage | Purchaser may not be able to purchase the unit and Seller |
| Financing Statement | will fully refund all deposits made by the Purchaser. |
| | |

### 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: 10 Year Limited Warranty commencing on conveyance date of Unit. See Exhibit **M** for a summary of the pertinent provisions of the warranty. |
| Appliances: Generally one (1) year manufacturer's warranty. See Exhibit **M**. |

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

| |
|---|
| Status of Construction: Commencement of Construction is estimated to begin in June, 2007 |
| 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:<br><br>Two (2) years from the date that the sales contract becomes binding (subject to extension for force majeure as defined in the sales contract). |
| Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:<br><br>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.<br>If the box to the left is checked, Sections 5.6.2 and 5.7, which follow below, will not be applicable to the project. |

### 5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

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

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

| | |
|---|---|
| **Box A**<br><br>☐ | 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.<br><br>If Box A is checked, you should read and carefully consider the following notice, which is required by law:<br><br>**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**<br><br>☐ | 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.<br><br>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.<br><br>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: Fairway's Edge Design Guidelines (See Exhibit **N**); Declaration of CC&Rs for Ocean Pointe (Residential), as amended and supplemented (See Exhibit **O**); Specimen Apartment Deed |

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

A. Interstate Land Sales Full Disclosure Act. This public report has not been accepted by the Department of Housing and Urban Development under the Interstate Land Sales Full Disclosure Act. As set forth in the specimen sales contract submitted with this public report, the Developer will complete construction of each unit and have the unit ready for normal occupancy within a period of two (2) years from the date that the sales contract for that particular unit is signed; provided, however, that said two (2) year period shall be extended in the event completion is delayed by matters and/or conditions beyond the control of the Developer.

B. Termite Monitoring System Disclosure. Developer on its own initiative will be installing and paying for the costs of the use of a termite monitoring system on each building of the development, commencing on the date title for the first Unit in a building is transferred to the first homeowner and expiring twelve months thereafter. Any use of a termite monitoring system for a particular building within the development beyond such period will be at the election and the cost of the Association or individual unit owners as the case may be.

C. HECO Substation. An affiliate of Developer has conveyed to Hawaiian Electric Company, Inc. ("HECO") Lot 16503, which is located immediately adjacent to the northeast part of the development, for use as an electrical distribution substation. Based on HECO's plans, the substation will initially have a single transformer unit installed, but is designed to have up to a total of four (4) transformer units phased in incrementally in conjunction with the electrical load demands from the surrounding service areas. Once the electrical substation becomes operational, HECO may also make periodic inspections and other visits to the substation, and may perform maintenance and other related tasks. The construction and operation of the substation may result in increased noise, dust, traffic and other nuisances, annoyances or hazards to the development. Issues have been raised nationally concerning electromagnetic fields ("EMFs") generated in connection with the operation of power lines and other electrical transmission equipment (some of which may be located within the HECO substation site) and whether exposure to EMFs adversely affects human health. Developer makes no representations or warranties concerning the presence or absence of EMFs which may be generated at the HECO substation site in the future or whether or not such exposure to EMFs will have any adverse health effects on any owner or occupant of any Unit within the development.

D. Adjacent Lands and Usage. The Land which is being developed by Developer is located immediately south of the lands that are currently vacant and are owned and/or may be developed by third parties unrelated to Developer. Such lands are in the process of being rezoned from A-1 Apartment zoned land with a 30-foot height limit to A-2 zoned land with a 40-foot height limit. Neither Developer nor any other affiliate has any control over the use or development of these mauka lands and any resulting impact on the development, including the development involving, without limitation, any view planes, sight lines, tradewind and airflow patterns, natural light, and exterior aesthetics of any improvements that may be located on such lands. If the mauka lands are developed, the construction may result in additional dust, dirt, noise, and other hazards and nuisances related to the construction.

E. Roadway and Traffic. The Land is bordered by Keone'ula Boulevard and Kapolei Parkway. Keone'ula Boulevard is one of the primary access roadways serving Ocean Pointe from Fort Weaver Road and connects to various secondary roadways within Ocean Pointe. In addition, as part of the government's highway master plan, Kapolei Parkway is intended to serve as a primary roadway that will eventually connect to other main roadways thereby providing Ewa Beach and Ocean Pointe residents with an alternate access route to Kapolei, Barbers Point and the H-1 freeway. Due to the proximity of these roadways, there may be increased noise, dust, traffic and other nuisances, annoyances, or hazards to persons residing within the development.

F. Nearby Schools. Although the Keone'ula Elementary School was constructed east of the development on lands donated to the Department of Education ("DOE") by an affiliate of Developer, Developer or its affiliates have no input, influence, or control over how the school district boundaries will be established for the school. Therefore, notwithstanding (a) the name of the school; (b) the dedication of the lands to the DOE by Developer's affiliate; or (c) the current plan to allow residents of the current existing developments within Ocean Pointe, including Area IIE, to send their children to the Keone'ula Elementary School, Declarant is not making any representation or warranty that residents of The Town Homes at Fairway's Edge will be able to send their children to the Keone'ula Elementary School. In addition, a middle school is planned to be constructed on lands located mauka of the development. Developer or its affiliates have no input, influence, or control over how the school district boundaries will be established for such middle school.

G. Public Facilities. Although not located adjacent to the Area IIE development, Developer's affiliate has conveyed or dedicated or is in the process of conveying or dedicating certain lands located north of Keone'ula Boulevard to be utilized for public purposes. Under current plans, certain lands have been or will be conveyed or dedicated for the construction of a district park, fire station, child care facility, and elementary school. These

public facilities or utility infrastructure, while located within Ocean Pointe, are intended to be utilized by the Ewa Beach community, including Ocean Pointe.

H. Golf Course. Portions of the development will be located near the proposed golf course. No Unit owner shall have any ownership interest in or right to use the Golf Course solely by virtue of his or her membership in the homeowner's association. The Developer has also reserved a non-exclusive easement appurtenant to the golf course for the benefit of the owner of the golf course. The easement covers, among other things, errant golf balls, overspray of treated effluent used for water features or irrigation, impairment of views, odors, noise, use of effluent for irrigating the golf course or used in lakes and water features, and other matters. Please refer to Section V.8 of the Declaration of Condominium Property Regime for more information concerning the various golf course related waivers, disclaimers, etc.

**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.

FAIRWAY'S EDGE DEVELOPMENT, LLC
Printed Name of Developer

By: _____
Duly Authorized Signatory*

March 12, 2007
Date

TSUTOMU SAGAWA, Executive Vice President of HASEKO Homes, Inc., as Manager of Developer
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

**EXHIBIT A**

The Town Homes at Fairway's Edge, Increment 7

Unit Types and Sizes of Units

RESIDENTIAL BUILDING TYPES.

The Project includes five (5) detached residential buildings, designated as Buildings 5 through 9, inclusive, as shown on the Condominium Map. None of the buildings will have basements.

There are two (2) residential building types in the Project, as shown on the Condominium Map and the following table:

| Building Number | Building Type |
|---|---|
| 5 | TH11 |
| 6 | TH12 |
| 7 | TH12 |
| 8 | TH11 |
| 9 | TH12 |

The building types are described below:

Type TH11. Each Type TH11 building contains a total of four (4) Units. All units are two-story structures with interior stairways consisting of Unit Model Types 107, 107R, 108 and 108R. The layout and location of each Unit are as shown on the Condominium Map.

Type TH12. Each Type TH12 building contains a total of four (4) Units. All units are two-story structures with interior stairways, consisting of Unit Model Types 106, 106R, 109 and 109R. The layout and location of each Unit are as shown on the Condominium Map.

GARAGE BUILDING TYPES.

The Project includes an attached two-car enclosed garage for each Unit in the associated TH11 or TH12 residential buildings. Each two-car garage has a gross area (depending on unit type) of approximately 410 to 452 square feet for the TH11 and TH12 buildings. The layout and location of each garage are as shown on the Condominium Map.

UNIT TYPES.

The four (4) different Unit types in the Project are as described below:

Model 106: Two-story three bedroom, two and one-half bath unit. The unit has a living room, dining room, kitchen, and one-half bath/powder room on the first floor, connected by interior stairs to the second floor, containing three bedrooms, two bathrooms, and a walk-in closet. The unit has an attached two-car garage. The net living area (which excludes the garage) is approximately 1105 square feet.

Model 106R: This Unit Type contains the reverse floor plan layout from that shown on the Condominium Map for Model Type 106, with the same rooms and net living area as said Model Type 106.

Model 107: Two-story three bedroom, two and one-half bath unit. The unit has a living room, dining room, kitchen, covered porch, and one-half bath/powder room on the first floor, connected by interior stairs to the second floor, containing three bedrooms, two bathrooms, and a walk-in closet. The unit has an attached two-car garage. The net living area (which excludes the garage) is approximately 1135 square feet.

Model 107R: This Unit Type contains the reverse floor plan layout from that shown on the Condominium Map for Model Type 107, with the same rooms and net living area as said Model Type 107.

Model 108: Two-story three bedroom, two and one-half bath unit. The unit has a living room, dining room, kitchen, covered porch, and one-half bath/powder room on the first floor, connected by interior stairs to the second floor, containing three bedrooms, two bathrooms, a tech nook, and a walk-in closet. The unit has an attached two-car garage. The net living area (which excludes the garage) is approximately 1135 square feet.

Model 108R: This Unit Type contains the reverse floor plan layout from that shown on the Condominium Map for Model Type 108, with the same rooms and net living area as said Model Type 108.

Model 109: Two-story three bedroom, two and one-half bath unit. The unit has a living room, dining room, kitchen, covered porch, and one-half bath/powder room on the first floor, connected by interior stairs to the second floor, containing three bedrooms, two bathrooms, a tech nook, and a walk-in closet. The unit has an attached two-car garage. The net living area (which excludes the garage) is approximately 1183 square feet.

Model 109R: This Unit Type contains the reverse floor plan layout from that shown on the Condominium Map for Model Type 109, with the same rooms and net living area as said Model Type 109.

| Unit Type | Quantity | BR/Bath | Net Living Area* | Net Other Areas | Garage** | Area |
|---|---|---|---|---|---|---|
| 106 | 6 | 3/2.5 | 1,105 | 0 | 400 | **1,505** |
| 107 | 4 | 3/2.5 | 1,135 | 0 | 400 | **1,535** |
| 108 | 4 | 3/2.5 | 1,135 | 0 | 400 | **1,535** |
| 109 | 6 | 3/2.5 | 1,183 | 0 | 400 | **1,583** |

* Net Living Area is the floor area of the unit measured from the interior surface of the unit perimeter and party walls. The Net Living Area does not include the floor area of the second floor balcony, the ground floor lanai, or the garage.

** If calculated in the same manner as the units, the garages would be between 410 and 452 square feet for the 106 – 109 unit types

**EXHIBIT B**

The Town Homes at Fairway's Edge, Increment 7

Parking Stall Numbers

Parking for each unit is provided by a 2-car garage appurtenant to the unit. The garages are also identified on the Condominium Map by the two (2) regular size parking stalls assigned to each unit as listed below.

| Unit No. | Parking Stall Nos. |
|---|---|
| 501 | 143, 144 |
| 502 | 145, 146 |
| 503 | 147, 148 |
| 504 | 149, 150 |
| 601 | 151, 152 |
| 602 | 153, 154 |
| 603 | 155, 156 |
| 604 | 157, 158 |
| 701 | 159, 160 |
| 702 | 161, 162 |
| 703 | 163, 164 |
| 704 | 165, 166 |
| 801 | 167, 168 |
| 802 | 169, 170 |
| 803 | 171, 172 |
| 804 | 173, 174 |
| 901 | 175, 176 |
| 902 | 177, 178 |
| 903 | 179, 180 |
| 904 | 181, 182 |

In addition, there are four (4) guest parking stalls within the Project, as shown on the Condominium Map as parking stall nos. 24G through 27G, inclusive. These guest parking stalls may be used by guests of this condominium project, as well as by guests of certain other condominium projects developed or to be developed within The Town Homes at Fairway's Edge as may be designated by the Developer. There are also three (3) parking stalls shown on the Condominium Map as parking stall Nos. 28A through 30A, inclusive, which may be leased by the Association acting through the Board as provided in Subsection J.9(c)(iii) of the Declaration.

**EXHIBIT C**

The Town Homes at Fairway's Edge, Increment 7

Boundaries of the Units

The boundaries of each unit in this condominium project shall be the perimeter and party walls, floors and ceilings of each unit. The units shall not be deemed to include: the first floor lanai or the second floor balcony, if any (regardless of whether or not the lanai is extended or enclosed or the balcony is enclosed); the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls; the unfinished floors and ceilings located within or surrounding each unit; or any pipes, wires, conduits or other utility or service lines running through such unit which are utilized for, or serve, more than one (1) unit; all of which shall be deemed common elements. Each unit shall be deemed to include: the appurtenant two-car garage; all the walls and partitions which are not load-bearing within the perimeter or party walls; the interior decorated or finished surfaces of all perimeter, party and load-bearing walls; the interior decorated or finished surfaces of all floors, ceilings and roofs; the interior stairways; all doors (including the garage door) and door frames, including the exterior unfinished surfaces thereof; all windows and window frames, including the exterior unfinished surfaces thereof; all doorknobs; and all fixtures originally installed or contained therein.

**EXHIBIT D**

The Town Homes at Fairway's Edge, Increment 7

Permitted Alterations to the Units

Alterations to the units in this condominium project are permitted under Section R of the Declaration, which provides the following:

1. General.

(a) Except as otherwise provided in this Declaration, 1) restoration, repair or replacement of the Project or of any building or other facility or construction of any additional building or structural alteration or addition to any structure, different in any material respect from the Condominium Map, or 2) any other addition or alteration constituting a "material addition or alteration" under Section 514B-140 of the Condominium Property Act (collectively, the "Proposed Alterations"), shall be undertaken by the Association or any Unit owner(s) only pursuant to an amendment of this Declaration, duly executed by or pursuant to the approval or written consent of Unit owners holding at least sixty-seven percent (67%) of the total Common Interests of the Project, together with the approval or written consent of (i) all Unit owners whose Unit or Limited Common Elements appurtenant thereto are directly affected (as determined in a reasonable manner by the Board) by the Proposed Alterations; (ii) the holders of first mortgage liens encumbering any Unit directly affected by the Proposed Alterations (if the lien holders require such approval), and (iii) the Board, which approval or consent shall not be unreasonably withheld.

(b) The Proposed Alterations shall be in accordance with plans and specifications for the Proposed Alterations prepared by a licensed architect or licensed professional engineer and approved by (i) the Board, (ii) the Design Review Committee in accordance with the Design Guidelines, and (iii) the appropriate agencies of the State of Hawaii and the City and County of Honolulu (if such agencies so require).

(c) Promptly upon completion of any Proposed Alteration which is different in any material respect from the Condominium Map, the Association or Unit owner(s), whomever requested the Proposed Alteration, shall duly file or record in the Office of the Assistant Registrar an amendment to the Declaration and the Condominium Map showing the Project as so altered, certified as built by a registered architect or licensed professional engineer.

(d) Notwithstanding the foregoing, any amendment to the Declaration required or necessary for any Proposed Alteration of a Unit by an owner which alteration is in accordance with options, if any, shown on the floor plans for that particular Unit type in the Condominium Map shall not require the approval or written consent of the Unit owners (except those Unit owners whose Unit or Limited Common Elements appurtenant thereto are directly affected); PROVIDED, HOWEVER, that since construction of any such options, if any, shown on the Condominium Map must also comply with all applicable laws, rules, setbacks, and other governmental requirements, such options, if any, may not be available or permitted for all Units in the Project.

2. Alterations by Unit Owner. Notwithstanding any other provision in this Declaration to the contrary, the owner of a Unit may make any alterations or additions within a

Unit or to a Limited Common Element appurtenant to and for the exclusive use of the Unit, and the owner of any two adjoining Units may alter or remove all or portions of the intervening walls, at such owner's expense, if such alterations or additions are not visible from the exterior of the Units and if the structural integrity of the Building is not thereby affected and provided further that any such additions or alterations permitted in this sentence shall constitute "nonmaterial additions and alterations" under Section 514B-140(c) of the Condominium Property Act. The alterations or additions permitted by this Section R.2 shall require only the written approval of the Unit owner's plans and specification therefor, by (a) the Board; (b) the holders of first mortgage liens affecting such Unit(s) (if the lien holders require such approval); (c) the appropriate agencies of the State of Hawaii and the City and County of Honolulu (if such agencies so require); and (d) all other Unit owners thereby directly affected (as determined in a reasonable manner by the Board). Such alterations or additions may be undertaken without an amendment to this Declaration or filing of a complete set of floor plans of the Project as so altered. Prior to the termination of the common ownership of any two adjoining Units, if the intervening walls shall have been altered or removed pursuant to the foregoing provision and any entrances sealed, the owner of such Unit shall restore such intervening walls and entrances to substantially the same condition in which they existed prior to such alteration or removal.

3. Alterations by Declarant.

(a) General. Notwithstanding any other provision in this Declaration to the contrary, prior to the later of (i) the recording in the Office of the Assistant Registrar of the Unit deed conveying the last unsold Unit in the Project to a purchaser; or (ii) the filing or recording by Declarant of the "as built" verified statement (with plans, if applicable) required by Section 514B-34 of the Condominium Property Act (but in no event later than twenty-four (24) months after the "date of completion" of the Project, as that term is used in Chapter 507, Part II, Hawaii Revised Statutes, as amended), Declarant, without notice to, or the approval, consent or joinder of, the Association, any Unit owner, lienholder, or any other person, shall have the right (which includes the right to amend this Declaration and the Condominium Map accordingly) to (A) make alterations in the Project which change or reverse the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any Unit (and the Limited Common Elements appurtenant thereto) in the Project which is not sold and recorded; (B) recharacterize and redesignate certain Limited Common Elements as may be appurtenant to a Unit as being Common Elements of the Project which is not sold and recorded; (C) recharacterize and redesignate certain Common Elements of the Project as Limited Common Elements appurtenant to a Unit which is not sold and recorded; or (D) make other alterations in the Project, which make minor changes in any Unit in the Project or the Common Elements which do not affect the physical location, design or size of any Unit which has been sold and recorded. As used herein the term "sold and recorded" shall mean and refer to the sale of a Unit in the Project and the recording in the Office of the Assistant Registrar of a Unit deed conveying the interest in the Unit from Declarant to parties not signatory to this Declaration.

(b) Construction of Options. Notwithstanding any other provision in this Declaration to the contrary, prior to the time that all of the Units in the Project have been sold and recorded, Declarant shall have the right to make alterations in the Project and to amend this Declaration and the Condominium Map accordingly, without notice to, or the approval, consent or joinder of, the Association, any Unit owner, lienholder, or any other person, to construct or modify the Project in accordance with the respective options, if any, shown on the floor plans in the Condominium Map. As used herein the term "sold and recorded" shall mean and refer to the sale of a Unit in the Project and the recording in the Office of the

Assistant Registrar of a Unit deed conveying the interest in the Unit from Declarant to parties not signatory to this Declaration.

**EXHIBIT E**

The Town Homes at Fairway's Edge, Increment 7

Common Interests

Each Unit shall have appurtenant thereto an undivided percentage interest in all Common Elements of the Project (the "Common Interest"), which is the proportionate share of the Unit owner's ownership of the Common Elements. The Common Interest shall also reflect the owner's proportionate share in all common profits and expenses of the Project and for all other purposes, including voting on all matters requiring action by the Unit owners.

| Apt. No. | Common Interest (%) |
|---|---|
| 501 | 4.9763 |
| 502 | 4.9763 |
| 503 | 4.9763 |
| 504 | 4.9763 |
| 601 | 5.1868 |
| 602 | 4.8448 |
| 603 | 4.8448 |
| 604 | 5.1868 |
| 701 | 5.1868 |
| 702 | 4.8448 |
| 703 | 4.8448 |
| 704 | 5.1868 |
| 801 | 4.9763 |
| 802 | 4.9763 |
| 803 | 4.9763 |
| 804 | 4.9763 |
| 901 | 5.1868 |
| 902 | 4.8448 |
| 903 | 4.8448 |
| 904 | 5.1868 |

The Common Interest is generally calculated for each Unit by dividing the sum of the net living area of such Unit plus the net area of the second floor balcony, if any, of such Unit by the sum of the total net living area of all Units within the Project plus the combined net area of all the second floor balconies, if any, of the Project, with adjustments made to the Common Interest

appurtenant to the Units to compensate for rounding errors to ensure that the sum of all Common Interests for all Units in the Project equals one hundred per cent (100%).

# EXHIBIT F

The Town Homes at Fairway's Edge, Increment 7

Common Elements

1. The underlying land in fee simple.

2. All structural components, such as foundations, floor slabs for the ground floor of any Building, columns, girders, beams, supports, structural framing, all perimeter and/or party walls (except for the decorated or finished surfaces of such perimeter and/or party walls as provided in the Condominium Property Act), and all interior load-bearing walls (except for the decorated or finished surfaces of such load-bearing walls within each Unit as provided in the Act), undecorated or unfinished floors and ceilings, the roofs of the Buildings, the unfinished floor of the second floor balconies, and all exterior walkways, railings, walls and fences enclosing any portion of the Project.

3. All yards, gateways, exterior stairways, gates, fences, grounds, landscaping, walls, retaining walls, uncovered parking stalls (including guest stalls, if any), driveways, roadways, lanes, alleyways, pathways, sidewalks, walkways, lanais, entrances and entry areas, exits, loading zones, refuse and trash enclosure areas, planter boxes, and mailboxes which are not located in any Unit, whether within or appurtenant to the Project.

4. All ducts, vents, shafts, sewer lines, drainlines, storm drain improvements, gutters, electrical rooms or closets, electrical equipment and fixtures, wiring, potable water pipelines, fire hydrants, irrigation pipelines and sprinklers, pipes, and other central and appurtenant transmission facilities, installations over, under and across the Project which serve more than one Unit for services such as power, light, water, drainage, gas, sewer, refuse, telephone and radio and television signal distribution.

5. The roadway lighting located above the garage doors of the Units, and, where applicable, any side area lighting that may be located on the side of an end Unit.

6. Four (4) guest parking stalls, shown on the Condominium Map as parking stall Nos. 24G through 27G, inclusive, are available for use by others and the guests, visitors and invitees of the Unit owners.

7. Three (3) additional parking stalls, shown on the Condominium Map as parking stall Nos. 28A through 30A, inclusive, which may be leased by the Association acting through the Board.

8. Any and all other apparatus and installations intended for common use and all devises and other parts of the Land necessary or convenient to the existence, maintenance and safety of the Condominium Property Regime, or normally in common use.

The board, on behalf of the Association, shall have the right to lease or otherwise use for the benefit of the Association, those common elements that the board determines are not actually used by any of the unit owners for a purpose permitted in the Declaration. Please refer to Subsection J.9(c)(i) of the Declaration. In addition, the board shall have the further right to lease or otherwise use for the benefit of the Association, those common elements not falling

within the provisions of Subsection J.9(c)(i) of the Declaration. Please refer to Subsection J.9(c)(ii) of the Declaration.

**EXHIBIT G**

The Town Homes at Fairway's Edge, Increment 7

Limited Common Elements

1. Lanai. The ground floor lanai, if any (as shown on the Condominium Map), shall be a Limited Common Element appurtenant to and reserved for the exclusive use of the Unit to which it is attached. The lanai shall be deemed to include any extended or enclosed lanai.

2. Balcony. The second floor balcony, (if any, as shown on the Condominium Map), shall be a Limited Common Element appurtenant to and reserved for the exclusive use of the Unit, to which it is attached. The balcony shall be deemed to include any enclosed balcony.

3. Rear Yard. The yard area located in the rear of certain Units between such Units and garage building and enclosed by fences shall be a Limited Common Element appurtenant to and reserved for the exclusive use of that particular Unit.

4. Front Yard. The yard area (including any walkway or entry area) located in the front of certain Units and enclosed by an entry gate and fences shall be a Limited Common Element appurtenant to and reserved for the exclusive use of that particular Unit.

5. Yard Fences. Any fence, including any entry gate, which encloses any portion of a Rear Yard or a Front Yard shall be a Limited Common Element appurtenant to and reserved for the exclusive use of the Unit to which the yard is appurtenant. Notwithstanding the foregoing, any such fence which is placed on a common property line and separates two yards shall be a Limited Common Element appurtenant to and reserved for the exclusive use of the Units to which the yards are appurtenant.

6. Entry Areas. The entry area to the front door of each Unit that does not have a Front Yard, as shown on the Condominium Map, shall be a Limited Common Element appurtenant to and reserved for the exclusive use of the Unit to which it provides access.

7. Planter Boxes. The planter boxes, if any, located on the exterior of the Unit, shall be a Limited Common Element appurtenant to and reserved for the exclusive use of the Unit.

8. Mailbox. The mailbox assigned to a particular Unit, but excluding the pedestal structure which houses the individual assigned mailboxes, shall be a Limited Common Element appurtenant to and reserved for the exclusive use of such Unit. The pedestal structure shall be a Common Element.

9. Concrete Apron. The concrete section of the driveway, which extends from the outside entrance of the enclosed garage of a Unit up to, but not including the beginning edge of the driveway, shall be a Limited Common Element appurtenant to and reserved for the exclusive use of such Unit.

10. Air Conditioner Compressor Unit. The air conditioner compressor unit and associated refrigerant lines placed in the Rear Yard or the Front Yard, as the case may be, as

shown on the Condominium Map, shall be a Limited Common Element appurtenant to and reserved for the exclusive use of the particular Unit to which it serves.

11. Other. Any other Common Elements which are rationally related to less than all of the Units shall be a Limited Common Element appurtenant to such Unit(s) that serve a particular Unit.

**EXHIBIT H**

The Town Homes at Fairway's Edge, Increment 7

Encumbrances Against Title

1. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Limited Warranty Deed, dated December 22, 1989, recorded as Land Court Document No. 1693437, including, but is not limited to, matters relating to water reservation and agricultural activities, including sugar cane burning on nearby lands. The terms and provisions of said Limited Warranty Deed were confirmed by that certain Confirmation of Deed Provisions and Reaffirmation of Reservations, dated January 17, 2007, recorded as Land Court Document No. 3543689.

2. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Unilateral Agreement and Declaration for Conditional Zoning, dated November 29, 1993, recorded as Land Court Document No. 2091140, as amended by that certain Amendment to Unilateral Agreement and Declaration for Conditional Zoning, dated February 12, 2002, recorded as Land Court Document No. 2778785, and further amended by that certain Second Amendment to Unilateral Agreement and Declaration for Conditional Zoning, dated October 23, 2002, recorded as Land Court Document No. 2857087.

5. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Document Listing Conditions to Reclassification of Land dated December 12, 1990, recorded as Land Court Document No. 1788412, as amended by instrument, dated March 28, 1994, recorded as Land Court Document No. 2131779, as further amended by instrument, dated June 17, 1994, recorded as Land Court Document No. 2159248; BUT ONLY as to those portions of said lots that are included in Exhibit A and shown on Exhibit B attached to said Land Court Document No. 1788412 and made a part hereof by reference.

6. Grant, dated January 3, 1996, recorded as Land Court Document No. 2284736, in favor of Hawaiian Electric Company, Inc., granting a nonexclusive perpetual right and easement to construct, reconstruct, operate, maintain, repair and remove poles, overhead wire lines, stub pole, guy wires, anchors, and/or underground power lines, etc. for the transmission and distribution of electricity; BUT ONLY as to those portions of said lots that are included in said Land Court Document No. 2284736 and shown on the map attached thereto and made a part hereof by reference.

7. Construction Mortgage with Assignment of Rents, Security Agreement and Fixture Filing, dated as of September 12, 2003, recorded as Land Court Document No. 2993893, made by HASEKO Homes, Inc., and HASEKO (Ewa), Inc., both Hawaii corporations, as Mortgagors, in favor of Central Pacific Bank, a Hawaii corporation, successor by merger to City Bank, a Hawaii corporation, as Mortgagee, as amended by that certain Amendment to $40,000,000 Mortgage dated October 19, 2004, recorded as Land Court Document No. 3188837.

8. The terms and provisions, including the failure to comply with covenants, conditions, and reservations, contained in that certain Agreement for Issuance of Conditional Use Permit

Under Section 21-5.380 of the Land Use Ordinance (LUO), dated June 29, 2006, recorded in said Office of the Assistant Registrar as Land Court Document No. 3451811.

9. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential) dated September 15, 1998, recorded in said Office of the Assistant Registrar as Land Court Document No. 2486145, as amended by instruments dated October 30, 1998, recorded as Land Court Document No. 2498586, dated April 29, 2003, recorded as Land Court Document No. 2923437, dated May 13, 2003, recorded as Land Court Document No. 2930015, and as supplemented by instrument dated March 2, 2006, recorded as Land Court Document No. 3399278.

10. Designation of Easement 8874, for access and utility purposes, as shown on Map 1294, as set forth by Land Court Order No. 166213, recorded on May 22, 2006.

11. Designation of Easement 8885, for access and utility purposes, as shown on Map 1294, as set forth by Land Court Order No. 166213, recorded on May 22, 2006.

12. Grant of Easement; Mortgagee's Consent; dated September 6, 2006, in favor of Hawaiian Electric Company, Inc., a Hawaii corporation, and Hawaiian Telcom, Inc., a Hawaii corporation, recorded as Land Court Document No. 3482834, for utility purposes over, under, upon, across and through Easements 8874 and 8885.

13. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Declaration of Condominium Property Regime of The Town Homes at Fairway's Edge, Increment 7, dated March 12, 2007, recorded in said Office of the Assistant Registrar as Land Court Document No. 3573252.

14. Condominium Map No. 1875, filed on March 13, 2007, as the same may be amended or supplemented from time to time.

15. The terms and provisions, including the failure to comply with covenants, conditions, and reservations, contained in that certain Bylaws of the Association of Apartment Owners of The Town Homes at Fairway's Edge, Increment 7, dated March 12, 2007, recorded in said Office of the Assistant Registrar as Land Court Document No. 3573253.

16. Any unrecorded leases and matters arising from or affecting the same.

17. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land.

**EXHIBIT I**

The Town Homes at Fairway's Edge, Increment 7

Summary of Developer's Rights to Change the Condominium Project or Condominium Documents

1. Developer's Right to Change Declaration and Bylaws

Developer has reserved the right to amend the Declaration as follows:

(a) At any time prior to the recording in the Office of the Assistant Registrar of the first Unit deed in favor of a purchaser, Developer has reserved the right to amend the Declaration, the Bylaws and the Condominium Map in any manner, without notice to, or the approval, consent or joinder of, the Association or any purchaser of any Unit.

(b) At any time prior to the recording in said Office of the Assistant Registrar of Unit deeds covering 100% of the Units in the Project, Developer has reserved the right to amend the Declaration, the Bylaws and the Condominium Map without the approval, consent or joinder of any purchaser of any Unit or any of the persons then owning any Unit or any lien holder, to make such amendments (i) as may be necessary to correct any technical defects or to make non-substantive changes, or (ii) as may be required by law, the Real Estate Commission of the State of Hawaii, any title insurance company issuing a title insurance policy on the Project or any of the Units, any institutional lender lending funds on the security of the Project or any of the Units, or any governmental agency administering governmental loan programs (including without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Department of Housing and Urban Development, the Veterans Administration, the State Housing Finance and Development Corporation, and any successor entities or agencies), or (iii) as may be necessary or desirable as determined by Developer as a result of conditions or requirements imposed upon Developer by any governmental agency of the state, county, or local government related to the development of the lands comprising the Project or other lands within Ocean Pointe to be developed by Developer or any affiliates, or by any governmental agency of any state, territory, possession or foreign country or other foreign jurisdiction as a condition precedent to the marketing or sale of Units in any such jurisdiction; PROVIDED, HOWEVER, that no such amendment which would change the Common Interest appurtenant to a unit or substantially change the design, location or size of a unit or the Building in which it is located shall be made without the consent to such amendment by all persons having an ownership interest in such Unit.

(c) Notwithstanding the recording of Unit deeds conveying any or all of the Units in favor of any person, Developer has reserved the right to successively amend the Declaration, the Bylaws and the Condominium Map without notice to, or the approval, consent or joinder of, the Association or any purchaser of any Unit or any of the persons then owning or leasing any Unit or any lien holder, to make such amendments: (i) to file or record the "as built" verified statement (with plans, if applicable) required by Section 514B-34 of the Condominium Property Act, so long as (A) such statement is merely a statement of a registered architect or professional engineer certifying that the final plan thereto filed fully and accurately depicts the layout, location, Unit numbers, and the dimensions of an improvement or change in a unit as built; or (B) the plans filed therewith involve only immaterial changes to the layout, location, or

dimensions of the Units as built or any change in any Unit number; or (ii) to exercise or effectuate any other rights reserved to Developer pursuant to the Declaration or the Master Declaration.

2. Developer's Right to Merge.

Developer has reserved the right, in its sole and absolute discretion, without the further act, consent or joinder of the Association or any Unit owner, lien holder or any other persons, to cause and effect an administrative merger or mergers of any two or more Increments, and to execute and record one or more Certificates of Administrative Merger (as described in Section S of the Declration) and all other instruments necessary or appropriate for the purpose of effecting the merger or mergers contemplated hereby. An administrative merger may occur with respect to any two or more Increments, at the same or at different times, and an administrative merger with respect to any two or more Increments shall not affect the right of Declarant to merge another Increment or Increments at a later date or dates, subject to all of the provisions of Section S of the Declaration.

3. Developer's Right to Withdraw, Etc.

Developer has reserved the right, in its sole and absolute discretion, without the further act, consent or joinder of the Association or any Unit owner, any purchaser, prospective purchaser, lienholder or any other persons, to (i) subdivide the Land in one or more subdivisions (including the right to consolidate, subdivide, and consolidate and resubdivide any portion of the Land or adjoining lands); (ii) designate, add, delete, relocate, realign, reserve and grant all easements, rights-of-way, restricted access, and sight line distance restrictions; (iii) withdraw from the terms of this Declaration through one or more withdrawals, portions of the Land (together with any improvements thereon) not intended by Developer to be part of the Project (the "Non-Project Lands") by amending the Declaration and the Condominium Map from time to time to reflect the withdrawal of the Non-Project Lands; and (iv) to amend the certificates of title issued to Unit owners to reflect the matters set forth in subparts (i) through (iii) above. The withdrawal rights set forth herein shall include the right of Developer to withdraw Non-Project Lands from the applicability of the Declaration, the Bylaws, and the Condominium Map (a) where the land area to be withdrawn is to be dedicated to a governmental entity or to a utility company, (b) due to changes in the boundaries of the Land (1) as may be required by the Honolulu City Council, any agencies of the City and County of Honolulu, or any agencies of the State of Hawaii, or (2) to comply with any ordinance, order, or other decision relating to the subdivision of the Land, or (c) where Developer determines that such withdrawal is not unequivocally contrary to the overall development plan for the Project. Upon the recordation of an amendment to the Declaration and the Condominium Map to reflect the withdrawal of all or any portion of the Non-Project Lands from the Condominium Property Regime established by the Declaration, Developer shall hold fee simple title to the Non-Project Lands so withdrawn free and clear of (1) the Declaration, the Bylaws, and the Condominium Map, and (2) the interest of any Unit owner, purchaser, prospective purchaser, lienholder, the Association, or other person.

THE FOREGOING IS A SUMMARY OF SOME OF THE PERTINENT PROVISIONS OF THE DEVELOPER'S RESERVED RIGHTS IN THE DECLARATION TO CHANGE THE PROJECT AND THE CONDOMINIUM DOCUMENTS AND IS FOR THE CONVENIENCE OF THE BUYER AND IS NOT INTENDED TO BE AN EXHAUSTIVE LIST OF ALL OF THE DEVELOPER'S RESERVED RIGHTS. THE FULL TEXT OF THE DECLARATION SHOULD BE EXAMINED AND CONTROLS OVER THIS SUMMARY.

**EXHIBIT J**

THE TOWN HOMES AT FAIRWAY'S EDGE, INCREMENT 7
ESTIMATED ANNUAL BUDGET

Fairway's Edge Development, LLC does hereby certify that the estimated budget and maintenance fees describing the units for Increment 7, as set forth in the following sheets, were prepared in accordance with generally accepted accounting principles. The budget and maintenance fees are estimates only and are subject to change at any time, including changes resulting from the merger of the Project with other increments of The Town Homes at Fairway's Edge.

A purchaser shall commence payment of the monthly estimated maintenance fee effective on the date of conveyance of the unit to the buyer.

FAIRWAY'S EDGE DEVELOPMENT, LLC

By HASEKO HOMES, INC.
a Hawaii corporation
Its Manager

Name: TSUTOMU SAGAWA
Title: EXECUTIVE VICE PRESIDENT

March 12, 2007
Date

The Town Homes at Fairway's Edge, Increment 7

Estimated Annual Maintenance Fees and Monthly Estimated Fee Per Unit

(20 UNITS)

## ESTIMATED ANNUAL BUDGET

| ESTIMATE OF MAINTENANCE DISBURSEMENTS **(a)** | MONTHLY ($) | ANNUAL ($) |
|---|---|---|
| **Utilities** | | |
| Common Electricity | $ 46.30 | $ 555.60 |
| Water | $ 575.46 | $ 6,905.52 |
| Sewer | $ 418.52 | $ 5,022.24 |
| **Building and Grounds Maintenance** | | |
| Building | $ 46.30 | $ 555.60 |
| Grounds (Landscaping) | $ 1,697.22 | $ 20,366.64 |
| Pest Control | $ 166.67 | $ 2,000.04 |
| Amenities (Recreation Area) | $ 62.50 | $ 750.00 |
| Trash Removal | $ 407.41 | $ 4888.92 |
| Custodial | $ 100.00 | $ 1,200.00 |
| **Management** | | |
| Management Fees | $ 208.33 | $ 2,499.96 |
| Wages and Salaries | $ 351.94 | $ 4,223.28 |
| Administrative Expenses | $ 104.17 | $ 1,250.04 |
| Education Expenses | $ 6.02 | $ 72.24 |
| **Insurance** | $ 1,151.85 | $ 13,822.20 |
| **Legal & Professional** | $ 10.00 | $ 120.00 |
| **Taxes/Government Assessments** | $ 10.00 | $ 120.00 |
| **Audit Fees** | $ 10.00 | $ 120.00 |
| **Reserves (b)** | $ 805.14 | $ 9,661.68 |
| **Totals (c)** | $ 6,177.83 | $ 74,133.96 |

(a) All budgeted expenses have been calculated by allocating a portion of the overall proposed expenses in accordance with the ratio of the number of units in Increment 7 (i.e., 20 units) to the total number of proposed units (i.e., 216 units). In the event of a deficit in the actual expenses and the amount actually collected, such deficit shall be subsidized by the Developer until all units within The Town Homes at Fairway's Edge project have been sold.

(b) A reserve study (per §514B-148(a)(4), HRS and Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules) has not yet been conducted. The reserves are estimates only based upon information obtained by Fairway's Edge Development, LLC.

(c) The Developer, on its own initiative, will be installing and paying for the costs of the use of the Sentricon® *Termite Colony Elimination System* on the Project, commencing on the date title for the first Unit in a building is transferred to the first homeowner and expiring twelve months thereafter. The costs of use of Sentricon® *Termite Colony Elimination System* for a particular building within the Project beyond such period has not been included in the Budget, and any use will be at the election and the cost of the Association or individual apartment owners as the case may be.

THE TOWN HOMES AT FAIRWAY'S EDGE, INCREMENT 7
(20 UNITS)

## ESTIMATED MAINTENANCE FEES PER UNIT

| UNIT NO. | NET LIVING AREA AND BALCONY (sq. ft.) (a) | COMMON INTEREST (%) | MONTHLY MAINT. FEE ($) (Per Budget p. 1) | MONTHLY MASTER ASSN. FEE ($) (Per Budget p.4) | **TOTAL MONTHLY FEES ($)** | TOTAL ANNUAL FEES ($) |
|---|---|---|---|---|---|---|
| 501 | 1,135 | 4.9763 | 307.43 | 22.00 | 326.44 | 3,917.28 |
| 502 | 1,135 | 4.9763 | 307.43 | 22.00 | 326.44 | 3,917.28 |
| 503 | 1,135 | 4.9763 | 307.43 | 22.00 | 326.44 | 3,917.28 |
| 504 | 1,135 | 4.9763 | 307.43 | 22.00 | 326.44 | 3,917.28 |
| 601 | 1,183 | 5.1868 | 320.43 | 22.00 | 342.43 | 4,109.16 |
| 602 | 1,105 | 4.8448 | 299.30 | 22.00 | 321.30 | 3,855.60 |
| 603 | 1,105 | 4.8448 | 299.30 | 22.00 | 321.30 | 3,855.60 |
| 604 | 1,183 | 5.1868 | 320.43 | 22.00 | 342.43 | 4,109.16 |
| 701 | 1,183 | 5.1868 | 320.43 | 22.00 | 342.43 | 4,109.16 |
| 702 | 1,105 | 4.8448 | 299.30 | 22.00 | 321.30 | 3,855.60 |
| 703 | 1,105 | 4.8448 | 299.30 | 22.00 | 321.30 | 3,855.60 |
| 704 | 1,183 | 5.1868 | 320.43 | 22.00 | 342.43 | 4,109.16 |
| 801 | 1,135 | 4.9763 | 307.43 | 22.00 | 326.44 | 3,917.28 |
| 802 | 1,135 | 4.9763 | 307.43 | 22.00 | 326.44 | 3,917.28 |
| 803 | 1,135 | 4.9763 | 307.43 | 22.00 | 326.44 | 3,917.28 |
| 804 | 1,135 | 4.9763 | 307.43 | 22.00 | 326.44 | 3,917.28 |
| 901 | 1,183 | 5.1868 | 320.43 | 22.00 | 342.43 | 4,109.16 |
| 902 | 1,105 | 4.8448 | 299.30 | 22.00 | 321.30 | 3,855.60 |
| 903 | 1,105 | 4.8448 | 299.30 | 22.00 | 321.30 | 3,855.60 |
| 904 | 1,183 | 5.1868 | 320.43 | 22.00 | 342.43 | 4,109.16 |

(a) The net living area of the Unit, excluding the garage, the lanai, the front or rear yards, and the entry area.

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

Ocean Pointe Residential Community Association
**Annual Budget - Year 2007**[1]
(Based on 2,200 Units)

| Budget Item | | Amount |
|---|---|---|
| a. | Maintenance - Grounds[2] | 363,553.00 |
| b. | Utilities (Water) | 77,220.00 |
| c. | Utilities (Electricity) | 2,400.00 |
| d. | Insurance | 11,319.00 |
| e. | Management Services[3] | 81,500.00 |
| f. | Admin Supplies & Services | 7,200.00 |
| g. | Legal & Audit | 4,140.00 |
| h. | Miscellaneous Administrative Expenses | 180.00 |
| i. | Security | 38,400.00 |
| j. | Reserve Contribution | 4,212.00 |
| k. | Total Estimated Annual Costs | 590,124.00 |
| l. | Total Estimated Monthly Costs | 49,177.00 |
| m. | Total Costs Per Unit Per Month[4] | 22.00 |
| n. | Net Assessments Per Unit Per Month[5] | **$22.00** |

[1] The Ocean Pointe Community Association's (the "Association") 2007 fiscal year runs from January 1, 2007 through December 31, 2007.

[2] Maintenance - Grounds cover maintenance of the "Area of Common Responsibility" as that term is defined in the Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential) dated September 15, 1998 as supplemented and amended (the "Master Declaration"). The estimated maintenance costs shown in this line item do not cover any areas that may be subsequently annexed to the Master Declaration in the future. The estimated maintenance costs shown in line item a. include estimates for all labor, equipment, and other materials (not including water which is covered by line item b.) that are necessary to maintain the above-described areas.

[3] Management Services reflect the fees that Certified Management, Inc. will be paid for the coming fiscal year for management services and design review services.

[4] The total cost per unit per month was calculated by taking the total estimated annual costs (line item k.) and dividing that number by 2,200 and further dividing that number by 12. The resulting sum is then rounded to the nearest dollar.

[5] The Net Assessment Per Unit Per Month represents the net monthly assessment estimated amount to be collected from members on a per unit basis for the coming fiscal year.

**EXHIBIT K**

The Town Homes at Fairway's Edge, Increment 7

Summary of Pertinent Provisions of Sales Contract

A specimen of the Reservation Agreement and Sales Contract (hereinafter the "Agreement") has been submitted to the Real Estate Commission as part of the registration. The Agreement contains the purchase price, description of the unit to be conveyed to a buyer, and the terms and conditions under which a buyer will agree to buy a unit in the Project.

The Agreement provides in part:

1. Financing of Purchase. If the buyer (referred to in the Agreement as the "Purchaser") is required to finance any portion of the purchase price, then the buyer agrees to take certain actions within designated time periods including, but not limited to, submitting a complete loan application package to a qualified lender and obtaining a pre-qualification letter from the lender. Upon notice from Developer, the buyer shall obtain a final loan commitment within certain time periods.

Buyer represents that the financial data to be submitted to Developer or lender is true and accurate. The buyer also agrees to provide written evidence to Developer of buyer's ability to make any requisite cash payments. In order to keep the Developer and/or the Developer's broker informed of the buyer's progress in obtaining a mortgage loan, the buyer shall authorize its lender to transmit to the Developer and/or the Developer's broker any and all information necessary for this purpose including, but not limited to, copies of all correspondence between the buyer and the lender.

Buyer acknowledges that Developer's lender, as a condition of its construction financing of the Project, may require Developer and/or Buyer's lender to forward copies of financial related information submitted by Buyer in connection with Buyer's loan application including, but not limited to, a signed loan application, credit report, bank statements, pay stubs, W-2 forms, tax returns and other information.

The Agreement provides the Developer with certain rights, including the right to terminate the Agreement if the buyer fails to comply with the various requirements.

2. Closing Date. The terms "Closing Date" or "Closing" as used in the Agreement shall mean the date when the Developer and the buyer have each carried out all of their obligations under the Agreement and escrow is closed by the recording in the Land Court of the Unit Deed and also any mortgage in favor of the buyer's lender, and making all payments required from funds received. The projected "Closing Date" will be determined by the Developer alone (the "Scheduled Closing Date"). For purposes of determining when closing may occur, the buyer agrees to abide by the Developer's good faith estimate of the Scheduled Closing Date. The Scheduled Closing Date, however, is based on a number of factors including, without limitation, the type of loan program selected by the buyer, the projected construction schedule for the unit and the Project, which schedule changes frequently due to a variety of factors. Therefore, the Scheduled Closing Date or any other estimate of the Closing Date provided by the Developer is an estimate only and is subject to change. The Developer may delay or change the Scheduled Closing Date as necessary and the buyer is advised to work with the Developer in coordinating the actual Closing Date.

3. What the Buyer is Required to Do at Closing. On or prior to the Closing Date, the buyer will sign and deliver to escrow all documents which the buyer must sign in order to effect the closing. This will include, without limitation, any mortgage in favor of the buyer's lender. The buyer shall also pay to escrow any cash payment required on account of the balance of the "Total Purchase Price" (as defined in the Agreement) (including those amounts representing the options contracted by buyer), and all sums included in the "Estimate of Additional Sums Payable" (as defined in the Agreement) and further described below (subject to adjustment for actual fees payable as determined at closing).

4. Estimate of Additional Sums Payable. The sums included in the Estimate of Additional Sums Payable are in addition to and are not part of the Total Purchase Price. The buyer's closing costs shall include, but shall not be limited to, all escrow fees, all notary fees, costs of title insurance, legal costs for the preparation of any unit deed or any notes and mortgages, all recording costs or fees, loan fees, credit report costs, appraisal fees and all other applicable mortgage costs. In addition, the buyer agrees to pay the buyer's pro-rata share of applicable monthly maintenance and associations' fees (if closing occurs on a day other than the first day of the month), taxes, assessments and other expenses, which shall be prorated between the buyer and the Developer as of the closing date. Also included will be the monthly maintenance and associations' fees and the Association of Unit Owners start-up fee.

5. The Buyer's Acceptance of the Unit. The buyer agrees to close the sale of the unit on time and accept possession of the unit (a) even if the common elements of the Project have not yet been fully completed and/or construction activity is still in progress, and (b) notwithstanding the existence of any defects in or damage to the unit which does not render the apartment unusable. The buyer also promises to indemnify and hold harmless the Developer from any loss or damage, including interest and attorneys' fees and costs, resulting from the buyer's failure to close the sale or to accept possession of the unit as required above.

6. Delay in Closing. The Agreement includes provisions to address if the closing is delayed.

7. Conditions of the Project. The Agreement contains various disclosures made in the Agreement regarding the condition of the Project and the surrounding areas that could affect the buyer's use or enjoyment of a unit in the Project, including potential aircraft noise, ongoing construction and sales activities, roadways, or driveways located nearby, the proximity of the Project to the proposed Keone'ula Elementary School, the proximity of the Project to the proposed fire station, the possible installation of a Hawaiian Electric Company electrical substation located adjacent to The Town Homes at Fairway's Edge development near Kapolei Parkway, the proximity of the Project to the Kapolei Parkway and Keone'ula Boulevard, and possible environmental and utility effects, that neither the Association of Unit Owners nor Developer or its affiliates are responsible for providing security for the Project. The Agreement also contains disclosures regarding the approximate area of the units, potential mold, electricity charges for certain exterior lighting, the Developer's right to modify the plans and specifications for the production homes, the right to substitute materials, the right to increase or decrease the purchase price of any unit not subject to a binding contract, and that certain improvements constructed and installed for aesthetic reasons have no structural purposes.

8. Disclosures Regarding Model Homes; Advertising Materials. The homes in the Project will be mass constructed based on limited styles and floor plans being offered by the Developer, but with minor variations to the colors, door styles, elevations, yards,

landscaping, walkways, entryways and other features to provide each home with a certain degree of uniqueness. The model homes and various advertising materials, brochures and displays are intended to assist the buyer in visualizing the floor plan of the unit that the buyer is purchasing, but are not intended to be exact replicas or depictions of all the units or buildings in the Project. The model homes and yard areas of the model homes also contain numerous upgrades, options and decorator items which are not included with the unit being purchased by the buyer or the building in which the unit is located, or which, if included with the property being purchased, may differ from that shown with the model homes or in the advertising materials, brochures or displays due to various factors.

9. Disclosures Regarding Ongoing Sales and Advertising Activities. The Agreement discloses that the Developer and others shall have the right to conduct extensive sales activities on the common elements (excluding the limited common elements appurtenant to any sold units) and any unsold units and limited common elements appurtenant thereto until the date that all of the residential units proposed for development in Area IID are sold and conveyed.

10. Landscaping; Fences. The buyer is responsible for the initial landscaping of the buyer's rear yard area (for TH1 or TH2 buildings). For buyers of units in the TH11, TH12 or TH22 buildings, the Developer will install the initial landscaping in the front yard area, including an irrigation sprinkler system (and the rear yard for the TH22 type buildings only. The maintenance of such landscaping shall thereafter be the responsibility of the buyer. The buyer also acknowledges that the Developer will install the initial fences enclosing, as the case may be, the rear yard or the front yard of the unit the buyer is purchasing, but that the buyer is responsible for maintaining, repairing and replacing such fences. If any such rear yard fence is shared by more than one unit, the obligation to maintain, repair and replace such fence shall be shared jointly by both unit owners.

11. Utility Infrastructure. The buyer acknowledges that additional utility infrastructure may be constructed in the future which provides utility services for the Project, the cost of which is not included in the purchase price of any unit in the Project.

12. Developer's Repurchase Option. The buyer acknowledges and agrees that the Developer has reserved the option to repurchase the unit during the first twelve (12) month period following the close of escrow to the extent the buyer sells, transfers, assigns, rents or offers to sell, transfer, assign, or rent the unit during such twelve (12) month period. The purchase price paid by Developer to buyer upon the exercise of this repurchase option shall be equal to the Total Purchase Price shown on page 2 of the Agreement, plus the amount of any options, upgrades, and floor selections paid by buyer in connection with the unit, and together with the amount of any capital improvements made by the buyer to the unit. The Agreement also describes the conditions in which certain sales, transfers, or assignments or offers to sell, transfer, or assign will not be subject to the repurchase option.

13. Developer's Limited Warranty for the Unit. The buyer acknowledges the Developer's limited warranty regarding the unit and the common elements, which is described in the summary attached to this public report as Exhibit "M".

14. Interest on the Buyer's Deposits. All interest earned on the buyer's deposits shall accrue to the credit of and shall be paid to the Developer unless (a) the buyer instructs escrow to establish a separate interest-bearing account on the buyer's behalf ("Buyer's Account") and pays escrow a processing fee of $25.00 (or such other amount as escrow may

establish from time to time) and complies with all other requirements of escrow, or (b) a Buyer's Account is established pursuant to the escrow agreement (in which case the buyer agrees to pay the processing fee provided thereunder).

15. No Rental Service/Investment Representations. The buyer agrees that the buyer has entered into the Agreement without any reference or representation by the Developer or any sales person: (a) that the Developer or anyone affiliated with the Developer or any unaffiliated third party will provide, directly or indirectly, any services relating to the rental or sale or management on behalf of the buyer; (b) as to projected rental income, occupancy rates or other matters related to the rental of the unit; (c) as to possible tax advantages or other economic benefits accruing to an owner who chooses to rent a unit; or (d) as to projected appreciation in the value of the unit. The buyer agrees to be solely responsible for any rental or other disposition of the unit.

16. Default by Buyer. If the buyer fails to make any payment when it is due or fails to keep any of the other promises or agreements of the buyer set forth in the Agreement, the Developer will give the buyer written notice of such failure. If the buyer does not cure such default or failure within ten (10) calendar days after the Developer sends such notice, the Developer shall have the right to do any one or more of the following:

(a) Cancel the Agreement by giving the buyer written notice of cancellation. The Developer may then keep all sums deposited by the buyer, including any and all interest accrued thereon (notwithstanding the establishment of a Buyer's Account), as "liquidated damages" (i.e., the amount agreed to by the buyer and the Developer as properly payable in settlement for breach of contract), in lieu of actual damages and not as a penalty;

(b) Take advantage of any other rights which the law allows, including, for example, a lawsuit for actual damages suffered, or a lawsuit for "specific performance," which means a lawsuit to require the buyer to pay the total purchase price and keep all of the buyer's promises under the Agreement; and

(c) Collect from the buyer all costs, including reasonable attorneys' fees, court costs, escrow cancellation fees, and any document preparation fees if the deed conveying the property to the buyer has been prepared and delivered to escrow, which may be incurred by the Developer because of the buyer's default.

17. Mediation; Arbitration. Any dispute arising out of the Limited Warranty, the construction, or sale of a unit shall first be resolved by binding arbitration. Except as otherwise provided by law, binding arbitration shall be the sole remedy for resolving such disputes. The arbitration shall be conducted by Construction Arbitration Services, Inc. or such other reputable arbitration service that the warranty administrator shall select, in its sole discretion, at the time the request for arbitration is submitted. The rules and procedures of the designated arbitration organization that are in effect at the time the request for arbitration is submitted will be followed. Said arbitration proceeding shall be governed by the United States Arbitration Act (9 U.S.C. §§ 1-16) to the exclusion of any inconsistent state law, regulation or judicial decision. The award of the arbitrator shall be final and binding and may be entered as a judgment in any court of competent jurisdiction. Each party shall bear its own attorneys fees and costs (including expert costs) for the arbitration. The arbitrator shall, as part of any decision, award to the party prevailing at the arbitration any applicable filing fees or other arbitration fees paid by that party.

THE FOREGOING IS A SUMMARY OF SOME OF THE PERTINENT PROVISIONS OF THE AGREEMENT FOR THE CONVENIENCE OF THE BUYER AND IS NOT INTENDED TO BE AN EXHAUSTIVE LIST OF ALL OF THE TERMS OF THE AGREEMENT. THE FULL TEXT OF THE ORIGINAL DOCUMENT SHOULD BE EXAMINED AND CONTROLS OVER THIS SUMMARY.

NOTE: The Developer is offering the buyer a selection of various floor coverings (i.e., tiling and carpeting) and window coverings for the unit which buyer will select in an addendum to the Agreement. In addition, the Developer is also offering various optional floor plans, appliances and upgrades for the unit, each at various prices, and which, if selected, will also be included in an addendum or addenda to the Agreement. The purchase price for such options, appliances and upgrades are non-refundable once the Agreement is deemed binding under the Condominium Property Act.

**EXHIBIT L**

The Town Homes at Fairway's Edge, Increment 7

Summary of Pertinent Provisions of Escrow Agreement

An executed Escrow Agreement has been submitted to the Real Estate Commission as part of this registration. The Escrow Agreement identifies Title Guaranty Escrow Services, Inc. as the escrow agent ("Escrow"). The Escrow Agreement sets up an arrangement under which Escrow will hold deposits that a buyer makes to the Developer under a Reservation Agreement and Sales Contract (the "Sales Contract") for the purchase of a unit in the Project. The Escrow Agreement provides in part:

1. Payment of Funds to Escrow. The Developer shall pay over to Escrow any monies received by the Developer from a buyer under a Sales Contract, including all disbursements made on loan commitments, if any, from lending institutions to the buyer. Escrow shall deposit all funds so received in accordance with written instructions from the Developer in a federally-insured, interest-bearing account at a bank, savings and loan association, or trust company authorized to do business in the State.

2. Return of Funds to a Buyer. A buyer shall be entitled to a refund of the buyer's funds held in Escrow as follows:

(a) Escrow shall refund to the buyer all of the buyer's entire deposit, without interest and less any Escrow cancellation fees, if any one of the following has occurred: (i) the Developer and the buyer request in writing that Escrow return the buyer's funds to the buyer; (ii) the Developer notifies Escrow of the Developer's exercise of the option to cancel or rescind the Sales Contract pursuant to any right of cancellation or rescission provided therein or otherwise available to the Developer; (iii) the buyer notifies Escrow of buyer's exercise of buyer's right to cancel the Sales Contract pursuant to Section 514B-86, Hawaii Revised Statutes, as amended; (iv) the buyer notifies Escrow of buyer's exercise of buyer's right to rescind the Sales Contract pursuant to Section 514B-87, Hawaii Revised Statutes, as amended; or (v) the buyer notifies Escrow of buyer's exercise of buyer's right to cancel the Sales Contract pursuant to Section 514B-89, Hawaii Revised Statutes, as amended.

3. Buyer's Default under Sales Contract. If the Developer terminates a Sales Contract due to a default thereunder by the buyer, Escrow shall thereafter treat all funds of the buyer paid on account of such buyer's Sales Contract as funds of the Developer and not as funds of the buyer. Thereafter, such funds shall be free of the escrow established by the Escrow Agreement and shall be held by Escrow for the account of the Developer.

THE FOREGOING IS A SUMMARY OF SOME OF THE PERTINENT PROVISIONS OF THE ESCROW AGREEMENT FOR THE CONVENIENCE OF THE BUYER AND IS NOT INTENDED TO BE AN EXHAUSTIVE LIST OF ALL OF THE TERMS OF THE ESCROW AGREEMENT. THE FULL TEXT OF THE ORIGINAL DOCUMENT SHOULD BE EXAMINED AND CONTROLS OVER THIS SUMMARY.

**EXHIBIT M**

The Town Homes at Fairway's Edge, Increment 7

Summary of Pertinent Provisions of Limited Warranties

The Developer provides a limited warranty for the individual units and common elements under the Reservation Agreement and Sales Contract ("Agreement"), a specimen of which has been submitted with this registration. The following is a brief summary of the Developer's limited warranty (capitalized terms have the same meaning set forth in the Agreement):

The Unit and the related Common Elements will be covered under a transferable ten (10) year HOME BUILDER'S LIMITED WARRANTY (the "Limited Warranty"). The Limited Warranty provides coverage for construction defects that occur during the Warranty Period and includes provisions limiting the responsibility and conditions under which it is valid or applicable. The Limited Warranty gives the Purchaser specific legal rights. Seller's obligations under the Limited Warranty are expressly conditioned on prompt notification by Purchaser of any construction defects as set forth in the Limited Warranty. In addition, the Limited Warranty does not cover certain construction defects that result, either directly or indirectly from certain excluded causes or occurrences as set forth in the Limited Warranty. None of Seller's employees, salesmen or other agents are authorized to make any warranty other than the Limited Warranty, nor can they extend or in any way alter the Limited Warranty.

(a) Acknowledgment and Receipt. Purchaser will receive a sample of the Limited Warranty (PWC Form No. 117) and agrees to read the sample Limited Warranty in its entirety prior to the Closing Date. Purchaser's failure to read the sample Limited Warranty and to obtain any needed assistance in understanding the Limited Warranty shall not in any way change either the Purchaser's or the Seller's rights, duties and obligations under the Limited Warranty. Prior to Closing, Purchaser shall deliver to Escrow a fully executed document entitled "Warranty Acknowledgement of Receipt and Agreement to Read."

(b) Warranty Period. The term of the Limited Warranty is ten (10) years from the Closing Date. The resale of the Unit by Purchaser will not extend the ten-year term. Notwithstanding the above, however, the Warranty Period for Common Elements of a building or structure commences on the date title for the first Unit in the structure or building is transferred to the first homeowner. The exact dates for the commencement and expiration of the Warranty Period for the Unit will be described in the "Limited Warranty Validation Form" to be mailed to Purchaser by the independent third-party warranty administrator following Closing.

(c) Warranty Coverage. Coverage under the Limited Warranty is limited to constructions defects which occur during the warranty period indicated on the Limited Warranty Validation Form and which are reported to the Seller or its designated agent pursuant to the notification requirements contained in the Limited Warranty. The Limited Warranty shall apply to workmanship actually performed and materials actually installed in the Unit or the Common Elements. Specific terms of the warranty coverage are included in the "Limited Warranty Validation Form" and the Limited Warranty.

(d) Binding Arbitration. The Limited Warranty requires that all disputes between Seller and Purchaser concerning the Limited Warranty, sale or construction of the Unit be resolved

by binding arbitration pursuant to provisions under the Limited Warranty. The Purchaser gives up any rights to have the dispute resolved by a court of law or jury trial.

(e) Customer Care Program. In addition to the Limited Warranty, during the first twelve (12) month period following the Closing of the unit, Seller will initiate and provide to Purchaser at no additional charge a customer care program (the "Program") for defects in materials and workmanship that would otherwise not be deemed to be a "construction defect" under the Limited Warranty. Terms of the Program, which include performance standards the Seller will follow for use during the first year and certain exclusions of the Program, are set forth in the homeowner manual that will be provided to Purchaser upon the Closing of the sale of the unit. Notwithstanding anything contained herein to the contrary, the Program is extended only to the original purchaser of the unit and shall terminate upon the sale of the unit by that purchaser.

(f) Manufacturers' Warranties. Seller will assign and pass through to the Purchaser any manufacturer's warranties covering any appliances and other consumer products for their unexpired terms, to the extent such warranties exist and to the extent that Seller has the right and power to make such an assignment. Purchaser shall follow the procedure set forth in the manufacturer's warranty if any defects should appear in that item, and any service request should be made directly to the service representative for the manufacturer. Appliances or consumer products are excluded from the Limited Warranty, unless they constitute a construction defect. Seller makes no representation or warranty with respect to the energy consumption of, or efficiency of, any appliance, equipment, or consumer product, or with respect to energy or utility costs.

(g) Limitations of Warranty and Seller Liability. Except for the Limited Warranty, Seller makes no other warranties, express or implied, and SELLER EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF HABITABILITY, ANY IMPLIED WARRANTY OF MERCHANTABILITY, ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR USE, ANY IMPLIED WARRANTY OF WORKMANSHIP, AND ANY OTHER EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE UNIT, OR THE PROJECT. EXCEPT FOR THE OBLIGATIONS OF SELLER SPECIFICALLY SET FORTH IN THE LIMITED WARRANTY, SELLER SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER LEGAL THEORY (REGARDLESS OF WHETHER SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES).

(h) Claim Procedure. If any defect appears which Purchaser believes should be covered by this Limited Warranty, Purchaser shall give Seller written notice describing the defect in detail at the following address: Fairway's Edge Development, LLC, 91-1001 Kaimalie Street, Suite 205, Ewa Beach, Hawaii 96706, Attn: Customer Service. Seller will not reimburse Purchaser for any repair or other action taken by Purchaser without Seller's prior written consent.

THE FOREGOING IS A SUMMARY OF SOME OF THE PERTINENT PROVISIONS OF THE LIMITED WARRANTY FOR THE CONVENIENCE OF THE PURCHASER AND IS NOT INTENDED TO BE AN EXHAUSTIVE LIST OF ALL OF THE TERMS OF THE LIMITED WARRANTY. THE FULL TEXT OF THE ORIGINAL DOCUMENT SHOULD BE EXAMINED AND CONTROLS OVER THE ABOVE SUMMARY.

**EXHIBIT N**

The Town Homes at Fairway's Edge, Increment 7

Description of The Town Homes at Fairway's Edge Design Guidelines

The Town Homes at Fairway's Edge is part of Ocean Pointe, a master-planned community encompassing approximately 1,100 acres (see Section 6.A. of the public report for a description of The Town Homes at Fairway's Edge and Ocean Pointe). Being part of a master-planned community, developmental guidelines are necessary to promote the community's evolution in a manner consistent with the original design principles, as approved by the City and other governmental agencies.

To accomplish this purpose and to maintain The Town Homes at Fairway's Edge's special character, The Town Homes at Fairway's Edge Design Guidelines (the "Design Guidelines") have been prepared to regulate construction, additions, modifications, and site improvements visible from the street or neighboring properties. A copy of the proposed Design Guidelines has been submitted to the Real Estate Commission as part of this registration.

The Design Guidelines, which are both prescriptive and restrictive, are intended to be illustrative of acceptable improvements and seek to provide an overall framework for future modifications within this Project and The Town Homes at Fairway's Edge. The Design Guidelines contain various rules and guidelines, including but not limited to, architectural guidelines, examples of acceptable improvements, materials and color schemes, and Design Review Committee application procedures.

The Design Review Committee, which has been established pursuant to the Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential) (see Exhibit O for a description of this document), is or will be responsible for reviewing applications for compliance with the Design Guidelines.

THE FOREGOING IS A DESCRIPTION OF THE DESIGN GUIDELINES FOR THE CONVENIENCE OF THE BUYER AND IS NOT INTENDED TO BE AN EXHAUSTIVE LIST OF ALL OF THE TERMS OF THESE DESIGN GUIDELINES. THE FULL TEXT OF THE DESIGN GUIDELINES SHOULD BE EXAMINED AND CONTROLS OVER THIS SUMMARY.

**EXHIBIT O**

The Town Homes at Fairway's Edge, Increment 7

Description of the Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential)

As mentioned in Section 6.A of the public report, in addition to being part of The Town Homes at Fairway's Edge development, the Project is also a part of the approximately 1,100 acre master-planned community known as Ocean Pointe and will therefore be subject to the terms and conditions set forth in that certain Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated September 15, 1998, recorded as Land Court Document No. 2486145, as amended and/or supplemented by that certain First Amendment to Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated October 30, 1998, recorded as Land Court Document No. 2498586, that certain Second Amendment to Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated April 29, 2003, recorded as Land Court Document No. 2923437, that certain Third Amendment to Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated May 13, 2003, recorded as Land Court Document No. 2930015, and that certain Thirteenth Supplemental Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated March 2, 2006, recorded as Land Court Document No. 3399278, as the same has been and/or may hereafter be further amended and/or supplemented from time to time (the "Master Declaration"). The Master Declaration was prepared and executed by Developer's affiliated companies, HASEKO Homes, Inc. and HASEKO (Ewa), Inc. (HASEKO (Ewa), Inc. hereafter referred to as the "Master Developer").

The purpose of the Master Declaration is to facilitate the development, ownership, and use of the "Property" (as defined in the Master Declaration) and to provide for the formation of the Ocean Pointe Residential Community Association (the "Master Association") that administers the Property. The following is a brief description of some of the significant provisions of the Master Declaration (unless defined herein, capitalized terms shall be defined as set forth in the Master Declaration).

1. Scope. The Master Declarant presently plans to develop (i) a master-planned residential community that may eventually include up to approximately 4,850 dwelling units together with (ii) a nearby master-planned non-residential development which may include commercial, industrial, resort, and recreational uses (as defined in the Master Declaration). The primary purpose of the Master Declaration is to provide for the maintenance of the "Area of Common Responsibility" and the "Master Facilities" as well as to administer the "Design Guidelines" (as those terms are defined in the Master Declaration) that are applicable to the Property. The Property encumbered by the Master Declaration presently includes the neighborhoods known as Ke 'Āina Kai, Mariners Place, Ke Noho Kai, Spinnaker Place, Ke'alohi Kai, and Fairway's Edge as discussed in Section 6.A of the public report, as well as certain adjacent parcels owned by Master Declarant which will be devoted to roadway and landscaping purposes. The Master Declarant has reserved the right to annex to the Property those portions of the proposed Ocean Pointe project that are predominantly used for residential purposes (including without limitation for single or multi-family dwelling purposes or that may in the future be devoted to such uses). In connection with this, the Master Declarant has annexed The Town Homes at Fairway's Edge to the Property. The Master Declarant has also reserved the right to withdraw property from the Master Declaration. The Master Declarant's rights to annex and withdraw property from the Master Declaration may be exercised at any time prior to the Last

Conveyance Date (which is the date that the last residential dwelling unit proposed to be developed within Ocean Pointe is sold). The Master Declarant's rights to withdraw and annex property are generally covered in Sections 2.2 and 2.3 of the Master Declaration.

2. Amendment. Generally, the Master Declaration can be amended only with the vote of 75% of the units within the Property. However, prior to the termination of the Class B membership (see paragraph 3 below), such amendments will require the approval of the Master Declarant and the Master Declarant has reserved the right to amend the Master Declaration unilaterally (i) for any reason prior to the conveyance any unit within the Property; (ii) as to any unit, lot, or group of units/lots, where the same are owned by Master Declarant or the Declarant; (iii) for the purpose of correcting technical defects, to make non-substantive changes, to comply with the requirements of various governmental loan programs, or to comply with various governmental or statutory requirements; (iv) for any other changes that do not have a material adverse effect on the rights of any "Owner" (as defined in the Master Declaration) and the value of any unit not owned by the Master Declarant or the Developer; or (v) to annex or withdraw any property pursuant to the Master Declaration or to change the designation of the Area of Common Responsibility. The Master Declarant and the Developer also have the right to amend the Master Declaration unilaterally at any time to exercise their rights that are otherwise reserved or referenced in the Master Declaration. (See generally Section 2.1).

3. Association Membership/Voting. Membership in the Master Association is divided into two classes: (a) Class A members are all Owners (including Master Declarant as to each unit Master Declarant owns) and there will be one vote for each unit; and (b) the sole Class B member is the Master Declarant. The Class B member currently has the right to select a majority of the Master Association board members until the termination of the Class B membership which shall occur upon the earlier of: (i) the date when 75% of all of the residential units proposed to be constructed within Ocean Pointe have been sold; (ii) December 31, 2030; or (iii) the date when the Master Declarant elects to terminate its Class B membership. Generally, in all matters other than the election of board members, there shall only be one class of membership (see generally Article III). If Owners are members of a "Community Parcel Association" (as defined in the Master Declaration) (such as the Fairway's Edge Community Association), then all voting rights of such Owners will be exercised by the senior elected officer of that Community Parcel Association.

4. Master Association Powers and Duties.

a. General. The Master Association has broad powers to administer the Property. Generally, the Master Association has the power: (i) to acquire, hold, and dispose of property; (ii) to pay, compromise, or contest real property taxes and assessments on the Master Facilities and other property; (iii) to enforce the Master Declaration and The Town Homes at Fairway's Edge Declaration; (iv) to enter into contracts for the purpose of carrying out its duties under the Master Declaration (including management contracts); (v) to collect assessments; (vi) to maintain books and records of its receipts and expenditures; and (vii) to maintain the Master Facilities and Area of Common Responsibility (described below) and portions of The Town Homes at Fairway's Edge.

b. Master Facilities. The Master Facilities will include property that the Master Association acquires any ownership interest in (whether by deed, lease, easement, license, assignment, or other instrument) and generally may include the following property which Master Declarant in the exercise of its sole discretion may elect to convey to the Master Association: (i) the "Initial Landscaping Lot"; (ii) the "Initial Landscaping Easements"; (iii) the

"Entry Lots" (as such terms are defined in the Master Declaration); (iv) any improvements which constitute all or any component of the "Non-potable Water System" (as defined in the Master Declaration) serving the Property including associated easements; and (v) components of the circulation and greenbelt systems for the Property, including non-dedicated roadways, pedestrian pathways, bikeways, associated landscaping easements, private parks, open space and all other related property and facilities located within or adjacent to the "Master Declarant Land" (as defined in the Master Declaration) which may be designated by Master Declarant from time to time). The Master Association through the board may also acquire any other property which the board in the exercise of its discretion deems necessary or appropriate. Prior to the time that any of the Master Facilities are transferred to the Master Association, the Master Declarant shall have all rights, duties, and powers reserved to the Master Association in the Master Declaration. (See generally Article IV).

c. Area of Common Responsibility. The Area of Common Responsibility generally consists of those areas designated in the Master Declaration that the Master Association is responsible for maintaining even though the Master Association does not have an ownership interest in such property. Currently, the Area of Common Responsibility generally includes the landscape parcels which border Ocean Pointe along Fort Weaver and Papipi Roads as well as the landscaping located within and the parks located along Keoneula Boulevard, Kaileolea Drive, that portion of Kapolei Parkway located within Ocean Pointe, as well as Kaimalie, Kaipu, and Kaileonui Streets. The Area of Common Responsibility may also include in the future the following property when designated in a supplemental Master Declaration: (a) all landscaping located within all other dedicated roadways which are located within, adjacent to, in the vicinity of or which otherwise benefit the Property as determined by the Master Declarant, (b) any of the property generally described in subparagraph 4.b. above as determined by the Master Declarant, (c) the Non-Potable Water System, (d) the Entry Lots, and (e) such other property as may be maintained by the Association by agreement. The Area of Common Responsibility shall not include any property that is transferred to the Master Association and thereby becomes part of the Master Facilities.

5. Use of Master Facilities. Generally, the Owners have a non-exclusive right and easement to use the Master Facilities subject to: (i) any restrictions set forth in any rules adopted by the Master Association; (ii) any restrictions, encumbrances, easements, and rights of way which may be reserved at the time any Master Facilities are transferred to the Master Association; (iii) any road, utility, or similar easements and rights of way which may be required by any governmental entity, or that may be taken under power of eminent domain, or granted or conveyed by the board; and (iv) other rights reserved to the Master Declarant or the Developer in the Master Declaration. Owners may not relinquish rights to use the Master Facilities and thereby avoid their obligations for assessments.

6. Assessments. The Master Association shall have the right to assess Owners common assessments for the expenses incurred by the Master Association (see generally Article VI). The common assessments to be levied on each unit shall be computed by multiplying the sum of all common expenses by a fraction, the numerator of which is one (1), and the denominator of which is the total number of units subject to the Master Declaration.

Until the Last Conveyance Date, either the Master Declarant and/or the Developer may annually elect either to pay the common assessments due on their respective unsold units or to pay to the Association the difference between the amount of all common assessments assessed against all units (other than those units owned by Master Declarant

and/or Developer) subject to assessment and the amount of the actual expenditures required to operate the Master Association during the fiscal year.

The Master Association shall also be entitled to levy special assessments as follows: (i) against an Owner when an Owner defaults in the performance of its obligations under the Master Declaration, (ii) to make up a shortfall in receipts due to Owner delinquencies; (iii) where the budget is exceeded due to unanticipated circumstances; or (iv) for other reasons determined by the board.

Nonpayment of any assessments will give rise to a lien against the Owner's unit in an amount equal to the unpaid assessments plus interest, attorney's fees, and costs of collection and the board may foreclose on such lien as provided by law, provided, however, that with respect to units whose Owners are members of a Community Parcel Association (such as the Fairway's Edge Community Association), all assessments attributable to such units shall be an obligation of the Community Parcel Association and shall be included as a common expense in the budget of such association. Individual Owners shall not be personally liable for the failure of a defaulting Community Parcel Association to pay its share of assessments and the Master Association shall have recourse only against the defaulting Community Parcel Association and its property.

7. Design Standards. All construction and alteration of improvements within the Property are subject to approval by the Design Review Committee ("DRC") and must be in compliance with the Design Guidelines which will be initially adopted by the Master Declarant (see generally Article VII). Until the Last Conveyance Date, all members of the DRC will be appointed by the Master Declarant. The DRC will have the authority to grant variances under specified circumstances and shall also have the authority to order the removal of any work which is not performed in accordance with the Master Declaration and Design Guidelines. The administration of the Design Guidelines applicable to a particular Community Parcel may be delegated to such Community Parcel from time to time as provided in the Master Declaration.

8. Additional Reserved Rights of Master Declarant and Developer. Generally, Article VIII of the Master Declaration provides that the Master Declarant and/or Developer (as the case may be) (i) may assign their rights reserved under the Master Declaration to any third party, (ii) may execute and record any instruments necessary (including amendments or supplements to the Master Declaration) which they deem necessary to exercise rights referenced or reserved to them in the Master Declaration, (iii) have reserved the right to conduct sales activities within portions of the Property, (iv) have reserved the right to erect signs within the Master Facilities, (v) have reserved the right to change development plans for the Ocean Pointe project, (vi) have reserved the right to execute specified documents affecting the Property, and (vii) have reserved the right to exercise cross easement agreements on behalf of the Master Association. Master Declarant and Developer have reserved the following additional rights:

a. Easements. Under Section 8.7 of the Master Declaration, the Master Declarant and Developer have reserved for themselves and their designees blanket perpetual easements as well as the right to designate, grant, dedicate, realign, relocate, or cancel perpetual easements for various purposes including access and utility purposes across the Master Facilities. Such easements may be assigned to the Master Association on such terms and conditions as are acceptable to the Master Declarant or Developer, as the case may be.

b. Drainage. During the Initial Term, the Master Declarant shall have the right to select a qualified engineer who shall have the authority to determine the Master Association's fair and equitable share of drainage control costs within Ocean Pointe. Such drainage control costs may include: (i) the dredging of the marina depicted in the "Master Plan" (as defined in the Master Declaration) (if constructed and as the configuration of same may be altered by Master Declarant in its discretion) or alternatively, the maintenance of a permanent retention basin within Ocean Pointe; and (ii) maintaining all associated drainage channels located within Ocean Pointe. The Master Association's share of all such expenses shall be a common expense of the Master Association and shall be included in the common assessments.

9. Insurance. The Master Association is required to carry the following types of insurance: (i) property casualty insurance on all insurable improvements within the Master Facilities and Area of Common Responsibility; (ii) commercial general liability insurance (with umbrella liability coverage); (iii) worker's compensation insurance (where required by law); (iv) directors and officers liability insurance; (v) fidelity insurance; (vi) non-owned and hired automobile liability coverage, (vii) such additional insurance as the board may determine from time to time. Premiums for insurance carried by the Master Association shall be common expenses which will be included in common assessments.

10. Term. The term of the Master Declaration shall be for a period of fifty (50) years from the date that the Master Declaration was recorded. Thereafter, the Master Declaration shall automatically be extended for successive periods of twenty (20) years unless terminated by a written instrument approved by a 75% of the total votes in the Association.

THE FOREGOING IS A GENERAL DESCRIPTION OF THE MASTER DECLARATION FOR THE CONVENIENCE OF THE BUYER AND IS NOT INTENDED TO BE AN EXHAUSTIVE LIST OF ALL OF THE TERMS OF THE MASTER DECLARATION. THE FULL TEXT OF THE MASTER DECLARATION SHOULD BE EXAMINED AND CONTROLS OVER THIS DESCRIPTION.