CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer **GENTRY HOMES, LTD.**
Business Address 560 North Nimitz Highway, Suite 210, Honolulu, Hawaii 96817

Project Name (*): MONTECITO/TUSCANY **(Montecito/Tuscany Model Complex)**
Address: Kanela Street, Ewa Beach, Hawaii 96706

Registration No. 6422

Effective date: **October 15, 2007**
Expiration date: **November 15, 2008**

Preparation of this Report:

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

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

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

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

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

Type of Report:

_____ **PRELIMINARY**: **(yellow)** — The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

X **FINAL**: **(white)** — The developer has legally created a condominium and has filed complete information with the Commission.
[X] No prior reports have been issued.
[ ] This report supersedes all prior public reports.
[ ] This report must be read together with _____

_____ **SUPPLEMENTARY**: **(pink)** — This report updates information contained in the:
[ ] Preliminary Public Report dated: _____
[ ] Final Public Report dated: _____
[ ] Supplementary Public Report dated: _____

And
[ ] Supersedes all prior public reports.
[ ] Must be read together with _____
[ ] This report reactivates the _____ public report(s) which expired on _____

(*) Exactly as named in the Declaration

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

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104/0107

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required and attached to this report [X] Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

[X] No prior reports have been issued by the developer.

[ ] Changes made are as follows:

THIS PUBLIC REPORT ONLY COVERS THE FOLLOWING UNITS, ALL OF WHICH ARE CONTAINED IN THIS PHASE:
STREET ADDRESSES BY UNIT NO.

Unit No.	Street Address	Unit No.	Street Address
T-135	91-1232 Kanela Street	M-140	91-1242 Kanela Street
T-136	91-1234 Kanela Street	M-141	91-1244 Kanela Street
T-137	91-1236 Kanela Street	M-142	91-1246 Kanela Street
T-138	91-1238 Kanela Street	M-143	91-1248 Kanela Street
T-139	91-1240 Kanela Street		

SPECIAL ATTENTION:

MONTECITO/TUSCANY is a CONDOMINIUM PROJECT, **not** a single-family subdivision. The yard areas, consisting of the land appurtenant to and under the apartments are designated as LIMITED COMMON ELEMENTS and are not legally subdivided lots. The lines on the Condominium Map delineating the designated yard areas should **not** be construed to be the property lines of legally subdivided lots.

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EXHIBIT A THE DEVELOPER'S RESERVED RIGHTS TO CHANGE THE CONDOMINIUM DOCUMENTS
EXHIBIT B: APARTMENT DESCRIPTION AND COMMON INTEREST
EXHIBIT C: COMMON ELEMENTS
EXHIBIT D: ENCUMBRANCES AGAINST TITLE
EXHIBIT E: EXISTING BUDGET AND INITIAL MAINTENANCE FEE SCHEDULE
EXHIBIT E-1: MONTECITO/TUSCANY RECREATION CENTER LICENSE
EXHIBIT F: SUMMARY OF SALES CONTRACT
EXHIBIT G: SUMMARY OF ESCROW AGREEMENT
EXHIBIT H: SAMPLE HOME BUILDER'S LIMITED WARRANTY

General Information on Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: GENTRY HOMES, LTD.
Name*
560 North Nimitz Highway, Suite 210
Business Address
Honolulu, Hawaii 96817

Phone: (808) 599-5558
(Business)

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

Robert W. Brant -- President/CEO
Toshimasa Hosoda -- Senior Vice President - Planning
John Shaw – Senior Vice President - Architecture
Dawn Suyenaga -- Vice President/Secretary
Michael J. Brant – Vice President – Engineering
Richard N. Hobson – Vice President – Sales and Marketing
Quentin Machida – Assistant Vice President
Victoria Slovak -- Treasurer

Real Estate Broker*: GENTRY HOMES, LTD.
Name
560 North Nimitz Highway, Suite 210
Business Address
Honolulu, Hawaii 96817

Phone: (808) 599-5558
(Business)

Escrow: ISLAND TITLE CORPORATION
Name
1132 Bishop Street, Suite 400
Business Address
Honolulu, Hawaii 96813

Phone: (808) 531-0261
(Business)

General Contractor*: GENTRY BUILDERS, LLC
Name
560 North Nimitz Highway, Suite 210
Business Address
Honolulu, Hawaii 96817

Phone: (808) 599-5558
(Business)

Condominium Managing Agent* HAWAIIANA MANAGEMENT COMPANY, LTD.
Name
711 Kapiolani Boulevard, Suite 700
Business Address
Honolulu, Hawaii 96813

Phone: (808) 593-6871
(Business)

Attorney for Developer Dawn Suyenaga
Name
560 North Nimitz Highway, Suite 210
Business Address
Honolulu, Hawaii 96817

Phone: (808) 599-5558
(Business)

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

II. CREATION OF THE CONDOMINIUM
CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is:

[ ] Proposed
[ ] Recorded - Bureau of Conveyances: Document No._____
Book _____ Page _____
[X] Filed - Land Court Document No. 3317144

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

First Amendment to Declaration of Condominium Property Regime dated August 10, 2005, Document No. 3319303
Second Amendment to Declaration of Condominium Property Regime dated August 10, 2005, Document No. 3320781
Third Amendment to Declaration of Condominium Property Regime dated August 10, 2005, Document No. 3322232
Fourth Amendment to Declaration of Condominium Property Regime dated August 10, 2005, Document No. 3323166
Fifth Amendment to Declaration of Condominium Property Regime dated August 10, 2005, Document No. 3324342
Sixth Amendment to Declaration of Condominium Property Regime dated August 10, 2005, Document No. 3324468
Seventh Amendment to Declaration of Condominium Property Regime dated October 7, 2005, Document No. 3340508.

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

The Condominium Map for this condominium is:

[ ] Proposed
[ ] Recorded - Bureau of Conveyances: Document No._____
Book _____ Page _____
[X] Filed - Land Court Document No. 1734

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

First Amendment to Declaration of Condominium Property Regime dated August 10, 2005, Document No. 3319303
Second Amendment to Declaration of Condominium Property Regime dated August 10, 2005, Document No. 3320781
Third Amendment to Declaration of Condominium Property Regime dated August 10, 2005, Document No. 3322232
Fourth Amendment to Declaration of Condominium Property Regime dated August 10, 2005, Document No. 3323166
Fifth Amendment to Declaration of Condominium Property Regime dated August 10, 2005, Document No. 3324342
Sixth Amendment to Declaration of Condominium Property Regime dated August 10, 2005, Document No. 3324468

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

The Bylaws for this condominium is:

[ ] Proposed
[ ] Recorded - Bureau of Conveyances: Document No._____
Book _____ Page _____
[X] Filed - Land Court Document No. 3317145

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

D. **House Rules.** The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and 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.

The House Rules for this condominium are:

[ ] Proposed [X] Adopted [ ] Developer does not plan to adopt House Rules

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

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

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%	75%
Bylaws	65%	65%
House Rules	---	51%

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

2. Developer:

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

[X] Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules: SEE EXHIBIT "A".

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

[X] Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.

[ ] Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

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

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

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: [ ] Monthly [ ] Quarterly [ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per [ ] Month [ ] Year

For Subleasehold:

[ ] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is: [ ] Canceled [ ] Foreclosed

[ ] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

[ ] Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Sub-leasehold:

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

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

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: [ ] Monthly [ ] Quarterly [ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per [ ] Month [ ] Year

[ ] Other

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. **Underlying Land:**

Address: Kanela Street Tax Map Key (TMK): (1) 9-1-132-001: 014-022
Ewa Beach, Hawaii 96706 (Individual street addresses are listed on page 2 of this report.)
[ ] Address [ ] TMK is expected to change because _____

Land Area: 9.421 [ ] square feet [X] acre(s) Zoning: A-1

Fee Owner: GENTRY HOMES, LTD., a Hawaii corporation
Name

Lessor: N/A
Name

Business Address

C. **Buildings and Other Improvements:**

1. [X] New Building(s)
   [ ] Conversion of Existing Building(s)
   [ ] Both New Building(s) and Conversion

2. Number of Buildings: 9 Floors Per Building: 2

   [ ] Exhibit "B" contains further explanations.

3. Principal Construction Material:

   [X] Concrete [ ] Hollow Tile [X] Wood

   [X] Other composition siding; composition shingles

4. Uses Permitted by Zoning:

		No. of Apts.	Use Permitted By Zoning	
[X]	Residential	124*	[X] Yes	[ ] No
[ ]	Commercial		[ ] Yes	[ ] No
[ ]	Mix Res/Comm		[ ] Yes	[ ] No
[ ]	Hotel		[ ] Yes	[ ] No
[ ]	Timeshare		[ ] Yes	[ ] No
[ ]	Ohana		[ ] Yes	[ ] No
[ ]	Industrial		[ ] Yes	[ ] No
[ ]	Agricultural		[ ] Yes	[ ] No
[ ]	Recreational		[ ] Yes	[ ] No
[ ]	Other		[ ] Yes	[ ] No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
[X] Yes [ ] No

* **Includes this Phase and all previous phases.**

5. Special Use Restrictions:

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

[X] Pets: Dogs, cats and other household pets limited to two in number and subject to compliance with provisions of House Rules.

[ ] Number of Occupants: _____

[X] Other: Apartment cannot be used for transient or hotel use. The apartment cannot be sold, rented or used for "timeshare", "time interval", "vacation license" or "travel club membership".

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers): The following buildings are the **new** buildings created by Montecito/Tuscany Model Complex. For the entire MONTECITO/TUSCANY project, please see Exhibit "B".

Elevators: None Stairways: One per apt. Trash Chutes: None

Apt. Type	Quantity	Br/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
Montecito Plan 1	1	3 Bdrm/2 Bath	1,047.23	400.32	garage
Montecito Plan 2	1	3 Bdrm/2 ½ Bath	1,109.34	419.98	garage
Montecito Plan 3	1	3 Bdrm/2 ½ Bath	1,198.36	395.91	garage
Montecito Plan 4	1	3 Bdrm/2 ½ Bath	1,230.00	378.74	garage
Tuscany Plan 1	1	3 Bdrm/2 ½ Bath	1,175.93	364.83	garage
Tuscany Plan 2	1	4 Bdrm/2 ½ Bath	1,404.00	396.67	garage
Tuscany Plan 3	1	4 Bdrm/2 ½ Bath	1,438.73	367.91	garage
Tuscany Plan 4	1	5 Bdrm/3 Bath	1,523.341	193.50	garage
Tuscany Plan 5	1	4 Bdrm/2 ½ Bath	1,484.85	442.92	garage

Total Number of Apartments: 9 new apartments created by Montecito/Tuscany (Montecito/Tuscany Model Complex). There are a total of 124 apartments in the entire Montecito/Tuscany project.

** NOTE: Fenced courtyard configurations and sizes may vary due to job site conditions.

* **Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.**

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

Boundaries of Each Apartment: Each apartment includes the spaces within the underside of the concrete slabs, the outside of the roofs and the outer surfaces of the perimeter walls of the respective apartments. The Apartments do NOT include any pipes, wires, ducts or other utility or service line that services **more than one apartment.** Such pipes and utilities shall be deemed common elements.

Permitted Alterations to Apartments: Additions, alterations or improvements solely within an apartment or within a limited common element appurtenant to and for the exclusive use of the apartment may be made by the apartment owner only with the approval of the Board of Directors of the Association of Apartment Owners.

Optional floor plans exist for all plan types and are shown on the Condominium Map. Buyers may choose optional floor plans subject to certain construction cut-off dates.

Apartments Designated for Owner-Occupants Only:
Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has elected to provide the information in a published announcement or advertisement. Developer plans to designate fifty percent (50%) of the residential apartments in the Project for sale to Owner-Occupants only as required by section 514A-102, HRS. Developer will show the designation in the Owner-Occupants' Pre-Sale Notice to be published in Hawaii Hochi, Ltd. upon the issuance of this final public report.

7. Parking Stalls:

Montecito/Tuscany Model Complex adds an additional 35 parking stalls to the Montecito/Tuscany project for a total of 332 parking stalls. There are seventeen (17) visitor parking stalls in Montecito/Tuscany Model Complex

Total Parking Stalls: 332

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for each unit)	111*	51	124*		---	---	286
Guest	---	46	---	---	---	---	46
Unassigned	---	---	---	---	---	---	---
Extra for Purchase	---	---	---	---	---	---	---
Other:	---	---	---	---	---	---	---
Total Covered & Open	208		124		0		332

Each apartment will have the exclusive use of at least two (2) parking stall(s). Buyers are encouraged to find out which stall(s) will be available for their use.

*** Note:** All apartments **(except for the Tuscany, Plan 4)** include a garage that meets the City and County of Honolulu standards to accommodate one full sized and one compact sized parking stall. The Tuscany, Plan 4 apartments include a garage that accommodates one compact sized parking stall. The Tuscany, Plan 4 apartments also come with a standard size parking stall located adjacent to the garage. Buyers with oversized vehicles (a van, a truck) or whose cars are not a compact size, should inspect the garage thoroughly to ensure that the garage can accommodate their vehicles. Apartments T-3, T-7, T-18, T-23, T-28, T-31, T-36,T-40, T-42, T-44, T-47, T-53, T-138, M-1, M-2, M-5, M-6, M-9, M-10, M-11, M-14, M-15, M-17, M-19, M-21, M-23, M-26, M-27, M-28, M-30, M-31, M-33, M-35, M-36, M-38, M-41, M-42, M-45, M-46, M-48, M-50, M-51, M-52, M-55, M-56, M-58, M-60 and M-61 have an additional parking stall located adjacent to the garage that is full sized and uncovered. Apartments T-21, T-25 and T-51 have an assigned parking stall located adjacent to their limited common yard area, as shown on the Condominium Map, for their exclusive use.

[ ] Commercial parking garage permitted in condominium project.

[X] Exhibit B contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[ ] Swimming pool [ ] Storage Area [ ] Recreational Area

[ ] Laundry Area [ ] Tennis Court [ ] Trash Chute/Enclosures(s)

[X] Other: recreational facilities. [See Paragraph 5 on page 20B.]

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

[X] There are no violations. [ ] Violations will not be cured.

[ ] Violations and cost to cure are listed below. [ ] Violations will be cured by _____ (Date)

10. Conditions and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years): NOT APPLICABLE.

11. Conformance to Present Zoning Code

a. [X] No variances to zoning code have been granted.

[ ] Variance(s) to zoning code was/were granted as follows:

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

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

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

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

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

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

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

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

[X] described in Exhibit C

[ ] as follows:

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

[ ] There are no limited common elements in this project.

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

[ ] described in Exhibit _____ .

[X] as follows:

(a) Driveway appurtenant to the apartment;
(b) Apartments T-3, T-7, T-18, T-23, T-28, T-31, T-36,T-40, T-42, T-44, T-47, T-53, T-138, M-1, M-2, M-5, M-6, M-9, M-10, M-11, M-14, M-15, M-17, M-19, M-21, M-23, M-26, M-27, M-28, M-30, M-31, M-33, M-35, M-36, M-38, M-41, M-42, M-45, M-46, M-48, M-50, M-51, M-52, M-55, M-56, M-58, M-60 and M-61 have an additional uncovered parking stall adjacent to the Apartment;
(c) Apartments T-21, T-25 and T-51 have an additional uncovered parking stall adjacent to the limited common yard area;
(d) Mailbox bearing the same designations as the apartment;
(e) Yard areas as shown on the Condominium Map; and
(f) All other common elements which are rationally related to less then all of the apartments in the Project.

NOTE: Each apartment and the limited common elements referenced above do not comprise a legally subdivided individual lot.

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

[X] described in Exhibit B

[ ] as follows:

E. **Encumbrance Against Title:** An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit C describes the encumbrances against the title contained in the title report dated August 10, 2007 and issued by Island Title Corporation.

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

[ ] There are no blanket liens affecting title to the individual apartments.

[X] There are blanket liens which may affect title to the individual apartments.

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

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed **Prior to Conveyance**
Mortgage	Lender has priority over Buyer's rights under a sales contract, and has a right to terminate sales contracts upon foreclosure of its mortgage before an apartment sale is closed. Should the lender terminate Buyer's sales contract, Buyer shall be entitled to a refund of all deposits, less escrow cancellation fee.

F. **Construction Warranties:**

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

1. Building and Other Improvements: The apartment and related common elements will be covered by a Limited Warranty. The Limited Warranty will be for a ten (10) year period which will commence on the recording date of the deed to the Buyer. The coverage amount will be the base sales price of the Unit. The Limited Warranty will be substantially similar to the sample Limited Warranty attached as Exhibit "H". Developer reserves the right to make changes to the Limited Warranty without further notification to Buyer. Developer's obligations under the Limited Warranty are expressly conditioned on prompt notification by Buyer or the Association to Developer of any defects in the Unit. In addition, Developer will not be responsible for damage to the Unit or common elements arising out of the failure of Buyer or the Association to take reasonable and prudent steps to maintain the property or to prevent damage or further damage to the Property. ROUTINE MAINTENANCE WORK IS NOT COVERED BY ANY WARRANTY.

2. Appliances: Warranties on appliances furnished with an apartment are not provided by the Developer. The execution and delivery of the apartment deed will operate as an assignment from the Developer to the Buyer of the respective manufacturers' or dealers' warranties , if any.

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

Construction of the model complex was completed in March, 2005. Building T-135 was used as a sales office for both Montecito/Tuscany and Montecito/Tuscany II. It is currently being used as a sales office for Montecito/Tuscany III and will not be converted back to residential use until all of the units in Montecito/Tuscany III are sold.

Buildings T-136, T-137, T-138, T-139, M-140, M-141, M-142 and M-143 were used as model homes for Montecito/Tuscany and Montecito/Tuscany II. Buildings T-136, T-137, T-138 and T-139 are currently being used as model homes for Montecito/Tuscany III.

H. **Project Phases:**

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

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

Montecito/Tuscany Model Complex is the last phase of the MONTECITO/TUSCANY condominium project to be released for sale. MONTECITO/TUSCANY has a total of 124 units. Effective February 1, 2007, the Developer administratively merged MONTECITO/TUSCANY with MONTECITO/TUSCANY II, an adjacent condominium community that has 116 units. Later, effective April 1, 2007, the Developer administratively merged MONTECITO/TUSCANY, MONTECITO/TUSCANY II and MONTECITO/TUSCANY III so that the three condominium projects combined have a total of 356 units. See Exhibit "A" for additional information.

IV. CONDOMINIUM MANAGEMENT

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

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

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

[X] not affiliated with the Developer
[ ] self-managed by the Association of Apartment Owners
[ ] the Developer or the Developer's affiliate.
[ ] Other _____

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

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

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

Exhibit E contains a schedule of ACTUAL initial maintenance fees and maintenance fee disbursements (subject to change).

C. **Utility Charges for Apartments:**

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

[ ] None [X] Electricity (X Common Elements only ____ Common Elements & Apartments)

[ ] Gas (____ Common Elements only ____ Common Elements & Apartments)

[X] Water [X] Sewer [ ] Television Cable

[X] Other Refuse Collection

V. MISCELLANEOUS

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

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

[ ] Notice to Owner Occupants

[X] Specimen Sales Contract
Exhibit __F__ contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated __October 12, 2004__
Exhibit __G__ contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other _____

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

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

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

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

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

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

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

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

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
B) Declaration of Condominium Property Regime, as amended.
C) Bylaws of the Association of Apartment Owners, as amended.
D) House Rules, if any.
E) Condominium Map, as amended.
F) Escrow Agreement.
G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
H) Other Declaration of Merger; Consent; Ewa by Gentry Community Area Declaration of Covenants, Conditions and Restrictions (See Paragraph 6 on page 20B)

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

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

This Public Report is a part of Registration No. 6422 filed with the Real Estate Commission on August 20, 2007.

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

[ ] YELLOW paper stock [X] WHITE paper stock [ ] PINK paper stock

C. ADDITIONAL INFORMATION NOT COVERED ABOVE

1. **Ongoing Construction.** Development of the areas around MONTECITO/TUSCANY will cause dust, noise and increased traffic in and around the Project for several years as development in Ewa by Gentry continues. Buyer understands that Developer will make efforts to minimize the dust but that it is an inevitable result of the ongoing construction. Converting the sales office (Apartment T-135) back into a residential unit and remodeling the driveway of Apartment T-138 will be ongoing while units are being occupied.

2. **Ongoing Sales Activity.** Apartment T-135 will continue to be used as a sales office for both MONTECITO/TUSCANY III and the Montecito/Tuscany Model Complex until all units are sold. This will result in increased traffic and noise in the vicinity of the sales office. Portions of the common areas may be used for signage and other sales activities for a period of time while sales are ongoing.

3. **General Disclosures.** Buyer understands and acknowledges that certain activities will occur on and about MONTECITO/TUSCANY ("Activities Affecting MONTECITO/TUSCANY") as follows:

(a) MONTECITO/TUSCANY is bordered on the ewa side by Keaunui Drive a major road that will eventually be dedicated to the City and County of Honolulu. MONTECITO/TUSCANY is bordered on the mauka, makai and Diamond Head sides by residential communities. The makai side of MONTECITO/TUSCANY also borders on open undeveloped space which will be developed into residential communities. The Diamond Head side of MONTECITO/TUSCANY also borders a drainage detention basin. The drainage detention basin is approximately twenty feet (20 ft.) deep with a surrounding perimeter fence. This drainage detention basin collects water runoff from the surrounding communities. Seller intends to convey this drainage detention basin to the Ewa by Gentry Community Association when the facility is completed. Because MONTECITO/TUSCANY borders on open undeveloped space, there may also be pests, such as cockroaches and rodents, for a period of time.

(b) MONTECITO/TUSCANY is located in the vicinity of the West Loch Branch of the Lualualei Naval Magazine ("West Loch") which in the event of military action may be a sensitive area. The Navy has denoted an area east of MONTECITO/TUSCANY as an Explosive Safety Hazard Zone in connection with munitions which may be loaded onto ships at West Loch. The Navy has represented that the boundary of said area represents the probable limit of any impact on the adjacent community. This area, which extends to West Loch, will have restricted development required by the Navy. The Navy has leased portions of this area for agricultural use, which will create dust and noise. Because this area is undeveloped, there may also be pests, such as cockroaches and rodents, for a period of time. Geiger Road and Iroquois Point Road may also be used by the Navy to transport aircraft and munitions.

(c) MONTECITO/TUSCANY is located upon land previously used for the cultivation of sugar cane. Land near or adjacent to MONTECITO/TUSCANY may continue to be used for the cultivation and harvesting of agricultural products, which may cause dust and noise. Crops may be burned when seasonally appropriate. The Hawaii Right-to-Farm Act (H.R.S. Ch. 165) and Hawaii law limit the types of farm activities that may be deemed a nuisance.

(d) MONTECITO/TUSCANY is located in the vicinity of a commercial airport (Honolulu International Airport) and a possible future airport at the former Barber's Point Naval Air Station and Buyer is aware that there is a likelihood of noise from planes passing overhead or nearby. The 1987 Noise Contour Map of the Honolulu International Airport Master Plan shows MONTECITO/TUSCANY located in an area subject to the noise levels of 55 Ldn.

(e) MONTECITO/TUSCANY is located near the Honouliuli Wastewater Treatment Plant, which generates odors and noise and which will be expanded in the future to accommodate increased usage.

(f) Mold and mold spores are present throughout the environment, and residential home construction is not, and cannot be, designed to exclude mold spores. All mold is not necessarily harmful, but certain strains of mold have been shown to have adverse health effects in susceptible persons. Moisture is the only mold growth factor that can be controlled in a residential setting. Buyer should take positive steps to reduce or eliminate the occurrence of moisture in and around the house upon the Property. Developer is not responsible for any mold or mold spores present in the environment or in the house upon the Property.

(g) The Federal Emergency Management Agency ("FEMA") has not yet reviewed MONTECITO/TUSCANY area to determine whether the Property is within a flood hazard zone. If FEMA later determines that the Property is within a flood hazard area, then your lender may require you to obtain flood insurance.

(h) The Coral Creek Golf Course has been constructed on the west side of Fort Weaver Road. The Coral Creek Golf Course is also a designated flowage easement for drainage purposes. The Hawaii Prince Golf Club Course has been constructed on the east side of Fort Weaver Road. Both the Coral Creek Golf Course and the Hawaii Prince Golf Club Course are collectively referred to as the "golf courses".

There may be hazards that may cause injuries and damages to persons and/or property on MONTECITO/TUSCANY such as errant or stray golf balls, the use of reservoirs and water hazards up to six feet (6 ft.) deep, periodic spraying or other treatment of the area with pesticides, insecticides, herbicides, fungicides and fertilizers, surface water runoff, noise, dust and unpleasant odors. Irrigation of the golf courses may be with water from storm retention basins or reclaimed water from the Honouliuli Wastewater Treatment Plant. Any reclaimed water is required to be treated according to Department of Health guidelines. Tournaments and other special events held on the golf courses may also impact the community. Buyer waives any rights or claims which Buyer might otherwise have against the Seller, Coral Creek Golf, Inc., Seibu Hawaii, Inc. and any future owners/operators of the golf courses because of these conditions.

Owners in MONTECITO/TUSCANY will not have an ownership interest, a right to use any facilities or a right to enter the property by virtue of their ownership of a Home nor by membership in the Ewa by Gentry Community Association.

(i) Many homes in the Ewa by Gentry community have been developed to meet the City and County of Honolulu's (the "City's) affordable housing requirements. Homes that meet the City's definition of "affordable" are or will be located in various communities throughout Ewa by Gentry, including the communities of MONTECITO/TUSCANY. Some of the homes in the Coronado and Palm Villas condominium projects are subject to shared appreciation and buy/back provisions and rental restrictions associated with the affordable housing requirements, and there may be other communities that will be developed in the future in Ewa by Gentry that will have similar restrictions.

(j) Water used to irrigate the common area landscaping in the Ewa by Gentry community will come from either a nonpotable well service or may be from reclaimed water from the Honouliuli Wastewater Treatment Plant. Any reclaimed water is required to be treated according to Department of Health guidelines.

(k) A development consisting of light industrial and commercial uses will be built in the future along Geiger Road across from the Honouliuli Wastewater Treatment Plant. This development may result in increased traffic, noise and other impacts in the vicinity.

(l) Fort Weaver Road is a major thoroughfare for Ewa and Ewa Beach residents traveling to or from the H-1 Freeway. Commuters **will** experience delays on Fort Weaver Road and on roads feeding into it, particularly during peak morning and evening hours.

These Activities Affecting MONTECITO/TUSCANY may cause some unpleasant odors, surface water runoff, noise, dust, smoke and other unpleasant effects that may bother or be a nuisance to Buyer and other occupants and invitees of the Project. In the Apartment Deed, each Buyer, for himself, his heirs, personal and legal representatives and assigns, will release, indemnify, defend and hold harmless Developer, the Thomas H. Gentry Trust, a California Trust dated February 11, 1986, as amended, and related entities, the Trustees under the Will and of the Estate of James Campbell, Deceased, and Oahu Sugar Company, Limited, Coral Creek Golf, Inc., Seibu Hawaii, Inc. and any future owners and/or operators of the golf courses, and their respective officers, directors, employees, agents, successors, successors-in-trust, and assigns from any and all liability, claims, losses, damages, or expenses, including attorneys' fees, arising from any such impairment of the use and enjoyment of the Property, loss of market value of the Property, or property damage or personal injury to the property or person of Buyer, or Buyer's tenants, lessees, family, servants, guests, invitees, licensees, agents, employees, or other persons who may use the Property. However, the person or entity whose actions or omissions are the direct cause of any damage to Buyer shall be responsible for the consequences or results of its own gross negligence, willful misconduct or violation of applicable law. Buyer hereby irrevocably agrees to suffer and permit all actions and consequences incident to the Activities affecting MONTECITO/TUSCANY described above.

4. Merger. MONTECITO/TUSCANY is part of an overall area covered by that certain Agreement for Issuance of Conditional Use Permit Under Section 4.40-21 of the Land Use Ordinance (LUO) dated July 25, 2005 and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3306669 (the "Joint Development Area"). The Joint Development Area includes all phases of MONTECITO/TUSCANY and MONTECITO/TUSCANY II. The total number of units in the Joint Development Area at is 240. The Joint Development Area was designed to operate as a cohesive, integrated multi-family community that includes shared common facilities and infrastructure, including but not limited to potable water, non-potable well system, irrigation, drain, sewer and electrical systems, visitor parking stalls, roadways and landscaping. Developer administratively merged the condominium communities within the Joint Development Area (Montecito/Tuscany and Montecito/Tuscany II) for the purposes of sharing common area costs shared by the various communities (such as roadways, street lighting and landscaping), effective February 1, 2006.

The Developer also merged the condominiums in the Joint Development Area with MONTECITO/TUSCANY III, a 116 apartment condominium project under construction on an adjacent lot (collectively the "Merged Area") so that the total number of units in the entire merged condominium project will be 356 at full build out.

5. Recreation Center. Lot 16021, Map 1252, Land Court Application No. 1069 has a Recreation Center built on it for the use of all residents living in the Merged Area. The Recreation Center opened in September 2005. The Recreation Center consists of a swimming pool, three (3) pavilions and landscaped areas. A non-exclusive license to the Association of Apartment Owners of MONTECITO/TUSCANY to use the Recreation Center effective September 19, 2005 is attached to this public report as Exhibit "E-1". The license is non-exclusive, because Developer has also granted a similar non-exclusive license to the Associations of Apartment Owners of Montecito/Tuscany II and Montecito/Tuscany III. Once the Merged Area is fully developed, Developer intends to convey the Recreation Center to the several associations of apartment owners within the Merged Area as tenants in common. Each association's ownership share of the Recreation Center will be based upon the association's proportionate share of the total number of apartments in the Merged Area. The several associations of apartment owners shall have the duty and obligation to accept and maintain the Recreation Center at the common expense of all of the owners of apartments within the Merged Area.

6. Ewa by Gentry Community. All apartment owners in MONTECITO/TUSCANY are automatically members of the Ewa by Gentry Community Association, a non-profit Hawaii corporation. All owners are therefore subject to the restrictions, covenants and conditions of the Ewa by Gentry Community

Area Declaration of Covenants, Conditions and Restrictions which govern the entire Ewa by Gentry community. The Community Association enforces the provisions of the Declaration of Covenants, Conditions and Restrictions to ensure a well maintained, safe and aesthetically pleasing community. A copy of the Declaration of Covenants, Conditions and Restrictions is available at the sales office. The Declaration of Covenants, Conditions and Restrictions can also be viewed online at www.ebgca.net under the "Introduction" section. Each owner pays dues to the Community Association in the amount of approximately $100 per quarter for a total of $400 a year. The maintenance fees reflected in Exhibit "E" of this public report do not include the dues payable to the Ewa by Gentry Community Association.

7. **Condominium Map.** The sizes and configurations of the limited common areas and common areas reflected on the Condominium Map are approximations only. Actual sizes and configurations may vary due to the placement and location of utilities and due to varying terrain surrounding each building.

8. **Garage Disclosure.** Each MONTECITO/TUSCANY home has an attached garage. The garage (for all plans **except the Tuscany, Plan 4)** meets City and County of Honolulu standards to accommodate one full sized and one compact sized parking stall. The Tuscany, Plan 4 apartment type includes a garage that meets City and County of Honolulu standards to accommodate one compact sized parking stall. All Tuscany Plan 4 type apartments also come with a limited common element adjacent standard parking stall. Buyers who have an oversized vehicle (a van, a truck) or who have more than one full sized vehicle should inspect the garage thoroughly to ensure that the garage can accommodate their vehicles. Garages shall be used for parking operational vehicles only and for incidental storage. Some homes may have an additional parking area in the limited common area adjacent to the home. The additional parking area is for vehicles only and may not be used for storage purposes.

9. **Irrigation Disclosure.** Water used to irrigate the common area landscaping in MONTECITO/TUSCANY (which includes portions of the front yard of each unit) will come from either a nonpotable well service or may be from reclaimed water from the Honouliuli Wastewater Treatment Plant. Any reclaimed water is required to be treated according to Department of Health guidelines.

10. **Trash Collection.** Not all homes in MONTECITO/TUSCANY will have curbside trash collection. Specifically, the buyers of Apartments T-138, T-139 and M-143 will need to take their trash can to a designated trash collection area. Developer is working with the City and County of Honolulu on the location of these designated trash collection areas. Buyer should consult with a sales agent for the most current information on these designated trash collection areas. Trash cans can be put out for trash collection the night before trash is collected and must be removed by the end of that day.

11. **Street Parking.** As stated in the Rules and Regulations of the Association of Apartment Owners of MONTECITO/TUSCANY, there is no parking in the roadways, other than in designated stalls. The Condominium Map for MONTECITO/TUSCANY does not show any designated stalls in the roadways.

12. Private Drainage. MONTECITO/TUSCANY II is serviced by a private drainage system that connects to the City and County of Honolulu's municipal sewer system. As such, Federal regulations prohibit the following from being discharged into the Project's drainage system:

(a) domestic wastewater;

(b) industrial wastewater;

(c) any debris, refuse or solid waste or yard waste;

(d) chlorinated swimming pool water;

(e) washwater from vehicle and equipment cleaning; and

(f) oil and petroleum products.

Owners are prohibited from discharging any of the above into the Project's drainage system.

The Association is solely responsible for the maintenance and upkeep of the Project's drainage system. It shall cooperate with the Developer in assuming the Developer's National Pollutant Discharge Elimination System (NPDES) Permit and shall be responsible for enforcing the terms and conditions of the NPDES Permit.

D. The developer declares subject to the penalties set forth in section 514A-49(b) that his project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)

E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

GENTRY HOMES, LTD.
Printed Name of Developer

By _____ August 20, 2007
Duly Authorized Signatory* Date

DAWN SUYENAGA, Vice President/Secretary
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City & County of Honolulu

Planning Department, City & County of Honolulu

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

EXHIBIT "A"

THE DEVELOPER'S RESERVED RIGHTS TO CHANGE THE CONDOMINIUM DOCUMENTS

DEVELOPER'S RESERVED RIGHTS. The Developer's Reserved Rights outlined in this Exhibit "A" are necessary and/or helpful to developing the Project in phases. The Developer may exercise the Developer's Reserved Rights stated in the Declaration separately or in one or more combinations and at one or more times, at the Developer's sole discretion. The Developer has no duty or obligation to exercise the Developer's Reserved Rights. The Developer may exercise the Developer's Reserved Rights until the earlier of (i) December 31, 2010 or (ii) the date when the Developer records a document giving up all of the Developer's Reserved Rights (the "Development Period").

The Developer may exercise any of the Developer's Reserved Rights stated in this Exhibit "A" and in Sections 17 through 17E, inclusive of the Declaration without being required to obtain the approval, consent, or joinder of anyone else and without the knowledge of anyone else. This includes but is not limited to the Association of Apartment Owners, any lender, or any other Apartment Owner or other person acquiring an interest in the Project. When a person or entity acquires an interest in an Apartment or any other interest in the Project, said person or entity automatically:

A. Takes said person's or entity's interest subject to the Developer's Reserved Rights and each and every exercise and/or assignment of them;

B. Acknowledges, approves, consents to, agrees to and accepts (i) the Developer's Reserved Rights and the exercise of them from time to time; (ii) that such exercise may change the Project; (iii) that such exercise may result in the recalculation of the common interest of some or all Apartments in some cases; (iv) that the Developer can file and/or record any and all documents that the Developer deems necessary or convenient to the exercise of its rights, including but not limited to any amendment to the condominium documents.

C. Agrees, promptly after being asked to do so, to join in, consent to, sign, have notarized, deliver and record all documents and do all other things that the Developer in its sole discretion determines to be necessary or convenient to the exercise of the Developer's Reserved Rights or to accomplish the purpose for which those rights were reserved (as determined by the Developer).

D. Appoints the Developer as said person's or entity's attorney-in-fact with full power of substitution to execute such documents and do such other things on said person's or entity's behalf, which grant of such power, being coupled with an interest, is irrevocable and shall not be affected by the disability of any such party. The Developer cannot use its power of attorney under this Exhibit "A" to waive or release any right an Owner or other interested person might have under the Act, to cancel the purchase of an Apartment, or to mortgage an Owner's Apartment.

1. DEVELOPER'S RESERVED RIGHT TO CREATE NEW APARTMENTS. Any other provision in the Declaration or the By-Laws notwithstanding, the Developer shall have the right (but not the obligation) at its sole discretion under this Section, to create one or more New Apartments in the Project and to create and designate common elements and limited common elements appurtenant to any New Apartment. The Developer may do this more than once and at any time prior to the expiration of the Development Period.

1.1 Limits on Developer's Reserved Rights to Create New Apartments. The Developer's Reserved Rights in this Section are subject to the following terms and conditions:

A. Developer may only create New Apartments in the Undeveloped Land Area and/or in the Merged Area (both as defined in the Declaration).

B. The total number of Apartments in the Project may not exceed the limits contained in the zoning code applicable to the Land.

C. The Developer must pay all costs of creating the New Apartments and designating or converting the use of common elements or limited common elements.

1.2 Extent of Developer's Reserved Right to Create New Apartments. Subject to the above limitation, the Developer's Reserved Rights to create New Apartments include the right to do anything necessary or convenient to create the New Apartments or to designate or convert the use of common elements or limited common elements, including but not limited to the right to do the following:

A. to execute and record one or more amendments to the Declaration and Condominium Map, that describes the New Apartments. The amendment shall include a certificate signed by a registered architect or professional engineer as specified in Section 514A-12 of the Act;

B. to allocate a portion of the common interest currently assigned to Apartment T-135 in the Montecito/Tuscany Model Complex to the New Apartments by executing and recording an amendment to the Declaration;

C. to designate or convert the use of common elements or limited common elements to New Apartments by recording an amendment to the Declaration;

D. to amend any previously recorded deed or other document conveying or encumbering an Apartment so that it conforms with the revised Declaration and/or to record a new deed or conveyance document for that purpose. For example, if the Developer creates New Apartments, it may need to adjust the common interest of each existing Apartment. If so, the Office of the Assistant Registrar of the Land Court of the State of Hawaii may require the Developer to change the deeds for existing Apartments to reflect the such change in common interest or it may require that the Developer issue replacement deeds reflecting such change in common interest.

1.3 Impact of Exercise of Developer's Reserved Right to Create New Apartments. Upon the recordation of an amendment to the Declaration and the Condominium Map as outlined above, the following will take place:

A. The New Apartments will become condominium Apartments and will be part of the Project for all intents and purposes. The limited common elements will be appurtenant to the New Apartments to which they are assigned. The owner of a New Apartment may deed it, lease it or otherwise encumber it just the same as if the New Apartment had been created from the beginning of the Project.

B. The Developer will be the owner of each New Apartment and its common interest until the Developer conveys it to someone else. Nobody else except the Developer will have any legal or equitable rights in or to the New Apartments and its common elements.

C. The Owners of all Apartments (including the New Apartments) will have the right to use the common elements of the Project to the same extent and subject to the same limits, just as if the Project had been developed with the New Apartments from the beginning.

2. DEVELOPER'S RESERVED RIGHT TO CONSTRUCT NEW IMPROVEMENTS. Any other provision in the Declaration or the By-Laws notwithstanding, the Developer shall have the right (but not

the obligation) at its sole discretion under this Section, at any time to design, designate, develop, build, add to and complete new improvements ("New Improvements") on the Land. The Developer may do this more than once and at any time prior to the expiration of the Development Period.

2.1 Limits on Developer's Reserved Rights to Construct New Improvements. The Developer's reserved rights in this Section are subject to the following terms and conditions:

A. A licensed architect or engineer must prepare plans and specifications for the New Improvements. The Developer must obtain all necessary governmental approvals and permits for the New Improvements. The design and construction of the New Improvements must be substantially consistent in design and construction with the existing improvements of the Project as determined by the Developer in its sole discretion. The Developer must build the New Improvements substantially in accordance with the plans and specifications.

B. The plans and specifications for the New Improvements shall not require any material change to or the demolition of any existing Apartment or limited common element, except if that Apartment and limited common element is owned by the Developer. The Developer has a right to connect to, use, relocate and/or realign improvements to the Project to provide electricity, hot and cold water, air conditioning and other utilities and services, and when applicable, to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across or through the common elements of the Project as necessary and desirable. The Developer must do this in a way that does not cause any permanent interruption in the service of utilities to any other part of the Project.

C. The Developer must pay all costs and expenses for the design, development and construction of the New Improvements. The Developer makes no promise as to when construction of any new phase will commence or be completed. Until construction of any new phase is substantially completed, the cost associated with any New Apartments, common elements and limited common elements shall be the sole responsibility of the Developer. Developer shall be solely responsible for all costs and expenses to reasonably maintain, repair, upkeep and provide security for the Undeveloped Land Area. For safety and other reasons, the Developer intends to fence off, screen or otherwise secure the Undeveloped Land Area and to severely limit and restrict access to such Undeveloped Land Area by all other Apartment Owners and any other person. Each Apartment Owner and every other interested person: (i) agrees to stay out of the Undeveloped Land Area and any specifically fenced areas until access to such area is specifically authorized by the Developer, and to see that the Apartment Owner's representatives, licensees and invitees also do so; (ii) acknowledges and agrees that the ongoing construction will result in noise, dust and increased traffic in and around the Project for a period of time; (iii) acknowledges and agrees that care must be taken around construction sites, as certain hazardous conditions relating to the construction may exist for a period of time.; (iv) acknowledges and agrees that Developer will make efforts to minimize dust but that dust and debris is an inevitable result of the ongoing construction; (v) waives any rights, claims or actions which the Apartment Owner might otherwise have against the Developer as a result of any damage to Apartment Owners' real or personal property, any inconvenience, annoyance or nuisance cause by any such ongoing activities.

D. The Developer shall arrange and pay for builder's risk insurance and general liability insurance. The insurance must stay in effect during the entire construction period. Developer must provide the Managing Agent proof of insurance via a certificate of insurance showing the Association as the certificate holder.

E. The Developer shall amend the Declaration and the Condominium Map to designate and show any New Improvements. Upon the recordation of such an amendment the New Improvements will be part of the condominium project as though they had been built at the beginning.

2.2 Extent of Developer's Reserved Rights to Construct New Improvements. Subject to the above limitations, the Developer shall have the absolute right to do the following :

A. To have the exclusive right to control, manage, and conduct the design, development, construction, addition and completion of the New Improvements on the Land even after Developer deeds Apartments to others.

B. To remove, change or add common elements or to convert the use of common elements to another purpose.

C. To connect the New Improvements to utilities of the Project.

D. To build a fence around the construction area and to have the exclusive use and control of the area enclosed by the fence, and to make all Apartment Owners, their representatives, licensees and invitees stay out of that area until the construction is finished.

E. To obtain all permits, licenses, and approvals necessary or convenient to the development, construction, completion and/or operation and use of the Project.

F. To coordinate the work and activities of the contractors, subcontractors, architects, engineers, laborers, suppliers, and others to complete the Project in accordance with the Developer's objectives on time, costs and quality.

G. To exercise all rights and make all decisions of the "Owner" or the "developer" or similar contracting party (including but not limited to all rights and decisions with respect to litigation and arbitration of claims arising thereunder or in connection therewith, and the compromise thereof) with respect to all contracts now or later signed in connection with the development and construction of the Project.

H. To review and approve necessary or desirable changes and requests for changes and change orders with respect to the Project.

I. To publish and file the notice of completion in accordance with Section 507-43 of the Hawaii Revised Statutes, as amended.

J. To approve and direct the replacement of any New Improvements that are under construction and that are damaged by fire or something else. This includes the right to settle any insurance claims made under any insurance policy that the Developer buys or arranges.

K. To amend the Declaration and Condominium Map as necessary or convenient to show the New Improvements.

L. To amend any previously recorded deed or other document conveying or encumbering an Apartment so that it conforms with the revised Declaration and/or to record a new deed or conveyance document for that purpose.

3.3 Restricted Access to Construction Site. During the construction period, each Apartment Owner must: (a) remain outside of any fenced construction area; (b) not directly or indirectly do or attempt to do anything that would or could affect or interfere with the development, construction and completion of the New Improvements.

4. DEVELOPER'S RESERVED RIGHT TO ADD LAND AND/OR EFFECT MERGER. Any other provision in the Declaration notwithstanding, the Developer shall have the right (but not the

obligation) at its sole discretion under this Section, at any time to add real property to the Project by amending the Declaration, By-Laws, Condominium Map and any other documents that the Developer deems necessary or convenient to effect such addition of real property to the Project. Specifically, the Developer may (but is not obligated to) add the Additional Land specified in that certain Declaration of Merger. Should Developer add the Additional Land to the Project, the common interest for the Apartments developed in the Merged Area shall be as described in Exhibit "C" of the Declaration. If Developer, in its sole discretion, does not subject the Additional Land to the Declaration, then Developer reserves the right to effect either a legal merger or an administrative merger of all or a portion of the Additional Land with the Project pursuant to the terms of the Declaration of Merger.

5. DEVELOPER'S RESERVED RIGHT TO WITHDRAW LAND. Any other provision in this Declaration notwithstanding, the Developer shall have the right (but not the obligation) at its sole discretion under this Section, at any time to withdraw real property from the Project by amending the Declaration, By-laws and Condominium Map. Upon such withdrawal as set forth in this Section and with no further action required, no Apartment Owner, mortgagee, lien holder, Apartment purchaser and any other person who may have an interest in the Project or any Apartment (other than the Developer and the holder of any blanket mortgage covering the Land prior to the Declaration) shall have any legal or equitable interest in the withdrawn land. It is the intent of this provision that upon such withdrawal, legal title to the withdrawn land will be vested solely in the Developer. If deemed necessary to effect the intent of this Section, each Apartment Owner, mortgagee, lien holder and any other person who may have an interest in the Project or any Apartment shall, if requested by the Developer, unconditionally quitclaim and/or release its interest, if any, in the withdrawn land to the Developer.

In exercising the foregoing right, the Developer may at any time (i) execute, file and process to final approval an application with the City and County of Honolulu for the legal subdivision of the withdrawn land from the Land covered by the Declaration; (ii) execute and record a petition and any supporting documentation for such subdivision in the Land Court of the State of Hawaii; (iii) execute and record any amendments to the Declaration, the Condominium Map and the By-Laws to note the withdrawal of real property from the Land; and (iv) execute, apply for and obtain from the Real Estate Commission of the State of Hawaii a public report or amendment to public report noting the withdrawal of land from the Project. The withdrawn land shall be deemed deleted from the Project for all purposes upon the recordation in the Bureau of Conveyances of an amendment to the Declaration and the Condominium Map that sets forth the withdrawal of real property.

6. DEVELOPER'S RESERVED RIGHT TO SUBDIVIDE AND/OR CONSOLIDATE LAND. Any other provision in the Declaration notwithstanding, the Developer shall have the right (but not the obligation) at its sole discretion under this Section, at any time to subdivide the Land and/or consolidate the Land with other real property in order to effect the addition or withdrawal of land as described in Sections 4 and 5 above, by amending the Declaration, By-Laws, Condominium Map and any other document that the Developer deems necessary or convenient to effect such subdivision or consolidation.

END OF EXHIBIT "A"

EXHIBIT "B"

APARTMENT DESCRIPTION AND COMMON INTEREST

Montecito, Phase 1

Apt. No.	Plan Type	Net Living Area (sq. ft.)	Net Covered Entry (sq. ft.)	Net Garage Area (sq. ft.)	Common Interest
M-1	Montecito – Plan 2	1,109.34	30.25	419.98	0.806
M-2	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-3	Montecito – Plan 1	1,047.23	27.71	400.32	0.806
M-4	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-5	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-6	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-7	Montecito – Plan 4	1,230.00	21.65	378.74	0.806
M-8	Montecito – Plan 4	1,230.00	21.65	378.74	0.806
M-9	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-10	Montecito – Plan 2	1,109.34	30.25	419.98	0.806
M-11	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-12	Montecito – Plan 4	1,230.00	21.65	378.74	0.806
M-13	Montecito – Plan 4	1,230.00	21.65	378.74	0.806
M-14	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-15	Montecito – Plan 1	1,047.23	27.71	400.32	0.806

Montecito, Phase 2

Apt. No.	Plan Type	Net Living Area (sq. ft.)	Net Covered Entry (sq. ft.)	Net Garage Area (sq. ft.)	Common Interest
M-16	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-17	Montecito – Plan 2	1,109.34	30.25	419.98	0.806
M-18	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-19	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-20	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-21	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-22	Montecito – Plan 2	1,109.34	30.25	419.98	0.806
M-23	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-24	Montecito – Plan 4	1,230.00	21.65	378.74	0.806
M-25	Montecito – Plan 4	1,230.00	21.65	378.74	0.806
M-26	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-27	Montecito – Plan 1	1,047.23	27.71	400.32	0.806
M-28	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-29	Montecito – Plan 2	1,109.34	30.25	419.98	0.806
M-30	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-31	Montecito – Plan 3	1,198.36	21.65	395.91	0.806

Montecito, Phase 3

Apt. No.	Plan Type	Net Living Area (sq. ft.)	Net Covered Entry (sq. ft.)	Net Garage Area (sq. ft.)	Common Interest
M-32	Montecito – Plan 2	1,109.34	30.25	419.98	0.806
M-33	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-34	Montecito – Plan 1	1,047.23	27.71	400.32	0.806
M-35	Montecito – Plan 3	1,198.36	21.65	395.91	0.806

M-36	Montecito – Plan 2	1,109.34	30.25	419.98	0.806
M-37	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-38	Montecito – Plan 1	1,047.23	27.71	400.32	0.806
M-39	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-40	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-41	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-42	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-43	Montecito – Plan 4	1,230.00	21.65	378.74	0.806
M-44	Montecito – Plan 4	1,230.00	21.65	378.74	0.806
M-45	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-46	Montecito – Plan 2	1,109.34	30.25	419.98	0.806
M-47	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-48	Montecito – Plan 3	1,198.36	21.65	395.91	0.806

Montecito, Phase 4

Apt. No.	Plan Type	Net Living Area (sq. ft.)	Net Covered Entry (sq. ft.)	Net Garage Area (sq. ft.)	Common Interest
M-49	Montecito – Plan 4	1,230.00	21.65	378.74	0.806
M-50	Montecito – Plan 2	1,109.34	30.25	419.98	0.806
M-51	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-52	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-53	Montecito – Plan 4	1,230.00	21.65	378.74	0.806
M-54	Montecito – Plan 4	1,230.00	21.65	378.74	0.806
M-55	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-56	Montecito – Plan 1	1,047.23	27.71	400.32	0.806
M-57	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-58	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-59	Montecito – Plan 2	1,109.34	30.25	419.98	0.806
M-60	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-61	Montecito – Plan 3	1,198.36	21.65	395.91	0.806

Tuscany, Phase 1

Apt. No.	Plan Type	Net Living Area (sq. ft.)	Net Covered Entry (sq. ft.)	Net Garage Area (sq. ft.)	Common Interest
T-1	Tuscany – Plan 3	1,438.73	31.07	367.91	0.807
T-2	Tuscany – Plan 2	1,404.00	15.57	396.67	0.807
T-3	Tuscany – Plan 4	1,523.31	16.91	193.50	0.807
T-4	Tuscany – Plan 3	1,438.73	31.07	367.91	0.807
T-5	Tuscany – Plan 1	1,175.93	23.59	364.83	0.807
T-6	Tuscany – Plan 2	1,404.00	15.57	396.67	0.807
T-7	Tuscany – Plan 4	1,523.31	16.91	193.50	0.807
T-8	Tuscany – Plan 3	1,438.73	31.07	367.91	0.807
T-9	Tuscany – Plan 1	1,175.93	23.59	364.83	0.807
T-10	Tuscany – Plan 3	1,438.73	31.07	367.91	0.807
T-11	Tuscany – Plan 3	1,438.73	31.07	367.91	0.807
T-12	Tuscany – Plan 2	1,404.00	15.57	396.67	0.807
T-13	Tuscany – Plan 3	1,438.73	31.07	367.91	0.807
T-14	Tuscany – Plan 1	1,175.93	23.59	364.83	0.807
T-15	Tuscany – Plan 3	1,438.73	31.07	367.91	0.807

T-16	Tuscany – Plan 2	1,404.00	15.57	396.67	0.807
T-17	Tuscany – Plan 3	1,438.73	31.07	367.91	0.807
T-18	Tuscany – Plan 4	1,523.31	16.91	193.50	0.807
T-19	Tuscany – Plan 2	1,404.00	15.57	396.67	0.807

Tuscany, Phase 2

Apt. No.	Plan Type	Net Living Area (sq. ft.)	Net Covered Entry (sq. ft.)	Net Garage Area (sq. ft.)	Common Interest
T-20	Tuscany – Plan 5	1,484.85	27.71	442.92	0.807
T-21	Tuscany – Plan 5	1,484.85	27.71	442.92	0.807
T-22	Tuscany – Plan 2	1,404.00	15.57	396.67	0.807
T-23	Tuscany – Plan 4	1,523.31	16.91	193.50	0.807
T-24	Tuscany – Plan 3	1,438.73	31.07	367.91	0.807
T-25	Tuscany – Plan 5	1,484.85	27.71	442.92	0.807
T-26	Tuscany – Plan 5	1,484.85	27.71	442.92	0.807
T-27	Tuscany – Plan 3	1,438.73	31.07	367.91	0.807
T-28	Tuscany – Plan 4	1,523.31	16.91	193.50	0.807
T-29	Tuscany – Plan 2	1,404.00	15.57	396.67	0.807
T-30	Tuscany – Plan 3	1,438.73	31.07	367.91	0.807
T-31	Tuscany – Plan 4	1,523.31	16.91	193.50	0.807
T-32	Tuscany – Plan 2	1,404.00	15.57	396.67	0.807
T-33	Tuscany – Plan 3	1,438.73	31.07	367.91	0.807
T-34	Tuscany – Plan 2	1,404.00	15.57	396.67	0.807
T-35	Tuscany – Plan 1	1,175.93	23.59	364.83	0.807
T-36	Tuscany – Plan 4	1,523.31	16.91	193.50	0.807

Tuscany, Phase 3

Apt. No.	Plan Type	Net Living Area (sq. ft.)	Net Covered Entry (sq. ft.)	Net Garage Area (sq. ft.)	Common Interest
T-37	Tuscany – Plan 3	1,438.73	31.07	367.91	0.807
T-38	Tuscany – Plan 2	1,404.00	15.57	396.67	0.807
T-39	Tuscany – Plan 1	1,175.93	23.59	364.83	0.807
T-40	Tuscany – Plan 4	1,523.31	16.91	193.50	0.807
T-41	Tuscany – Plan 3	1,438.73	31.07	367.91	0.807
T-42	Tuscany – Plan 4	1,523.31	16.91	193.50	0.807
T-43	Tuscany – Plan 3	1,438.73	31.07	367.91	0.807
T-44	Tuscany – Plan 4	1,523.31	16.91	193.50	0.807
T-45	Tuscany – Plan 2	1,404.00	15.57	396.67	0.807
T-46	Tuscany – Plan 3	1,438.73	31.07	367.91	0.807
T-47	Tuscany – Plan 4	1,523.31	16.91	193.50	0.807
T-48	Tuscany – Plan 2	1,404.00	15.57	396.67	0.807
T-49	Tuscany – Plan 3	1,438.73	31.07	367.91	0.807
T-50	Tuscany – Plan 5	1,484.85	27.71	442.92	0.807
T-51	Tuscany – Plan 5	1,484.85	27.71	442.92	0.807
T-52	Tuscany – Plan 1	1,175.93	23.59	364.83	0.807
T-53	Tuscany – Plan 4	1,523.31	16.91	193.50	0.807
T-54	Tuscany – Plan 3	1,438.73	31.07	367.91	0.807

Montecito/Tuscany Model Complex

Apt. No.	Plan Type	Net Living Area (sq. ft.)	Net Covered Entry (sq. ft.)	Net Garage Area (sq. ft.)	Common Interest
T-135	Tuscany – Plan 1	1,175.93	23.59	364.83	0.806
T-136	Tuscany – Plan 2	1,404.00	15.57	396.67	0.806
T-137	Tuscany – Plan 3	1,438.73	31.07	367.91	0.806
T-138	Tuscany – Plan 4	1,523.31	16.91	193.50	0.807
T-139	Tuscany – Plan 5	1,484.85	27.71	442.92	0.807
M-140	Montecito – Plan 1	1,047.23	27.71	400.32	0.806
M-141	Montecito – Plan 2	1,109.34	30.25	419.98	0.806
M-142	Montecito – Plan 3	1,198.36	21.65	395.91	0.806
M-143	Montecito – Plan 4	1,230.00	21.65	378.74	0.806

NOTE: As nearly as practicable, the common interest for each residential Apartment was determined on a per unit basis. Developer reserves the right to make adjustments so that the total common interest count equals exactly one hundred percent (100%).

DESCRIPTION OF FLOOR PLANS

Montecito, Plan 1 (3 Bedroom, 2 Bath)
Two story three bedroom, two bath Apartment with the master bedroom and master bathroom on the ground floor, connected by an interior stairway to the second floor which has two bedrooms, a bathroom, a living room, a dining room, and a kitchen. The Apartment also includes an entry porch and a two car garage containing one standard and one compact parking stall. Certain Apartments may have a trellis built off of the master bedroom and an enlarged concrete slab, all as depicted on the Option 1 drawings of the Condominium Map. Developer shall indicate when it files the "as-built" verified statement referenced in Section 19.3(a), which Apartments were built with the optional trellis. All Apartments have a fenced back yard limited common element. The Apartment has a net living area of approximately 1,047.23 square feet, a net entry porch area of approximately 27.71 square feet and a net garage area of approximately 400.32 square feet.

Montecito, Plan 2 (3 Bedroom, 2 ½ Bath)
Two story three bedroom, two and one-half bath Apartment with the half bathroom, living room and kitchen on the ground floor, connected by an interior stairway to the second floor which has a master bedroom, a master bathroom, two additional bedrooms and another bathroom. The Apartment also includes an entry porch and a two car garage containing one standard and one compact parking stall. Certain Apartments may have a covered lanai built off of the kitchen, as depicted on the Option 1 drawings of the Condominium Map. Developer shall indicate when it files the "as-built" verified statement referenced in Section 19.3(a), which Apartments were built with the optional covered lanai. All Apartments have a fenced back yard limited common element. The Apartment has a net living area of approximately 1,109.34 square feet, a net entry porch area of approximately 30.25 square feet and a net garage area of approximately 419.98 square feet.

Montecito, Plan 3 (3 Bedroom, 2 ½ Bath)
Two story three bedroom, two and one-half bath Apartment with the half bathroom, living room and kitchen on the ground floor, connected by an interior stairway to the second floor which has a master bedroom, a master bathroom, two additional bedrooms and another bathroom. The Apartment also includes an entry porch and a two car garage containing one standard and one compact parking stall. Certain Apartments may have a covered lanai built off of the kitchen, as depicted on the Option 1 drawings of the Condominium Map. Developer shall indicate when it files the "as-built" verified statement referenced in Section 19.3(a), which Apartments were built with the optional covered lanai. All Apartments have a fenced back yard limited common element. The

Apartment has a net living area of approximately 1,198.36 square feet, a net entry porch area of approximately 21.65 square feet and a net garage area of approximately 395.91 square feet.

Montecito, Plan 4 (3 Bedroom, 2 ½ Bath)
Two story three bedroom, two and one-half bath Apartment with the half bathroom, living room and kitchen on the ground floor, connected by an interior stairway to the second floor which has a master bedroom, a master bathroom, two additional bedrooms and another bathroom. The Apartment also includes an entry porch and a two car garage containing one standard and one compact parking stall. Certain Apartments may have a covered lanai built off of the kitchen, as depicted on the Option 1 drawings of the Condominium Map. Developer shall indicate when it files the "as-built" verified statement referenced in Section 19.3(a), which Apartments were built with the optional covered lanai. All Apartments have a fenced back yard limited common element. The Apartment has a net living area of approximately 1,230.00 square feet, a net entry porch area of approximately 21.65 square feet and a net garage area of approximately 378.74 square feet.

Tuscany, Plan 1 (3 Bedroom, 2 ½ Bath)
Two story three bedroom, two and one-half bath Apartment with the kitchen, dining room, living room and half bathroom on the ground floor, connected by an interior stairway to the second floor which has a master bedroom, a master bathroom, two additional bedrooms and another bathroom. The Apartment also includes an entry porch and a two car garage containing one standard and one compact parking stall. An optional covered lanai built off of the dining room is depicted on the Option 1 drawings of the Condominium Map. Developer shall indicate when it files the "as-built" verified statement referenced in Section 19.3(a), which Apartments were built with an optional covered lanai. All Apartments have a fenced back yard limited common element. The Apartment has a net living area of approximately 1,175.93 square feet, a net entry porch area of approximately 23.59 square feet and a net garage area of approximately 364.83 square feet.

Tuscany, Plan 2 (4 Bedroom, 2 ½ Bath)
Two story four bedroom, two and one half bath Apartment with the kitchen, dining room, living room and half bathroom on the ground floor, connected by an interior stairway to the second floor which has a master bedroom, a master bathroom, three additional bedrooms and another bathroom. The Apartment also includes an entry porch and a two car garage containing one standard and one compact parking stall. An optional covered lanai built off of the dining room is depicted on the Option 1 drawings of the Condominium Map. An optional expanded Master Bedroom, which combines the Master Bedroom with Bedroom No. 2, is depicted on the Option 2 drawings of the Condominium Map. Developer shall indicate when it files the "as-built" verified statement referenced in Section 19.3(a), which Apartments were built with optional floor plans. All Apartments have a fenced back yard limited common element. The Apartment has a net living area of approximately 1,404.00 square feet, a net entry porch area of approximately 15.57 square feet and a net garage area of approximately 396.67 square feet.

Tuscany, Plan 3 (4 Bedroom, 2 ½ Bath)
Two story four bedroom, two and one half bath Apartment with the kitchen, dining room, living room, laundry room and half bathroom on the ground floor, connected by an interior stairway to the second floor which has a master bedroom, a master bathroom, three additional bedrooms and another bathroom. The Apartment also includes an entry porch and a two car garage containing one standard and one compact parking stall. An optional covered lanai built off of the dining room is depicted on the Option 1 drawings of the Condominium Map. An optional expanded Master Bedroom, which combines the Master Bedroom with Bedroom No. 2, is depicted on the Option 2 drawings of the Condominium Map. Developer shall indicate when it files the "as-built" verified statement referenced in Section 19.3(a), which Apartments were built with optional floor plans. All Apartments have a fenced back yard limited common element. The Apartment has a net living area of approximately 1,438.73 square feet, a net entry porch area of approximately 31.07 square feet and a net garage area of approximately 367.91 square feet.

Tuscany, Plan 4 (5 Bedroom, 3 Bath)
Two story five bedroom, three bath Apartment with the kitchen, dining room, living room, laundry room, bathroom and a bedroom on the ground floor, connected by an interior stairway to the second floor which has a master bedroom, a master bathroom, three additional bedrooms and another bathroom. The Apartment also includes an entry porch and a one car garage containing one compact parking stall. An optional covered lanai built off of the dining room is depicted on the Option 1 drawings of the Condominium Map. An optional expanded Master Bedroom, which combines the Master Bedroom with Bedroom No. 2, is depicted on the Option 2 drawings of the Condominium Map. Developer shall indicate when it files the "as-built" verified statement referenced in Section 19.3(a), which Apartments were built with optional floor plans. All Apartments have a fenced back yard limited common element, an appurtenant uncovered standard size parking stall located adjacent to the garage. The Apartment has a net living area of approximately 1,523.31 square feet, a net entry porch area of approximately 16.91 square feet and a net garage area of approximately 193.50 square feet.

Tuscany, Plan 5 (4 Bedroom, 2 ½ Bath)
Two story four bedroom, two and one half bath Apartment with the kitchen, dining room, living room, laundry room and half bathroom on the ground floor, connected by an interior stairway to the second floor which has a master bedroom, a master bathroom, three additional bedrooms and another bathroom. The Apartment also includes a two car garage containing one standard and one compact parking stall. An optional covered lanai built off of the dining room is depicted on the Option 1 drawings of the Condominium Map. An optional expanded Master Bedroom, which combines the Master Bedroom with Bedroom No. 2, is depicted on the Option 2 drawings of the Condominium Map. Developer shall indicate when it files the "as-built" verified statement referenced in Section 19.3(a), which Apartments were built with optional floor plans. All Apartments have a fenced back yard limited common element. The Apartment has a net living area of approximately 1,484.85 square feet, a net entry porch area of approximately 27.71 square feet and a net garage area of approximately 442.92 square feet.

Sales Office
The Apartment is a two story three bedroom, two and one-half bath Apartment with the kitchen, dining room, living room and half bathroom on the ground floor, connected by an interior stairway to the second floor which has a master bedroom, a master bathroom, two additional bedrooms and another bathroom. The Apartment also includes an entry porch and a sales office area. The Apartment has a net floor area of approximately 1,175.93 square feet.

NOTE: The sizes and configurations of the fenced yard reflected on the Condominium Map are approximations only. Actual sizes and configurations may vary due to the placement and location of utilities and due to varying terrain surrounding each building.

END OF EXHIBIT "B"

EXHIBIT "C"

COMMON ELEMENTS

1. The land covered by Lots 16020, 16022 to 16028, inclusive,, Map 1252 of Land Court Application 1069. The land is further described in Exhibit "A" of the Declaration
2. All yards, grounds, planting areas, gates, fences, retaining walls (if any), trash collection areas and walkways;
3. All access lanes, roads, curbs, sidewalks and street lights;
4. Visitor parking stall nos. 1 to 79, inclusive, as shown on the Condominium Map;
5. Installations for services such as pipes, cables, conduits, ducts, electrical equipment, wiring and other central appurtenant transmission facilities and installations over, under or across the Project which serve more than one Apartment for services such as power, light, gas, hot water, cold water, sewage, drainage, telephone, radio and television signal distribution, if any;
6. Any apparatus and installations existing for common use, such as tanks, pumps, irrigation lines, motors, fans, compressors, ducts, vents and other such installations and apparatus; and
7. All other parts of the Project necessary or convenient to its existence, maintenance and safety or normally in common use.

END OF EXHIBIT "C"

EXHIBIT "D"

ENCUMBRANCES AGAINST TITLE

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

2. Restrictions, covenants and conditions as contained in that certain Ewa by Gentry Community Area Declaration of Covenants, Conditions and Restrictions dated July 21, 1988, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1568352, as amended by instrument dated May 30, 1989, recorded in the Office of said Assistant Registrar as Document No. 1652869, as further amended by instrument dated June 21, 1991, recorded in the Office of the Assistant Registrar as Document No. 1888053, and as may be further amended from time to time. The Project was made subject to the above Declaration of Covenants, Conditions and Restrictions by that certain Declaration of Addition of Real Property dated July 20, 2000 and recorded in said Office of the Assistant Registrar as Document No. 2639394.

3. Covenants, conditions, restrictions and other provisions set forth in that certain Declaration of Restrictions dated August 22, 1989 and recorded in said Office of the Assistant Registrar as Document No. 1661671.

4. Declaration of Covenants, Conditions and Restrictions on Use and Reservations (Fairways Properties) dated September 30, 2003, recorded in said Office of the Assistant Registrar as Document No. 3002894;

5. Terms and conditions of that certain Deed and Use Restrictions dated September 30, 2003, recorded in said Office of the Assistant Registrar as Document No. 3002895;

6. Terms and conditions of that certain Declaration of Confirmation of certain Exceptions, Reservations and Encumbrances Affecting Property (Fairways Properties) dated September 30, 2003 and recorded in the Bureau of Conveyances as Document No. 2003-212181.

7. Terms and conditions of that certain notice of Imposition of Conditions by the Land Use Commission dated December 1, 2003 and recorded in the Bureau of Conveyances as Document No. 2003-269381.

8. Declaration of Land Use Conditions dated February 9, 2004, recorded in said Office of the Assistant Registrar as Document No. 3068154;

9. Unilateral Agreement and Declaration for Conditional Zoning dated March 16, 2004, recorded in said Office of the Assistant Registrar as Document No. 3084363;

10. Mortgage made by Gentry Investment Properties, a Hawaii limited partnership and Gentry Homes, Ltd., a Hawaii corporation, in favor of Bank of Hawaii, a Hawaii corporation, as agent dated August 1, 2004 and recorded in said Office of the Assistant Registrar as Document No. 3148449. *[Developer intends to record a document to release this encumbrance prior to conveyance of apartment to buyer.]*

11. Assignment of Sales Contracts and Sales Proceeds made by Gentry Homes, Ltd. in favor of Bank of Hawaii, a Hawaii corporation, as agent dated August 1, 2004 and recorded in said Bureau of Conveyances as Document No. 2004-162053. *[Developer intends to record a document to release this encumbrance prior to conveyance of apartment to buyer.]*

12. Financing Statement made by Gentry Investment Properties, a Hawaii limited partnership and Gentry Homes, Ltd., a Hawaii corporation in favor of Bank of Hawaii, a Hawaii corporation, as agent recorded on August 9, 2004 in said Bureau of Conveyances as Document No. 2004-162054. *[Developer intends to record a document to release this encumbrance prior to conveyance of apartment to buyer.]*

13. **As to Said Lot 16020 Only:**
The designation of Easement 8528, for access and utility purposes, as shown on Map 1252 of Land Court Application No. 1069, as set forth by Land Court Order No. 162378, recorded in said Office of the Assistant Registrar on July 25, 2005.

14. **As to Said Lot 16022 Only:**
The designation of Easement 8530, for access and utility purposes, as shown on Map 1252 of Land Court Application No. 1069, as set forth by Land Court Order No. 162378, recorded in said Office of the Assistant Registrar on July 25, 2005.

15. **As to Said Lot 16023 Only:**
The designation of Easement 8531, for access and utility purposes, as shown on Map 1252 of Land Court Application No. 1069, as set forth by Land Court Order No. 162378, recorded in said Office of the Assistant Registrar on July 25, 2005.

16. **As to Said Lot 16024 Only:**
The designation of Easement 8532, for access and utility purposes, as shown on Map 1252 of Land Court Application No. 1069, as set forth by Land Court Order No. 162378, recorded in said Office of the Assistant Registrar on July 25, 2005.

17. **As to Said Lot 16025 Only:**
The designation of Easement 8533, for access and utility purposes, as shown on Map 1252 of Land Court Application No. 1069, as set forth by Land Court Order No. 162378, recorded in said Office of the Assistant Registrar on July 25, 2005.

18. **As to Said Lot 16026 Only:**
The designation of Easement 8534, for access and utility purposes, as shown on Map 1252 of Land Court Application No. 1069, as set forth by Land Court Order No. 162378, recorded in said Office of the Assistant Registrar on July 25, 2005.

19. **As to Said Lot 16027 Only:**
The designation of Easement 8535, for access and utility purposes, as shown on Map 1252 of Land Court Application No. 1069, as set forth by Land Court Order No. 162378, recorded in said Office of the Assistant Registrar on July 25, 2005.

20. **As to Said Lot 16028 Only:**
The designation of Easement 8536, for access and utility purposes, as shown on Map 1252 of Land Court Application No. 1069, as set forth by Land Court Order No. 162378, recorded in said Office of the Assistant Registrar on July 25, 2005.

21. Terms, provisions, covenants and conditions of that certain Agreement for Issuance of Conditional Use Permit Under Section 21-5.380 of the Land Use Ordinance (LUO) dated July 25, 2005, recorded in said Office of the Assistant Registrar as Document No. 3306669.

22. Terms and provisions of that certain Declaration of Merger; Consent dated August 16, 2005, recorded in said Office of the Assistant Registrar as Document Nos. 3314878 and 3314879.

23. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the Declaration of Condominium Property Regime of MONTECITO/TUSCANY dated August 10, 2005 recorded in said Office of the Assistant Registrar as Document No. 3317144 and Condominium Map No. 1734, to which reference is hereby made. Said Declaration and Condominium Map were amended by that certain First Amendment to Declaration recorded as Document No. 3319303, by that certain Second Amendment to Declaration recorded as Document No. 3320781, by that certain Third Amendment to Declaration recorded as Document No. 3322232, by that certain Fourth Amendment to Declaration recorded as Document No. 3323166, by that certain Fifth Amendment to Declaration recorded as Document No. 3324342, by that certain Sixth Amendment to Declaration recorded as Document No. 3324468 and by that certain Seventh Amendment recorded as Document No. 3340508.

24. By-Laws of the Association of Apartment Owners of MONTECITO/TUSCANY dated August 10, 2005 and recorded in said Office of the Assistant Registrar as 3317145.

25. Grant of Easement in favor of Hawaiian Electric Company, Inc., a Hawaii corporation and Hawaiian Telcom, Inc., a Hawaii corporation, dated November 3, 2005 and recorded in said Office of the Assistant Registrar as Document No. 3354165.

26. Certificate of Administrative Merger of Montecito/Tuscany and Montecito/Tuscany II dated January 13, 2006 but effective February 1, 2006 and recorded in said Office of the Assistant Registrar as Document No. 3382035.

27. Grant of Easement in favor of Hawaiian Electric Company, Inc., a Hawaii corporation and Hawaiian Telcom, Inc., a Hawaii corporation, dated January 20, 2006 and recorded in said Office of the Assistant Registrar as Document No. 3382357.

28. Certificate of Administrative Merger of Montecito/Tuscany; Montecito/Tuscany II and Montecito/Tuscany III dated March 15, 2007 but effective April 1, 2007 and recorded in said Office of the Assistant Registrar as Document No. 3584547.

29. Real property taxes due and payable, refer to Director of Finance, City and County of Honolulu.

END OF EXHIBIT "D"

EXHIBIT "E"

EXISTING BUDGET AND INITIAL MAINTENANCE FEE SCHEDULE

(Subject to change by the Board of Directors)

CERTIFICATE

I, the undersigned, duly sworn on oath, depose and affirm as follows:

1. That I am the Senior Vice President for Hawaiiana Management Company, Ltd., a Hawaii corporation, designated by the Developer of the Montecito/Tuscany condominium project (the "Project") to act as the Managing Agent for the management and administration of the Project.

2. That I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated cost for each unit in the Project, as set forth in Exhibit "1" attached hereto and hereby incorporated herein by reference, were determined pursuant to a reserve study conducted in accordance with Section 514B-148 of the Hawaii Revised Statutes and Chapter 107 of the Hawaii Administrative Rules, and are reasonable estimates for the one-year period commencing April 7, 2007, based on generally accepted accounting principles.

DATED: Honolulu, Hawaii, this 28th day of June, 2007.

Ted Walkey

Name: Ted Walkey
Title: Senior Vice President

Subscribed and sworn to before me
this 28th day of June, 2007.

Bruce Howe

Typed or Printed Name: Bruce Howe
Notary Public, State of Hawaii

My commission expires: 3-6-2010

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

Montecito/Tuscany
Budget 2007

	Monthly	Annually
Administration		
Tax Preparation/Audit	$100	$1,200
Legal Fees	$300	$3,600
Property Management/Accounting	$2,583	$30,996
Design Review	$500	$6,000
Mgmt. Office Expenses	$1,400	$16,800
AOAO Office Expenses	$300	$3,600
Vehicle Expenses	$50	$600
Miscellaneous Expenses(1)	$125	$1,500
Payroll & Benefits		
Site Manager - Full Time	$3,200	$38,400
Assistant Site Manager - Full Time	$2,400	$28,800
Interim Site Mgr. Svs	$1,000	$12,000
Payroll Taxes	$400	$4,800
Workers Compensation	$300	$3,600
TDI	$35	$420
Health Care	$500	$6,000
Payroll Preparation	$125	$1,500
Maintenance, Repair, Supplies		
Grounds/Yards & Common	$11,000	$132,000
Landscape/Irrigation Extras	$450	$5,400
Contract Pool & Supplies	$600	$7,200
Cleaning Supplies - Rec Ctr	$150	$1,800
Pest Control - Rec Center	$200	$2,400
Community Event	$167	$2,000
Miscellaneous Repairs & Purchases(2)	$500	$6,000
Utilities		
Electricity	$3,800	$45,600
Water - Potable (3)	$4,000	$48,000
Sewer	$13,000	$156,000
Irrigation Non-Potable Water (4)	$300	$3,600
Telephone	$300	$3,600
Propane Fuel	$40	$480

Montecito/Tuscany
Budget 2007

10/3/06

	Monthly	Annually
Insurance		
Master Policy	$20,427	$245,129
Recreation Center Policy	$500	$6,000
Taxes & Government Assessments		
GET	$45	$540
Reserves	$5,000	$60,000
TOTAL DISBURSEMENTS	$73,797	$885,565
Monthly Maintenance Fee Amount	**$207.30**	**Per Unit**

(1) Recording secretary, tally clerk, meeting overtime charges
(2) Misc. fence & electric repairs
(3) Potable water only. Used in homes and does not include irrigation
(4) Non-Potable water used for common area irrigation

Note: The foregoing maintenance fees do not include the dues payable to the Ewa By Gentry Community Association.

EXHIBIT "E-1"

MONTECITO/TUSCANY RECREATION CENTER LICENSE

LICENSE

Effective September 19, 2005 GENTRY HOMES, LTD., a Hawaii corporation ("Gentry") hereby grants a license to the ASSOCIATION OF APARTMENT OWNERS OF MONTECITO/TUSCANY (the "Association") to use the facilities as described below, subject to the terms and conditions set forth in this License. The Association is an unincorporated association with its address c/o Hawaiiana Management Company, 711 Kapiolani Boulevard, Suite 700, Honolulu, Hawaii 96813.

A. Facilities. Gentry is the developer of the Montecito/Tuscany condominium project, located in Ewa by Gentry, Hawaii. Montecito/Tuscany is located in the "Merged Area" as defined in that certain Declaration of Intent to Merge recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3314878. Under Gentry's current plans, there will be developed in the Merged Area, the Montecito/Tuscany condominium project and two additional condominium projects called Montecito/Tuscany II and Montecito/Tuscany III (collectively, the "Condominium Projects"). Gentry has completed a recreational facility on Lot 16021, Map 1252, Ld.Ct. App. 1069 (the "Premises"), which will serve all of the residents of the Merged Area. Section 18.3(b) of the Montecito/Tuscany provides in part as follows:

> "If the Developer completes the development of the Recreation Center prior to the completion of all of the condominium projects within the Merged Area, the Developer may grant to the respective associations of the then-completed condominium projects a license to use the Recreation Center, provided that the association(s) will bear the costs of maintaining and operating the facilities of the Recreation Center. Any such license shall automatically expire upon the conveyance of the fee interest in the Recreation Center to the respective associations in the Merged Area."

Gentry has not yet completed all condominium projects within the Merged Area, and therefore desires to grant a non-exclusive license to the Association at this time, in order to allow the residents of the Association the right to use the Premises. As and when the other Condominium Projects are developed in the Merged Area, similar licenses to use the Premises shall also be granted to the associations of the other Condominium Projects.

B. Grant of License; Purpose. Gentry hereby grants to the Association a non-exclusive license to enter and use the Premises, for the purposes and on the terms and conditions set forth below ("License"). By purchasing a unit in the Montecito/Tuscany condominium

project, the members of the Association automatically agree to the terms and conditions set forth in this License. The Premises shall be used for recreational purposes only and shall be made available to all members of the Association and all owners, tenants and occupants of the Condominium Projects. Gentry hereby establishes the initial rules and regulations concerning the use of the Premises which are attached to this License. As of November 1, 2005, the Association shall have the right to impose reasonable rules and regulations concerning the use of the Premises which shall apply to all users. However, said rules and regulations will be subject to Gentry's review and approval until the Premises have been conveyed in fee to the Association.

C. **Term.** The term of this License shall commence as of the Effective Date and shall automatically end as of the date that the fee interest in the Premises is conveyed to the several associations of the Condominium Projects as tenants in common.

D. **Condition of the Premises.** The Premises are being made available for use by the Association in their "AS IS" condition. However, the Association and Gentry shall conduct a joint inspection of the Premises within two (2) weeks after the first meeting of the members of the Association. Except for any punch list items which may be generated at said inspection, and except as set forth in Section E below, Gentry shall not be required to make any repairs or construct any additional improvements to the Premises.

E. **Responsibility to Operate and Maintain.** Gentry shall be responsible for the maintenance, operation and repair of the entire Premises, from the Effective Date through October 31, 2005. As of November 1, 2005, the Association shall be responsible for the maintenance, operation and repair of the entire Premises, including without limitation the repair and maintenance of the landscaping, buildings, and pool facilities. The Association shall keep the Premises in good and safe condition and repair, and shall be responsible for complying with all governmental regulations and requirements relating to the use and operation of the Premises. Gentry shall have the right to periodically inspect the Premises, and if Gentry reasonably believes that they are not being adequately maintained, then Gentry may give notice of such deficiency to the Association (or its managing agent), and the Association shall take prompt action to remedy the problem. During the terms of this License, the Association shall not make any alterations, additions or improvements to the Premises without the prior written consent of Gentry.

F. **Costs and Expenses.** The Association shall not be required to pay Gentry a license fee for the use of the Premises. As of November 1, 2005, the Association shall be responsible for all costs and expenses associated with the operation, maintenance and repair of the Premises, including without limitation the following: real property taxes and assessments and insurance allocable to the Premises, utilities (electricity, gas, water, sewer and trash removal), landscaping, and maintenance. However, Gentry shall pay to the Association the amounts specified on the Montecito/Tuscany Budget and Initial Maintenance Fee Schedule dated August 31, 2005. The amounts shown on said budget will be paid by Gentry through February 1, 2006. Gentry will meet with the Board of Directors of the Association prior to February 1, 2006 to discuss any possible extensions of such payments. Any such extensions are at Gentry's sole discretion.

G. **Hazardous Materials.** The Association will not use, produce, store, dispose of or allow to exist on, under or about the Premises, any Hazardous Materials, except in full compliance with all applicable laws, rules and regulations. The Association will indemnify, defend and hold Gentry, and its agents and representatives harmless from and against all losses, claims, damages (including foreseeable or unforeseeable consequential damages) and liabilities which may arise out of or may be directly or indirectly attributable to the Association's use, production, storage, or disposal of any Hazardous Materials on, under or about the Premises. The term "Hazardous Materials" means any and all compounds, substances, elements, and materials which have been determined by any governmental authority to be capable of posing a risk or injury to health, safety or property. If the presence of Hazardous Materials on the Premises caused or permitted by the Association results in the contamination of the Premises, the Association shall at its expense take all action necessary to immediately return the Premises to the condition existing prior to the appearance of the Hazardous Materials.

H. **Indemnification; Insurance.** The Association assumes all risk of bodily injury or death and all negligence, loss or damage to all personal property owned, placed or stored on the Premises and/or relating to the use of the Premises and agrees that Gentry shall not be responsible for such loss or damage. The Association agrees to indemnify and hold Gentry, and its agents, representatives and employees, harmless from and against all losses, claims, damages, or liability arising out of the use or occupancy of the Premises or arising out of the Association's

failure to comply with the terms of this License. The Association shall, during the entire term of the License, keep in full force and effect (i) a policy of commercial general liability insurance covering the Premises in the minimum limits of $1,000,000 per occurrence, $2,000,000 annual aggregate, and (ii) property insurance covering all improvements on the Premises, including outdoor properties and also including Tenant's personal property in or upon the Premises, in an amount equal to one hundred percent of full replacement cost at the time of loss, which policies shall each name Gentry as an additional insured. The Association shall deliver to Gentry a copy of the policies or certificate thereof, within five (5) days after request from Gentry. Any such policy shall provide that it may not be canceled or altered without thirty (30) days' prior written notice to Gentry.

I. **No Assignment.** The Association may not assign, sublet or otherwise transfer this License or its interest in the Premises or any portion thereof without the prior written consent of Gentry.

J. **General.** This License shall be governed and construed in accordance with the laws of the State of Hawaii. This License contains the entire terms and conditions regarding the use of the Premises and it may not be amended unless otherwise agreed to in writing by both Gentry and the Association. The invalidity or unenforceability of any provision of this License shall not affect the validity of any other provision, and all other provisions shall remain in full force and effect. This License shall be binding upon and shall inure to the benefit of the parties and their respective heirs, successors and permitted assigns. Any dispute between the parties arising out of this License shall be subject to the mediation and arbitration provisions set forth in the sales contracts of individual units sold to buyers in the Merged Area.

By signing below, Gentry, acting upon its own behalf and as the initial Association of Apartment Owners of Montecito/Tuscany, agrees with all matters set forth in this License.

GENTRY HOMES, LTD.,
a Hawaii corporation

By _____
Robert W. Brant
Its President

MONTECITO/TUSCANY
COMMUNITY CENTER RULES

1. **NO LIFEGUARD ON DUTY.** *Use of all Community Center facilities is at your own risk.*

2. *Use of the* **POOLSIDE SHOWER IS REQUIRED FOR ALL SWIMMERS BEFORE ENTERING THE POOL. USE WATERPROOF SUNSCREEN ONLY –** *oils and excess product will damage our pool pump.*

3. **SWIM DIAPERS ONLY** *must be worn by those in diapers to prevent contamination of the pool.*

4. *All swimmers must wear appropriate swim attire.* **NO STREET CLOTHES** *allowed in the pool.*

5. **NO DIVING, RUNNING, JUMPING, HORSEPLAY, OR EXCESSIVE NOISE** *allowed at the Community Center.*

6. **NO SPOUTING OF WATER OR DISCHARGING OF BODILY FLUIDS** *allowed in the pool.* **PLEASE USE THE TOILETS IN OUR RESTROOMS.**

7. **NO PERSONAL FLOTATION DEVICES** *may be used in the pool.*

8. **EARPHONES MUST BE USED** *with audio players and all other electronic devices.*

9. **CHILDREN UNDER THE AGE OF 18 MUST BE ACCOMPANIED AT ALL TIMES** *by an adult owner, resident, sponsored houseguest or representative of the Montecito/Tuscany Community Association.*

10. **GUEST MUST BE ACCOMPANIED AT ALL TIMES** *by a resident of the Montecito/Tuscany Community. There is a maximum of 4 guests per household without a prior reservation.*

11. **NO LOITERING, SOLICITING, GAMBLING OR ALCOHOL** *without prior written approval from management.*

12. **NO ANIMALS PERMITTED** *except for certified guide or signal dogs.*

13. **RETURN ALL POOL FURNITURE** *to its original location after use.*

14. **FOOD AND BEVERAGES ARE PERMITTED** *in approved containers and areas.* **NO GLASS CONTAINERS. NO FOOD OR DRINKING IN THE POOL. PLEASE CLEAN UP AND DISPOSE OF ALL RUBBISH.**

15. **PAVILIONS MAY BE RESERVED** *(but not the pool deck or lounge chairs). Please see management for reservations.*

16. **POOL MAY BE CLOSED WITHOUT PRIOR NOTICE** *due to inclement weather, hazardous discharge or at the discretion of the general manager or his/her appointed representative.*

17. **KEEP VALUABLES AT HOME.** *The Association, Board of Directors and Staff are not responsible for any loss, damage or theft of personal items.*

18. **BE CONSIDERATE OF OTHERS.** *Disorderly persons will be removed from the premises immediately. The Association, Board of Directors and Staff are authorized to enforce all Community Center Rules and Regulations.*

EXHIBIT "F"

SUMMARY OF SALES CONTRACT

The Sales Contract contains the price and other terms and conditions under which a buyer will agree to buy an apartment in the Project. Among other things, the Sales Contract states the following:

1. Seller is selling MONTECITO/TUSCANY II pursuant to affordable housing requirements imposed by the City and County of Honolulu (the "City"). Seller will require information from Buyer regarding income and household size to provide to the City for information purposes.

2. Buyer must live in the apartment for at least 365 consecutive days.

3. Buyer has certain obligations if Buyer wants a mortgage loan to cover part of the purchase price.

4. Buyer's money will be held in escrow, under the terms of the Escrow Agreement.

5. Buyer will not receive interest on deposits made under the Sales Contract.

6. The apartment will be subject to various other legal documents which Buyer should examine.

7. The Project will be subject to ongoing construction and sales activities which may result in certain annoyances to Buyer.

8. Seller has no control over certain activities on adjacent property owned by others including agriculture, military, utility and aviation. These activities may cause some inconveniences to Buyer. Buyer will indemnify Seller and the owners of the properties involved except in cases of negligence or willful misconduct.

9. Under certain circumstances where the apartment is ready for occupancy and Buyer has not completed his financing arrangements for the purchase of the apartment, Buyer will be responsible for all of Seller's expenses as a result of Buyer's delay.

10. In the event of default prior to closing under the sales contract:

By Buyer:

a. Seller may cancel the sales contract and retain Buyer's initial deposit;

b. Seller may file a lawsuit for damages;

c. Seller may file a lawsuit for "specific performance"; and

d. Buyer shall be responsible for expenses incurred.

By Seller:

a. Buyer may file a lawsuit for "specific performance";

b. Buyer may cancel the sales contract and Seller will return all deposits, without interest;

c. Buyer has all remedies available at law and in equity.

END OF EXHIBIT "F"

EXHIBIT "G"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement describes the arrangement under which the deposits a buyer makes under a Sales Contract will be held by a neutral party ("Escrow"). The following are relevant terms stated in the agreement:

1. Interest on Buyer's deposits will accrue in favor of the Seller and not the Buyer unless the parties specifically provide otherwise.

2. Escrow will arrange for Buyer to sign all necessary documents.

3. The Escrow Agreement describes the conditions upon which a refund will be made to a buyer.

4. The Escrow Agreement describes what will happen to a buyer's funds if a party defaults under the Sales Contract.

5. The Escrow Agreement contains various other provisions and establishes certain charges with which the Buyer should become acquainted.

END OF EXHIBIT "G"

EXHIBIT "H"

SAMPLE LIMITED WARRANTY

HOME BUILDER'S LIMITED WARRANTY

Administered by Professional Warranty Service Corporation ("**PWC**")

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THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION, WHICH MAY BE ENFORCED BY EITHER PARTY

Throughout this **HOME BUILDER'S LIMITED WARRANTY**, referred to hereinafter as the "**LIMITED WARRANTY**", the words "**YOU**" and "**YOUR**" refer to the **HOMEOWNER**, including any subsequent owners, and, where applicable, a **HOMEOWNERS ASSOCIATION**. The words "**WE**", "**US**" and "**OUR**" refer to the **BUILDER**. The other words and phrases which appear in boldface uppercase type also have special meaning. Refer to the **Section IX. Definitions**, so that **YOU** will understand the terminology applicable to this **LIMITED WARRANTY**.

This **LIMITED WARRANTY** establishes an agreed method for determining when a **CONSTRUCTION DEFECT** exists and a clear understanding of **OUR** responsibilities for remedying any such **CONSTRUCTION DEFECT**. This **LIMITED WARRANTY** also helps distinguish a **CONSTRUCTION DEFECT** that is **OUR** responsibility from those minor imperfections that can reasonably be expected in a **HOME** or the **COMMON ELEMENTS**, or that result from normal wear and tear or the neglect of routine **HOMEOWNER** or **HOMEOWNERS ASSOCIATION** maintenance responsibilities.

This **LIMITED WARRANTY** contains the procedures **YOU** must use to notify **US** of a condition in **YOUR HOME** or the **COMMON ELEMENTS** which **YOU** believe may constitute a **CONSTRUCTION DEFECT**. In the event a condition occurs in the **HOME** or the **COMMON ELEMENTS** that **YOU** believe may constitute a **CONSTRUCTION DEFECT**, **YOU** agree to submit any request for warranty performance in accordance with the procedure described in this **LIMITED WARRANTY**. Based on the information **YOU** provide and, where **WE** deem it necessary, information obtained from **OUR** onsite investigation, inspection and/or testing of the **HOME** or the **COMMON ELEMENTS**, **WE** will determine whether **WE** agree with **YOU** that the condition constitutes a **CONSTRUCTION DEFECT**. If **WE** determine that the condition reported by **YOU** is a **CONSTRUCTION DEFECT**, **WE** will remedy the condition in accordance with the remedies prescribed in this **LIMITED WARRANTY**. **WE** will make this determination in accordance with **Section II**, **OUR Warranty Obligations**, contained in this **LIMITED WARRANTY**.

THIS **LIMITED WARRANTY** PROVIDES THAT ANY AND ALL CLAIMS AND DISPUTES BETWEEN **YOU** AND **US** WHICH **YOU** AND **WE** ARE UNABLE TO RESOLVE BY MUTUAL AGREEMENT, SHALL BE RESOLVED SOLELY AND EXCLUSIVELY THROUGH FINAL AND BINDING ARBITRATION IN ACCORDANCE WITH THE TERMS AND PROCESS DESCRIBED WITHIN THIS DOCUMENT. BY THIS AGREEMENT, BOTH **YOU** AND **WE** ARE WAIVING THE RIGHT TO LITIGATE DISPUTES IN COURT.

To the extent permitted by law, all express or implied warranties other than this **LIMITED WARRANTY**, including any oral or written statement or representation made by **US** or any other person, and any implied warranty of habitability, merchantability or fitness for a particular purpose, are hereby disclaimed by **US** and are waived by **YOU**. **YOUR** only remedy in the event of a **CONSTRUCTION DEFECT** in or to the **HOME** or the **COMMON ELEMENTS** or to the real property on which the **HOME** or the **COMMON ELEMENTS** is situated is that provided to **YOU** under this **LIMITED WARRANTY**.

Enclosed with this **LIMITED WARRANTY** is a Limited Warranty Validation Form. The Limited Warranty Validation Form is a part of the **LIMITED WARRANTY** and provides the dates on which the warranty coverage period begins and expires. It is important that this form be retained with the **LIMITED WARRANTY**.

WE have contracted with **PWC** for certain administrative services relative to this **LIMITED WARRANTY**. **PWC's** sole responsibility is to provide administrative services as set forth herein. Under no circumstances or conditions is **PWC** responsible for fulfilling **OUR** obligations under this **LIMITED WARRANTY**.

There may be instances where an additional **PWC** administered Builder's Limited Warranty is issued together with this **LIMITED WARRANTY**. If both of these warranties are issued to **YOU**, **YOU** agree to request warranty performance under either warranty relative to warrantable issues on the **HOME** or the **COMMON ELEMENTS**. **YOU** may not collect twice relative to the same issue.

If any provision of this **LIMITED WARRANTY** is determined to be unenforceable, such a determination will not

SAMPLE

affect the remaining provisions. If this **LIMITED WARRANTY** or any provision herein is determined to be unenforceable as to a **HOMEOWNERS ASSOCIATION** or a specific **HOMEOWNER**, such a determination will not affect the enforceability of this **LIMITED WARRANTY** or such provision as to any other **HOMEOWNERS ASSOCIATION** or any other **HOMEOWNER**. Any dispute as to the enforceability of any provision of this **LIMITED WARRANTY**, including any dispute as to the scope or enforceability of the arbitration provision contained herein, shall be determined by binding arbitration as provided for in this **LIMITED WARRANTY**.

I. Warranty Coverage

Coverage under this **LIMITED WARRANTY** is expressly limited to **CONSTRUCTION DEFECTS** which occur during the **WARRANTY PERIOD** indicated on the Limited Warranty Validation Form and which are reported by **YOU** in accordance with the notification requirements of **Section VI. Procedure to Request US To Perform Under This LIMITED WARRANTY**. **OUR** obligations under this **LIMITED WARRANTY** apply to workmanship actually performed and materials actually installed in the **HOME** or the **COMMON ELEMENTS**. Any failure by **US** to complete construction of the **HOME** or **COMMON ELEMENTS**, where such failure is apparent and obvious, is not covered by this **LIMITED WARRANTY** and is not a **CONSTRUCTION DEFECT**.

During the **WARRANTY PERIOD** indicated on the Limited Warranty Validation Form, **WE** warrant that the **HOME** and the **COMMON ELEMENTS** will be free of **CONSTRUCTION DEFECTS**. **OUR** obligation to perform under this **LIMITED WARRANTY** requires that **WE** must receive written notice from **YOU** of the alleged **CONSTRUCTION DEFECT** as soon as reasonably possible after **YOU** become aware of a **CONSTRUCTION DEFECT** but not later than thirty (30) days after the expiration of the coverage. Telephonic or face-to-face discussion is not a substitute for required written notice and will not protect **YOUR** rights under this **LIMITED WARRANTY** (see **Section VI. Procedure to Request US To Perform Under This LIMITED WARRANTY**).

II. OUR Warranty Obligations

Upon **OUR** timely receipt of written notice from **YOU** alleging a **CONSTRUCTION DEFECT** during the **WARRANTY PERIOD**, **WE**, or parties acting on **OUR** behalf, will, where **WE** deem it necessary, inspect, investigate and/or test (including destructive testing) the condition alleged to be a **CONSTRUCTION DEFECT**. If **WE** determine that a **CONSTRUCTION DEFECT** exists, **WE**, or parties acting on **OUR** behalf, will (1) repair or replace the **CONSTRUCTION DEFECT**, (2) pay to **YOU** the actual amount it would cost **US** to repair or replace the **CONSTRUCTION DEFECT**, or (3) pay to **YOU** an amount equal to the diminution in fair market value caused by the uncorrected **CONSTRUCTION DEFECT**. Subject to the limitations described in **Section IV. Coverage Limitations**, if the **HOME** is rendered temporarily uninhabitable by a **CONSTRUCTION DEFECT** or by work necessary to repair a **CONSTRUCTION DEFECT**, **WE** shall pay the reasonable cost for **YOUR** alternate shelter until the **HOME** is restored to a habitable condition. Additionally, in connection with **OUR** remedy of a **CONSTRUCTION DEFECT**, and subject to the limitations described in **Section IV. Coverage Limitations**, **WE** shall repair, replace or pay the reasonable cost for:

- Those surfaces, finishes and coverings that are part of the **HOME** and that are damaged directly by a **CONSTRUCTION DEFECT** or that are damaged in the course of **OUR** repair of a **CONSTRUCTION DEFECT**.
- Home furnishings, carpet or personal property damaged directly by the **CONSTRUCTION DEFECT**.

The decision to repair, replace, or to make payment in lieu of repair or replacement is at **OUR** or **OUR** authorized representative's sole discretion. These remedies are **OUR** only obligations under this **LIMITED WARRANTY**.

A. Standards By Which the Existence of a CONSTRUCTION DEFECT Will Be Determined:

The following factors will be considered in determining whether a condition constitutes a **CONSTRUCTION DEFECT**. If **WE** dispute the existence of a **CONSTRUCTION DEFECT** and that dispute is submitted to binding arbitration, the parties agree these same factors will be considered by the arbitrator:

1. Any performance standards, tolerances or guidelines contained in documents provided to **YOU** by **US** at or prior to closing on the **HOME** or, in the case of a **HOMEOWNERS ASSOCIATION**, prior to transferring title or control to all the **COMMON ELEMENTS**. In the absence of a specific standard, tolerance or guideline in the documents for a condition occurring during the first year of the **WARRANTY PERIOD**, the Residential Construction Performance Guidelines published by the National Association of Home Builders, in effect at the time of construction of the **HOME** or, in the case of the **HOMEOWNERS ASSOCIATION**, at the time of construction of the **COMMON ELEMENTS**, shall apply. If no specific standard, tolerance or guideline is contained in any of the documents identified above, generally accepted local building practices and standards shall apply;

2. Consideration as to whether the condition:
   - materially affects the structural integrity of the **HOME** or **COMMON ELEMENTS**; or
   - has an obvious and material negative impact on the appearance of the **HOME** or **COMMON ELEMENTS**; or
   - jeopardizes the life or safety of the occupants of the **HOME** or the users of the **COMMON ELEMENTS**; or
   - results in the inability of the **HOME** or a **COMMON ELEMENT** to provide the functions that can reasonably be expected in such a **HOME** or **COMMON ELEMENT**.

3. Consideration as to whether a condition is the result of normal wear and tear. Conditions that are normal wear and tear, or that are caused by normal wear and tear are not **CONSTRUCTION DEFECTS**;

4. Consideration as to whether the condition was caused by, or in any way resulted from, the failure of the **HOMEOWNER** or **HOMEOWNERS ASSOCIATION** to perform normal or routine maintenance. Any condition that is determined to be a **HOMEOWNER** or **HOMEOWNERS ASSOCIATION** maintenance issue, or any condition that results from improper or inadequate **HOMEOWNER** or **HOMEOWNERS ASSOCIATION** maintenance, is not a **CONSTRUCTION DEFECT**;

5. Consideration as to whether the condition was caused by persons or entities other than **US** or someone acting on **OUR** behalf. Damage caused by persons or entities other than **US** or someone acting on **OUR** behalf is not a **CONSTRUCTION DEFECT**. For example, a large, visible scratch on marble tile in the entry foyer that was not noted in the pre-closing walk through inspection, but was reported after furniture was moved into the **HOME**, will not be considered a **CONSTRUCTION DEFECT**;

6. Recognition that any condition resulting directly or indirectly from or worsened by changes, additions, alterations or other actions or omissions by persons or entities other than **US** or someone acting on **OUR** behalf, will not be considered a **CONSTRUCTION DEFECT** (this includes, for example, changes to the topography, drainage or grade of the property);

7. Any **Exclusions** contained in this **LIMITED WARRANTY**.

SAMPLE

III. Homeowner Maintenance Obligations

Maintenance of the **HOME** and the **COMMON ELEMENTS** is **YOUR** responsibility. All homes and common elements require periodic maintenance to prevent premature deterioration, water intrusion, and to ensure adequate performance of the **SYSTEMS**. **WE** will make a "Homeowner Maintenance Manual" or similar publication available to **YOU** upon request. Whether from this document or others that are readily available to **YOU**, **YOU** must understand and perform the maintenance that the **HOME** and **COMMON ELEMENTS** require. **WE** are not responsible for **HOME** or **COMMON ELEMENTS** maintenance issues or for damage that results from **YOUR** failure to maintain the **HOME** or the **COMMON ELEMENTS**.

IV. Coverage Limitations

Surfaces, finishes and coverings in the **HOME** which require repair due to damage caused by a **CONSTRUCTION DEFECT**, or such damage caused in the course of **OUR** repair of a **CONSTRUCTION DEFECT**, shall be repaired and restored to approximately the same condition as existed prior to the **CONSTRUCTION DEFECT**, but not necessarily to a like new condition. When repairing or replacing surfaces, finishes and coverings, the repair or replacement will attempt to achieve as close a match with the original surrounding areas as is reasonably possible, but an exact match cannot be guaranteed due to such factors as fading, aging and unavailability of the same materials.

Home furnishings, carpet or personal property damaged by a **CONSTRUCTION DEFECT** shall be repaired or replaced at market value of the item at the time of damage. "Market value" shall mean the amount it would cost to repair or replace the damaged item with material of like kind and quality, less allowance for physical deterioration and depreciation, including obsolescence.

Alternate shelter during such time as the **HOME** is uninhabitable due to a **CONSTRUCTION DEFECT** or uninhabitable during work to repair a **CONSTRUCTION DEFECT**, shall be limited to those shelter costs expressly pre-approved by **US** or **OUR** designated representative.

V. Exclusions

A. This **LIMITED WARRANTY** does not cover:

1. Any loss or damage resulting, either directly or indirectly, from the following causes, or occurring in the following situations:

   a. Fire (unless caused by a **CONSTRUCTION DEFECT**);
   b. Lightning;
   c. Explosion (unless caused by a **CONSTRUCTION DEFECT**);
   d. Riot and Civil Commotion;
   e. Smoke (unless resulting from a **CONSTRUCTION DEFECT**);
   f. Hail;
   g. Aircraft;
   h. Falling Objects;
   i. Vehicles;
   j. Floods;
   k. Earthquake;
   l. Landslide or mudslide originating on property other than the site of the **HOME** or the **COMMON ELEMENTS** or other property developed by the **BUILDER**;

SAMPLE

m. Mine subsidence or sinkholes;
n. Changes in the underground water table not reasonably foreseeable by the **BUILDER**;
o. Volcanic eruption; explosion or effusion;
p. Wind including:
(i). Gale force winds;
(ii). Hurricanes;
(iii). Tropical storms;
(iv). Tornadoes;
(v). Rain or water intrusion or moisture within the **HOME** resulting from any wind forces described in p. (i) – (iv) above.
q. Insects, animals or vermin;
r. Changes to the grading of the ground, or the installation or alteration of improvements such as drain or gutter outlets by anyone other than **US** or **OUR** agents, or subcontractors which results in surface drainage towards the **HOME**, or other improper drainage that permits water to pond or become trapped in localized areas or against the foundation;
s. Changes, additions, or alterations made to the **HOME** or the **COMMON ELEMENTS** by anyone after the **WARRANTY PERIOD** begins, except those made or authorized by **US**;
t. Any defect in material or workmanship supplied by anyone other than **US** or **OUR** agents, or subcontractors, including any loss or damage to the **HOME** or the **COMMON ELEMENTS** resulting from material or workmanship supplied by anyone other than **US** or **OUR** agents, or subcontractors;
u. Improper maintenance, negligence or improper use of the **HOME** or the **COMMON ELEMENTS** by **YOU** or anyone other than **US** that results in rot, dry rot, moisture, rust, mildew or any other damage;
v. Dampness or condensation due to **YOUR** failure to maintain adequate ventilation;
w. Damage resulting from the weight and/or performance of any type of waterbed or other furnishings which exceeds the load-bearing design of the **HOME** or the **COMMON ELEMENTS**;
x. Normal wear and tear or normal deterioration of materials;
y. Economic damages due to the **HOME'S** or the **COMMON ELEMENTS'** failure to meet expectations of the **HOMEOWNER** or **HOMEOWNERS ASSOCIATION**.

2. Any loss or damage resulting from the actual, alleged or threatened discharge, dispersal, release or escape of **POLLUTANTS**. **WE** will not cover costs or expenses arising from the uninhabitability of the **HOME** or the **COMMON ELEMENTS** or health risk due to the proximity of **POLLUTANTS**. **WE** will not cover costs, or expenses resulting from the direction of any governmental entity to test, clean-up, remove, treat, contain or monitor **POLLUTANTS**;

3. Any loss or damage resulting from the effects of electromagnetic fields (EMF's) or radiation;

4. Any damage to personal property that does not result from a **CONSTRUCTION DEFECT**;

5. Any **CONSEQUENTIAL OR INCIDENTAL DAMAGES**;

6. Any **CONSUMER PRODUCTS**;

7. Any **CONSTRUCTION DEFECT** as to which **YOU** have not taken timely and reasonable steps to protect and minimize damage after **WE** or **OUR** authorized representative have provided **YOU** with authorization to prevent further damage;

8. Any damage to the extent it is incurred after or as a result of **YOUR** failure to notify **US** in the manner and time required under this **LIMITED WARRANTY**;

9. Any costs or obligations paid or incurred by **YOU** in violation of **Section VI. C.** below;

SAMPLE

10. Any non-conformity with local building codes, regulations or requirements where the condition does not meet the definition of a **CONSTRUCTION DEFECT**. While **WE** acknowledge **OUR** responsibility to build in accordance with applicable building codes, this **LIMITED WARRANTY** does not cover building code violations in the absence of a **CONSTRUCTION DEFECT**;

11. Any deviation from plans and specifications where the condition does not meet the definition of a **CONSTRUCTION DEFECT**.

B. **OUR LIMITED WARRANTY** does not cover any **CONSTRUCTION DEFECT** which would not have occurred in the absence of one or more of the excluded events or conditions listed in the Exclusions above, regardless of:

1. The cause of the excluded event or condition;

2. Other causes of the loss or damage; or

3. Whether other causes acted concurrently or in any sequence with the excluded event or condition to produce the loss or damage.

VI. Procedure to Request US To Perform Under This LIMITED WARRANTY

If **YOU** become aware of a condition that **YOU** believe is a **CONSTRUCTION DEFECT** under this **LIMITED WARRANTY**, **YOU** have the following responsibilities:

A. Notification

YOU must notify **US** in writing as soon as reasonably possible after **YOU** become aware of a condition that **YOU** believe may constitute a **CONSTRUCTION DEFECT**, but in no event may **YOUR** written notice of a **CONSTRUCTION DEFECT** or **YOUR** written request for warranty performance be received by **US** later than thirty (30) days after this **LIMITED WARRANTY** has expired. This extended period for providing notice of a **CONSTRUCTION DEFECT** shall not operate to extend the **WARRANTY PERIOD**.

If the written notice is received by **US** more than thirty (30) days after the expiration of this **LIMITED WARRANTY**, **WE** shall have no obligation to remedy the **CONSTRUCTION DEFECT**. Because of the importance of this written notice requirement, **WE** recommend that notice always be sent by Certified Mail, return receipt requested, in order to establish a record.

B. Cooperate With US

YOU must give **US** and any third parties acting on **OUR** behalf reasonable help in inspecting, investigating, testing (including destructive testing), monitoring, repairing, replacing or otherwise correcting an alleged **CONSTRUCTION DEFECT**. Help includes, but is not limited to, granting reasonable access to the **HOME** or **COMMON ELEMENTS** for the forgoing purposes. If **YOU** fail to cooperate or provide **US** reasonable access to the **HOME** or **COMMON ELEMENTS**, **WE** will have no further obligation under this **LIMITED WARRANTY**.

C. Do Not Make Voluntary Payments

YOU agree not to make any voluntary payments or assume any obligations or incur any expenses for the remedy of a condition **YOU** believe is a **CONSTRUCTION DEFECT** without prior written approval from **US**, or other parties authorized to act on **OUR** behalf. **WE** will not reimburse **YOU** for costs incurred where **YOU** did not obtain prior written approval.

SAMPLE

However, **YOU** may incur reasonable expenses in making repairs in an **EMERGENCY CONDITION** without prior written approval, provided the repairs are solely for the protection of the **HOME** or **COMMON ELEMENTS** from further damage or to prevent an unsafe living condition and provided **YOU** notify **US** as soon as is reasonably possible. To obtain reimbursement for repairs made during an **EMERGENCY CONDITION**, **YOU** must provide **US** with an accurate written record of the repair costs.

D. Sign A Release

When **WE** or a third party acting on **OUR** behalf have completed repairing, replacing or paying **YOU** as to any **CONSTRUCTION DEFECTS** and related damage covered by this **LIMITED WARRANTY**, **YOU** may be requested to sign a full release of **OUR** obligation for the **CONSTRUCTION DEFECTS**. The release shall be applicable to the **CONSTRUCTION DEFECTS** and shall not prevent **YOU** from notifying **US** should **YOU** become aware of a subsequent **CONSTRUCTION DEFECT**.

E. If YOU Disagree With US

If **YOU** believe **WE** have not satisfactorily responded to **YOUR** request for warranty performance or satisfactorily worked with **YOU** to resolve any other claim or dispute between **YOU** and **US**, **YOU** should provide written notice to **PWC** requesting Mediation. Upon **PWC's** receipt of written notice from **YOU**, **PWC** may review and mediate **YOUR** request. **PWC** may communicate with **YOU**, **US**, and any other individuals or entities that **PWC** believes may possess relevant information. If after forty-five (45) days, **PWC** is unable to successfully mediate **YOUR** claim or dispute, or at any earlier time when **PWC** determines that **YOU** and **WE** are at an impasse, **PWC** will notify **YOU** that **YOUR** request remains unresolved and that **YOU** may elect to initiate binding arbitration. Binding arbitration as described in the following section is the sole remedy for the resolution of disputes between **YOU** and **US**.

VII. Binding Arbitration Procedure

Following commencement of the **WARRANTY PERIOD**, any claim, controversy or dispute (hereafter collectively referred to as "dispute") between **YOU** and **US**, or parties acting on **YOUR** or **OUR** behalf, including **PWC**, and any successor, or assign of either **YOU** or **US**, which relates to or arises from this **LIMITED WARRANTY**, or the design or construction of the **HOME** or the **COMMON ELEMENTS**, or the sale of the **HOME** or transfer of title to the **COMMON ELEMENTS**, will be resolved solely by binding arbitration and not through litigation in court before a judge or jury. This agreement to arbitrate is intended to inure to the benefit of, and be enforceable by, **OUR** contractor, subcontractors, agents, vendors, suppliers, design professionals, materialmen, and any of **OUR** direct or indirect subsidiaries or related entities alleged to be responsible for any **CONSTRUCTION DEFECT**. Disputes subject to binding arbitration include, but are not limited to:

A. Any disagreement that a condition in the **HOME** or the **COMMON ELEMENTS** is a **CONSTRUCTION DEFECT**;

B. Any disagreement as to the method or scope of repair required to correct a **CONSTRUCTION DEFECT** or whether a **CONSTRUCTION DEFECT** has been corrected in compliance with this **LIMITED WARRANTY**;

C. Any alleged breach of this **LIMITED WARRANTY**;

D. Any alleged violation of consumer protection, unfair trade practice, or any other statute;

E. Any allegation of negligence, strict liability, fraud, and/or breach of duty of good faith, and any other claims arising in equity or from common law;

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F. Any dispute concerning the interpretation of this arbitration provision or the arbitrability of any issue;

G. Any dispute concerning the timeliness of **OUR** performance and/or **YOUR** notifications under this **LIMITED WARRANTY**;

H. Any dispute as to the payment or reimbursement of the arbitration filing fee;

I. Any dispute as to whether this **LIMITED WARRANTY**, or any provision hereof, including, but not limited to, this arbitration clause and any waiver hereunder, is enforceable;

J. Any other claim arising out of or relating to the sale, design or construction of **YOUR HOME** or the **COMMON ELEMENTS**, including, but not limited to any claim arising out of, relating to or based on any implied warranty or claim for negligence or strict liability not effectively waived by this **LIMITED WARRANTY**.

The arbitration shall be conducted by DeMars and Associates, Ltd. (www.demarsassociates.com) pursuant to its Construction Arbitration Program ("CAP"), or by such other neutral, independent arbitration service that **PWC** shall appoint. If **YOU** object to the arbitration service appointed by **PWC**, **YOU** must so inform **PWC**, in writing, within ten (10) days of **YOUR** receipt of **PWC's** written notice informing **YOU** of the appointed arbitration service. **PWC** will then appoint an alternative neutral arbitration service provider. If **YOU** object to this alternative provider and if **YOU** and **WE** are unable to agree on another alternative, then either party may, pursuant to the applicable provisions of the Federal Arbitration Act (9 U.S.C.§ 1, et seq.), apply to a court of competent jurisdiction to designate an arbitration service provider, which designation shall be binding upon the parties. Selection of the arbitrator shall be the responsibility of the appointed arbitration service. The rules and procedures of the arbitration service, including its rules and procedures pertaining to its selection of the arbitrator who will conduct the arbitration, that are in effect at the time the request for arbitration is submitted will be followed unless the parties expressly agree otherwise. **PWC** will obtain and provide to **YOU** and **US**, upon request, the rules and procedures of the arbitration organization appointed to administer the arbitration. The arbitration service finally appointed or designated as aforesaid shall administer the arbitration of any and all disputes required to be joined under the law.

This arbitration agreement is made pursuant to a transaction involving interstate commerce, and shall be governed by and interpreted under the Federal Arbitration Act now in effect and as it may be hereafter amended (the "FAA") 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 attorney's fees and costs (including expert's costs) for the arbitration. If **YOU** initiate the arbitration request, the arbitration filing fee and other fees charged by the arbitration service shall be divided and paid equally by **YOU** and **US**, unless **YOU** and **WE** have otherwise agreed in writing to a different allocation. If **WE** initiate the request for arbitration, **WE** shall pay the entire arbitration filing fee as well as all other fees charged by the arbitration service.

As part of any arbitration award, the arbitrator may, at his/her discretion, direct that **WE** reimburse **YOU** some or all of the arbitration filing fee and other arbitration fees **YOU** paid to the arbitration service, but under no circumstances shall **YOU** be required to reimburse **US** any portion of the arbitration filing fee and other arbitration fees **WE** paid.

Arbitration filing fees and other arbitration fees vary among arbitration service providers. Before submitting a Binding Arbitration Request Form, **YOU** may contact **PWC** to obtain information on the fees charged by the appointed arbitration service provider. The arbitration service's filing fee and other arbitration fees in effect at the time arbitration is requested shall apply.

The process for initiating arbitration is described below.

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Step 1 The Initiating Party Completes A Binding Arbitration Request Form And Mails It To **PWC** Along With Their Share Of The Arbitration Filing Fee. A Binding Arbitration Request Form is attached to this **LIMITED WARRANTY**. **YOUR** Binding Arbitration Request Form must be received by **PWC** no later than ninety (90) days after the **WARRANTY PERIOD** expires. Please Note that while **YOU** have ninety (90) days after the **WARRANTY PERIOD** expires to file for arbitration, this time period does not extend the **WARRANTY PERIOD** for **CONSTRUCTION DEFECTS**. Additionally, no investigation, inspection, testing, repair, replacement, or payment, nor any promise of same by **US** under this **LIMITED WARRANTY**, nor any dispute resolution efforts, shall extend the term of this **LIMITED WARRANTY** or extend or toll any statutes of limitations or any of **YOUR** rights or remedies.

Step 2 The Arbitration Service Will Arrange For The Arbitration. The arbitrator or arbitration organization will notify **YOU** and **US** of the time, date and location of the arbitration hearing. If the dispute involves the allegation of a **CONSTRUCTION DEFECT** or **OUR** performance under this **LIMITED WARRANTY**, most often the hearing will be conducted at the **HOME** or, if applicable, the location of the **COMMON ELEMENTS**. Other disputes between **YOU** and **US** that are subject to arbitration, but which do not include a **CONSTRUCTION DEFECT** claim, may be scheduled for hearing at the **HOME** or another location within the county where the **HOME** is located. In scheduling the hearing the arbitrator will set a time and date that is reasonably convenient to all the parties.

Step 3 The Arbitration Hearing. The parties at the arbitration hearing will include the arbitrator, **YOU**, **US** and/or a third party designated by **YOU** or **US** or acting on **YOUR** or **OUR** behalf. Any party to the proceeding may be represented at the hearing. All persons who are parties to the arbitration, as well as representatives and witnesses, are entitled to attend hearings.

After evidence is presented by **YOU**, **US** or **YOUR** or **OUR** representatives, a decision will be rendered by the arbitrator. The decision is final and binding on **YOU** and **US**. The arbitrator may grant any remedy, including statutory remedies, and other relief that the arbitrator deems just and equitable and within the scope of this **LIMITED WARRANTY** or other applicable agreements.

The arbitrator will decide any dispute between the parties, as described above. Where a **CONSTRUCTION DEFECT** is alleged, the arbitrator will determine whether the alleged **CONSTRUCTION DEFECT** exists and whether it is **OUR** responsibility. If the arbitrator finds **US** responsible for a **CONSTRUCTION DEFECT**, **WE** shall be obligated to perform in accordance with **OUR Warranty Obligations** as described in **Section II** above.

In connection with a **CONSTRUCTION DEFECT** dispute, the arbitrator retains jurisdiction and authority to decide any dispute as to the required scope of repair and the cost to repair the **CONSTRUCTION DEFECT**. In deciding such disputes, the arbitrator considers the terms of this **LIMITED WARRANTY**, any third-party evaluations, binding bids for repair work supplied by either of the parties, any estimates of diminished fair market value, and such other information submitted by the parties and deemed relevant by the arbitrator. Except where otherwise directed by the arbitrator's award, the decision to repair, replace, or to make payment to **YOU** in lieu of repair or replacement is at **OUR** or **OUR** authorized representative's sole option. The arbitrator will also render a decision as to any other claims, disputed matters or issues stated in the Binding Arbitration Request Form.

Step 4 **OUR** Arbitration Performance Obligations. If an arbitrator concludes that **WE** are responsible for a **CONSTRUCTION DEFECT**, **WE** will perform in accordance with the arbitrator's decision within sixty (60) days from the date of the award or such greater time as may be allowed by the arbitrator's decision. Delays caused by circumstances beyond **OUR** or **OUR** representative's control shall be excused.

Step 5 Disputes As To Compliance With The Award. If there is any dispute as to **OUR** compliance with an arbitrator's award, either party shall so inform **PWC** in writing at its mailing address specified in this **LIMITED WARRANTY**. **PWC** will mediate this dispute and if it cannot be resolved, either party may

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request a compliance inspection arbitration to decide the question of compliance with the arbitration award. If it is determined that **WE** have not properly performed, **WE** will be obligated to immediately comply. As with the original arbitration award, any such subsequent arbitration rulings shall be enforceable by any court of competent jurisdiction.

VIII. General Conditions

A. Separation of This LIMITED WARRANTY From The Contract Of Sale

This **LIMITED WARRANTY** is separate and independent of the contract between **YOU** and **US** for the construction and/or sale of the **HOME** or transfer of the **COMMON ELEMENTS**. Except as otherwise expressly provided herein, the provisions of this **LIMITED WARRANTY** shall in no way be restricted or expanded by anything contained in the construction and/or sales contract or other documents between **YOU** and **US**.

B. Transfer to Subsequent HOMEOWNERS

This **LIMITED WARRANTY,** subject to all of its terms and conditions, including, but not limited to, its mandatory binding arbitration provision, will transfer to new owners of the **HOME** for the remainder of the **WARRANTY PERIOD**. **YOU** agree to provide this **LIMITED WARRANTY** to any subsequent purchaser of the **HOME** as a part of the contract of sale of the **HOME**. Please see the form "SUBSEQUENT HOME BUYER ACKNOWLEDGEMENT AND TRANSFER" contained at the end of this document.

C. Transfer of Manufacturer's Warranties

WE assign to **YOU** all the manufacturer's warranties on all appliances, fixtures and items of equipment that **WE** installed in the **HOME**. Should an appliance or item of equipment malfunction **YOU** must follow the procedures set forth in that manufacturer's warranty to correct the problem. **OUR** obligation under this **LIMITED WARRANTY** is limited to the workmanlike installation of such appliances and equipment. **WE** have no obligation for appliances and equipment defined as **CONSUMER PRODUCTS**.

D. Recovery Rights

If **WE** or a third party designated by **US** or acting on **OUR** behalf repairs, replaces or pays the cost to repair or replace **CONSTRUCTION DEFECT**, or other related damage to the **HOME** or the **COMMON ELEMENTS** covered by this **LIMITED WARRANTY**, or if **WE** elect to pay the diminished market value of the **HOME** in lieu of repair or replacement of a **CONSTRUCTION DEFECT**, **WE** are then entitled, to the extent of **OUR** cost or payment, to take over **YOUR** related rights of recovery from other people and entities, including but not limited to, other warranties and insurance. **YOU** have an obligation not to make it harder for **US** to enforce these rights. **YOU** agree to sign any papers, deliver them to **US**, and do anything else that is necessary to help **US** exercise **OUR** rights.

E. General Provisions

1. If any provision of this **LIMITED WARRANTY** is determined to be unenforceable, such a determination will not affect the remaining provisions. If this **LIMITED WARRANTY** or any provision herein is determined to be unenforceable as to a **HOMEOWNERS ASSOCIATION** or a specific **HOMEOWNER**, such a determination will not affect the enforceability of this **LIMITED WARRANTY** or such provision as to any other **HOMEOWNERS ASSOCIATION** or any other **HOMEOWNER**. The issue of enforceability, as well as all other issues, will be determined by Binding Arbitration as provided for in this **LIMITED WARRANTY**.

2. This **LIMITED WARRANTY** and the binding arbitration process are binding on **YOU** and **US**. It is also binding on **YOUR** and **OUR** heirs, executors, administrators, successors, and assigns.

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3. As may be appropriate, the use of the plural in this **LIMITED WARRANTY** includes the singular, and the use of one gender includes all genders.

IX. Definitions

BUILDER means the individual, partnership, corporation or other entity which participates in the Warranty Program administered by the Professional Warranty Service Corporation and provides **YOU** with this **LIMITED WARRANTY**. Throughout this document the **BUILDER** is also referred to as "**WE**", "**US**" and "**OUR**".

COMMON ELEMENTS means the property as specified in the recorded Covenants, Conditions and Restrictions as common area and any other property as to which the **HOMEOWNERS ASSOCIATION** has standing under the law to make a claim. This may include, but is not limited to, streets, slopes, the structure or components of enclosure or other parts of the **HOME**, corridors, lobbies, vertical transportation elements, rooms, balconies, clubhouses or other spaces that are for the common use of the residents of the development in which the **HOME** is located. **SYSTEMS** serving two or more **HOMES**, and the outbuildings that contain parts of such **SYSTEMS** are also included in this definition.

CONSEQUENTIAL OR INCIDENTAL DAMAGES means any loss or injury **other than**:

A. **OUR** cost to correct a **CONSTRUCTION DEFECT** including the correction of those surfaces, finishes and coverings damaged by the **CONSTRUCTION DEFECT**;
B. **OUR** cost to repair or replace, at market value, furniture, carpet or personal property damaged by the **CONSTRUCTION DEFECT**;
C. **OUR** cost to repair damage to the **HOME** which occurs in the course of **OUR** repair or replacement of a **CONSTRUCTION DEFECT**;
D. The reasonable cost of the **HOMEOWNER'S** alternative shelter when the **HOME** is temporarily unhabitable due to a **CONSTRUCTION DEFECT** and while the **HOME** is rendered uninhabitable by the work necessary to repair a **CONSTRUCTION DEFECT**.

Time **YOU** take off from work and/or **YOUR** inability to work from the **HOME** as a result of a **CONSTRUCTION DEFECT** or the repair/replacement of a **CONSTRUCTION DEFECT**, are among those damages considered "**CONSEQUENTIAL OR INCIDENTAL DAMAGE**" and are excluded under this **LIMITED WARRANTY**. Diminished fair market value of the **HOME** is also among those damages considered "**CONSEQUENTIAL OR INCIDENTAL DAMAGE**" and is excluded under this **LIMITED WARRANTY** notwithstanding that **WE** reserve the right to elect to pay **YOU** diminished fair market value in lieu of **OUR** repair, replacement or payment for the cost to repair or replace a **CONSTRUCTION DEFECT**.

CONSTRUCTION DEFECT(S) means a condition in the materials or workmanship used in constructing the **HOME** and/or the **COMMON ELEMENTS** that:

- materially affects the structural integrity of the **HOME** or the **COMMON ELEMENTS**; or
- has an obvious and material negative impact on the appearance of the **HOME** or the **COMMON ELEMENTS**; or
- jeopardizes the life or safety of the occupants of the **HOME** or the users of the **COMMON ELEMENTS**; or
- results in the inability of the **HOME** or the applicable **COMMON ELEMENTS** to provide the functions that can reasonably be expected in such a **HOME** or **COMMON ELEMENT**.

CONSUMER PRODUCT means any piece of equipment, appliance or other item that is a **CONSUMER PRODUCT** for purposes of the Magnuson-Moss Warranty Act (15 U.S.C.§ 2301, et seq.) installed or included in the **HOME**. Examples of Consumer Products include, but are not limited to, dishwasher, garbage disposal, gas or electric cook-top, range, range hood, refrigerator or refrigerator/freezer combination, gas oven, electric oven, microwave oven, trash compactor, automatic garage door opener, clothes washer and dryer, hot water heater, solar water heater, solar water heating panels, furnace, boiler, heat pump, air conditioning unit, humidifier, thermostat, and security alarm system.

EMERGENCY CONDITION means an event or situation that creates the imminent threat of damage to the **HOME** or **COMMON ELEMENTS**, or results in an unsafe living condition due to a **CONSTRUCTION DEFECT**

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that **YOU** (or as applicable, the **HOMEOWNERS ASSOCIATION**) become aware of at a point in time other than **OUR** normal business hours and **YOU** were unable to obtain **OUR** or **OUR** authorized representative's prior written approval to initiate repairs to stabilize the condition or prevent further damage.

HOME means a single family residence either attached or detached covered by this **LIMITED WARRANTY** and the land on which it sits, or a condominium or cooperative unit in a multi-unit residential structure/building covered by this **LIMITED WARRANTY**, and the land on which it sits, except to the extent such unit, structure/building or land is part of the **COMMON ELEMENTS**.

HOME BUILDER'S LIMITED WARRANTY means only this express warranty document provided to **YOU** by **US**.

HOMEOWNER means the first person(s) to whom a **HOME** (or a unit in a multi-unit residential structure/building) is sold, or for whom such **HOME** is constructed, for occupancy by such person or such person's family, and such person's(s') successors in title to the **HOME,** or mortgagees in possession and any representative of such person(s) who has standing to make a claim on that person(s) behalf, including any class representative or **HOMEOWNERS ASSOCIATION** making a claim in a representative capacity.

HOMEOWNERS ASSOCIATION means a profit or nonprofit corporation, unincorporated association, organization, partnership, assessment district, limited liability company, limited liability partnership or other entity of any kind that owns, manages, maintains, repairs, administers, or is otherwise responsible for and has standing to make a claim as to any part of the **COMMON ELEMENTS**.

POLLUTANTS means all solid, liquid, or gaseous irritants or contaminants. The term includes, but is not limited to, petroleum products, smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, radon gas, and waste materials, including materials to be recycled.

PWC means Professional Warranty Service Corporation which administers the warranty program in which **WE** participate. As such, **PWC** assumes no other liabilities in connection with this **LIMITED WARRANTY**. The **PWC** mailing address is: **Professional Warranty Service Corporation**
P.O. Box 800 Annandale, VA 22003-0800

SYSTEMS means the following:

(a) Plumbing system - gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; and water, gas and sewer services piping and their extensions to the tie-in of a public utility connection or on-site well and sewage disposal system.
(b) Electrical system - all wiring, electrical boxes, switches, outlets, and connections up to the public utility connection.
(c) Heating, Cooling, and Ventilation system - all duct-work; steam, water and refrigerant lines; and registers, connectors, radiation elements and dampers.

WARRANTY PERIOD shall commence on the date the title to the **HOME** is transferred to the first **HOMEOWNER**. Notwithstanding anything to the contrary set forth in this **LIMITED WARRANTY**, the **WARRANTY PERIOD** for the **COMMON ELEMENTS** of an individual structure/building commences on the date the title for the first **HOME** in the structure/building is transferred to the first **HOMEOWNER** or, as concerns clubhouses or outbuildings or other **COMMON ELEMENTS** not part of the **HOME**, the earlier of the date of substantial completion or the date title to these structures is transferred to the **HOMEOWNERS ASSOCIATION**. The dates the **WARRANTY PERIOD** begins and ends are indicated on the Limited Warranty Validation Form which is attached to and made part of this **LIMITED WARRANTY**.

WE, **US**, **OUR** means the **BUILDER**.

YOU, **YOUR** means the **HOMEOWNER** and the **HOMEOWNERS ASSOCIATION**.

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BINDING ARBITRATION REQUEST FORM

Prior to requesting binding arbitration under the terms of the HOME BUILDER'S LIMITED WARRANTY, the initiating party should have sent the other party a clear and specific written request outlining the claim(s) or dispute(s) that are being submitted for decision through binding arbitration. If you have taken this step and believe the other party has not satisfactorily responded in accordance with the HOME BUILDER'S LIMITED WARRANTY, fill out this form and send it to PWC along with the arbitration filing fee. Be sure to attach a copy of all pertinent correspondence between you and the other party relative to the issue.

The information you need to fill out this form can be found on the Limited Warranty Validation Form. However, if you do not know the answers to any questions, write "Don't Know." Please do not leave any item blank.

Homeowner name(s):_____

Address: _____

_____

CITY STATE ZIP

Home Phone :(_____)_____ **Business Phone:(_____)_____**

LIMITED WARRANTY #:_____ **Date Warranty Period begins:**_____

Builder's Name: _____

Address: _____

Business Phone: (_____)_____

Describe the dispute that you wish to submit to binding arbitration under the terms of the HOME BUILDER'S LIMITED WARRANTY. If the dispute is relative to a construction defect please include information on when the construction defect(s) first occurred or when you first noticed the construction defect. (Attach additional sheets, if necessary).

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I/we are hereby requesting PWC to initiate a binding arbitration to resolve the dispute described herein above.

_____ _____

Signature **Date** **Signature** **Date**

INSTRUCTIONS: Photo-copy this form and complete the fields.

Obtain the required arbitration filing fee by contacting PWC at 1-800/850-2799.

Send this Binding Arbitration Request Form and the arbitration filing fee to:

PROFESSIONAL WARRANTY SERVICE CORPORATION
P. O. BOX 800
ANNANDALE, VIRGINIA 22003-0800

SUBSEQUENT HOME BUYER ACKNOWLEDGMENT AND TRANSFER

Any coverage remaining under the **HOME BUILDER'S LIMITED WARRANTY** applicable to the home specified on the Limited Warranty Validation Form is transferred to the subsequent homeowner.

The undersigned home buyer(s) hereby acknowledge and agree:

I/we acknowledge that I/we have reviewed, understand and agree to all the terms of the HOME BUILDER'S LIMITED WARRANTY document (PWC Form No. 117).

I/we understand and acknowledge that Professional Warranty Service Corporation ("PWC") is not the warrantor of the HOME BUILDER'S LIMITED WARRANTY.

I/we understand that I/we am/are responsible for the maintenance of the home including maintenance of the grade of the land surrounding the home, and that the Builder shall not be responsible for any defect or damage to the home which is the result of my/our failure to maintain the home.

I/we acknowledge and agree to the Binding Arbitration Procedure contained in the HOME BUILDER'S LIMITED WARRANTY.

Signature(s) of Subsequent Home Buyer(s): _____ Date: _____

_____ Date: _____

Print above name(s): _____

Re-issuance of the Limited Warranty Validation Form with the name(s) of the new Home Buyer(s) is not necessary for you to receive the coverage remaining under the **HOME BUILDER'S LIMITED WARRANTY**. Upon receipt of this signed form, PWC will update its records to reflect the name(s) of the new homeowner(s). If you want PWC to issue another Limited Warranty Validation Form with your name(s) on the form, please check the box below and send a check in the amount of $20.00 made payable to "PWC" with your submission of this form.

YES, re-issue the Limited Warranty Validation Form in the above name(s) ☐ (check box) Initial _____

Address of Home: _____

Limited Warranty No.: _____

INSTRUCTIONS: Photo-copy this form. Provide information requested, sign, fill in Limited Warranty # in the space provided (this number is provided on the Limited Warranty Validation Form), and provide a telephone number where you can be reached (_____) _____. If you want the Limited Warranty Validation Form reissued in your name, enclose your check to PWC in the amount of $20.00 (check box above and initial). To reach PWC by phone, call: 1-800/850-2799.

Mail this form and a photocopy of applicable settlement/closing documents indicating transfer of title, to:

PROFESSIONAL WARRANTY SERVICE CORPORATION P.O. BOX 800 ANNANDALE, VA 22003-0800

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