

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

CONDOMINIUM PROJECT NAME	OLINO AT MEHANA
Project Address	801 Kakala Street, Kapolei, Hawaii 96707
Registration Number	7582
Effective Date of Report	November 13, 2014
Developer(s)	D.R. Horton-Schuler Homes, LLC, a Delaware limited liability company dba D.R. Horton-Schuler Division

Preparation of this Report

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

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

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

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

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

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

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

SPECIAL ATTENTION

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

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General Information On Condominiums

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

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

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

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

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

Operation of the Condominium Project

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

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

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

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	
Address of Project	801 Kakala Street, Kapolei, Hawaii 96707
Address of Project is expected to change because	New address may be assigned to individual units.
Tax Map Key (TMK)	(1) 9-1-160-051 (portion)
Tax Map Key is expected to change because	New TMK's may be assigned to individual units.
Land Area	14.358 acres (a subdivision of the larger lot is in progress)
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	N/A

1.2 Buildings and Other Improvements

Number of Buildings	59 (See Exhibit A)
Floors Per Building	1-2 floors
Number of New Building(s)	59
Number of Converted Building(s)	N/A
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	concrete, wood, metal, glass, hollow tile, aluminum, composite, synthetic and other construction materials

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc)	Total Area
See Exhibit <u> B </u> .						

172	Total Number of Units
-----	------------------------------

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

1.4 Parking Stalls

Total Parking Stall in the Project:	346
Number of Guest Stalls in the Project:	30
Number of Parking Stalls Assigned to Each Unit:	2
Attach Exhibit <u>C</u> specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights. See Exhibit D	

1.5 Boundaries of the Units

Boundaries of the unit: In this report, a "unit" is sometimes described as a "home" or, as applicable, "residence" or "multifamily home". See Exhibit E for a description of the unit boundaries.
--

1.6 Permitted Alterations to the Units

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

1.7 Common Interest

<u>Common Interest</u> : Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in Declaration, is:
Described in Exhibit <u>G-1, G-2</u> .
As follows:

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

<input type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input checked="" type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input type="checkbox"/>	Recreation Area
<input checked="" type="checkbox"/>	Trash Chute/Enclosure(s)
<input type="checkbox"/>	Exercise Room
<input type="checkbox"/>	Security Gate
<input type="checkbox"/>	Playground
<input checked="" type="checkbox"/>	Other (describe): See Exhibit H

1.9 Common Elements

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

Described in Exhibit I .

Described as follows:

Common Element	Number
Elevators	
Stairways	
Trash Chutes	

1.10 Limited Common Elements

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

Described in Exhibit J .

Described as follows:

1.11 Special Use Restrictions

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

<input checked="" type="checkbox"/>	Pets: See Exhibit K.
<input checked="" type="checkbox"/>	Number of Occupants: See Exhibit K.
<input checked="" type="checkbox"/>	Other: See Exhibit K.
<input type="checkbox"/>	There are no special use restrictions.

1.12 Encumbrances Against Title

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

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

Date of the title report: October 8, 2014

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

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning				
	Type of Use	No. of Units	Use Permitted by Zoning	Zoning
<input checked="" type="checkbox"/>	Residential	172	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	A-1
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Hotel		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Ohana		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Industrial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Agricultural		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Other (Specify):		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Variances to zoning code have been granted.			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Describe any variances that have been granted to zoning code			N/A	

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots			
<p>In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.</p> <p>If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.</p> <p>A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.</p>			
	Conforming	Non-Conforming	Illegal
Uses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lot	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:</p> <p>N/A</p>			

1.15 Conversions

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

<p>Verified Statement from a County Official</p>	
<p>Regarding any converted structures in the project, attached as Exhibit ____ is a verified statement signed by an appropriate county official which states that either:</p> <p>(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:</p> <ul style="list-style-type: none"> (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal non-conforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance; <p style="text-align: center;">or</p> <p>(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.</p>	
<p>Other disclosures and information:</p>	

1.16 Project In Agricultural District

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

1.17 Project with Assisted Living Facility

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

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer(s)	<p>Name: D.R. Horton-Schuler Homes, LLC, a Delaware limited liability company, dba D.R. Horton-Schuler Division</p> <p>Business Address: 130 Merchant Street, Suite 112 Honolulu, Hawaii 96813</p> <p>Business Phone Number : (808) 521-5661</p> <p>E-mail Address: rbruhl@drhorton.com</p>
<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	<p>See page 9a</p>
2.2 Real Estate Broker	<p>Name: D.R. Horton-Schuler Homes, LLC</p> <p>Business Address: 130 Merchant Street, Suite 112 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 521-5661</p> <p>E-mail Address: mlflood@drhorton.com</p>
2.3 Escrow Depository	<p>Name: Title Guaranty Escrow Services, Inc.</p> <p>Business Address: 235 Queen Street Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 533-6261</p>
2.4 General Contractor	<p>Name: Vertical Construction Corporation</p> <p>Business Address: 130 Merchant Street, Suite 112 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 521-5661</p>
2.5 Condominium Managing Agent	<p>Name: Hawaiiana Management Company, Ltd.</p> <p>Business Address: 711 Kapiolani Boulevard, Suite 700 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 593-9100</p>
2.6 Attorney for Developer	<p>Name: Case Lombardi & Pettit/Dennis M. Lombardi, Esq.</p> <p>Business Address: 737 Bishop Street, Suite 2600 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 547-5400</p>

2. Persons Connected with the Project

<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	<p>Donald R. Horton, Chairman of the Board; Donald J. Tomnitz, President and Chief Executive Officer; Ted I. Harbour, Sr. Vice President and Assistant Secretary; Bill W. Wheat, Executive Vice President and Chief Financial Officer; Stacey H. Dwyer, Executive Vice President and Treasurer; Michael T. Jones, Vice President and Division President; William E. Mayer III, Vice President and Assistant Secretary; Kelly White, Vice President and Assistant Secretary; R. Dale Eggleston, Vice President; Joan L. Fleming, Vice President; Mary K. Flood, Vice President of Sales and Marketing; Tracy Nagata, Vice President of Purchasing and Design; Jason E. Frank, Vice President and Region Chief Financial Officer; Alan D. Labbe, Vice President of Construction; Mariette Menne, Vice President and Purchasing Manager; Deborah S. Porter, Vice President and Region Controller; Randy Miyashiro, Vice President and Assistant Region Controller; Laurie A. Tennison, Vice President and Division Chief Financial Officer; Thomas B. Montano, Secretary; David Morice, Assistant Secretary; Cathy Hendrickson, Assistant Secretary; Robert Q. Bruhl, Vice President and Division President; Kelly S. Alsbrook, Assistant Secretary and Escrow Coordinator; Matthew J. Farris, Vice President and Region President; David L. Beeson, Assistant Secretary; Tracy L. Burks, Assistant Secretary; Ashley Dagley, Assistant Secretary; Terry Gallagher, Assistant Secretary; Paula D. Hunter-Perkins, Assistant Secretary; Cathy Hendrickson, Assistant Secretary; David T. Morice, Assistant Secretary. All officers are officers of Vertical Construction Corporation, the Developer's manager</p>
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3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

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

3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	October 31, 2014	T-9072150

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	November 10, 2014	T-9079184

3.2 Bylaws of the Association of Unit Owners

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	October 31, 2014	T-9072151

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

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

Land Court Map Number	2261
Bureau of Conveyances Map Number	
Dates of Recordation of Amendments to the Condominium Map:	

3.4 House Rules

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

The House Rules for this project:		
Are Proposed	<input type="checkbox"/>	
Have Been Adopted and Date of Adoption	<input checked="" type="checkbox"/>	October 31, 2014
Developer does not plan to adopt House Rules	<input type="checkbox"/>	

3.5 Changes to the Condominium Documents

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

Document	Minimum Set by Law	This Condominium
Declaration	67%	See Exhibit N.
Bylaws	67%	See Exhibit N.

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

<input type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input checked="" type="checkbox"/>	Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House Rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows: See Exhibit O.

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

Management of the Common Elements: The Association of Unit Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.	
The initial Condominium Managing Agent for this project is (check one):	
<input checked="" type="checkbox"/>	Not affiliated with the Developer
<input type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

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

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:	
<input checked="" type="checkbox"/>	Electricity for the common elements
<input type="checkbox"/>	Gas for the common elements
<input type="checkbox"/>	Water
<input type="checkbox"/>	Sewer
<input type="checkbox"/>	TV Cable
<input checked="" type="checkbox"/>	Other (specify) Private Trash Service

4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:	
<input checked="" type="checkbox"/>	Electricity for the Unit only
<input type="checkbox"/>	Gas for the Unit only
<input checked="" type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer
<input checked="" type="checkbox"/>	TV Cable
<input type="checkbox"/>	Other (specify)

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u>Q</u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: September 29, 2014 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit <u>R</u> contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other:

5.2 Sales to Owner-Occupants

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

<input checked="" type="checkbox"/>	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
<input type="checkbox"/>	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit ____.
<input checked="" type="checkbox"/>	Developer has or will designate the units for sale to Owner-Occupants by publication.

5.3 Blanket Liens

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

<input checked="" type="checkbox"/>	There are <u>no blanket liens</u> affecting title to the individual units.
<input type="checkbox"/>	There are <u>blanket liens</u> that may affect title to the individual units.

<u>Type of Lien</u>	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance

5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:
Building and Other Improvements: See page 13a.
Appliances: See page 13a.

5.4 Construction Warranties

Building and Other Improvements: The Developer's sole warranty will be provided in the form attached to this Public Report as **Exhibit T**. Prospective purchasers should read the Limited Warranty with care to understand coverage, limitations and exclusions, and procedures.

Appliances: The Developer makes no warranty as to appliances or other consumer products installed in any Residence or in the common elements. If there are applicable manufacturer's or dealer's warranties relating to such appliances or other consumer products, the Developer will endeavor to assign and pass on to each Unit owner the benefit of such warranties.

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

<p>Status of Construction: Construction to commence approximately November 2014.</p>
<p>Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.</p>
<p>Completion Deadline for any unit not yet constructed, as set forth in the sales contract: See page 14a.</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:</p>

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

<input type="checkbox"/>	<p>Spatial Units. The Developer hereby declares by checking the box to the left that it is offering spatial units for sale and will not be using purchasers' deposits to pay for any costs to pay for project construction or to complete the project.</p> <p>Should the developer be using purchasers' deposits to pay for any project construction costs or to complete the project including lease payments, real property taxes, architectural, engineering, legal fees, financing costs; or costs to cure violations of county zoning and building ordinances and codes or other incidental project expenses, the Developer has to met certain requirements, described below in 5.6.1 or 5.6.2..</p>
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The Developer is required to deposit all moneys paid by purchasers in trust under a written escrow agreement with a Hawaii licensed escrow depository. Escrow shall not disburse purchaser deposits to the Developer or on behalf of the Developer prior to closing, except if a sales contract is canceled or if Developer has met certain requirements, which are described below.

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

<input checked="" type="checkbox"/>	<p>The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project.</p> <p><i>If this box is checked, Section 5.6.2, which follows below, will not be applicable to the project.</i></p>
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5.5 Status of Construction, Date of Completion or Estimated Date of Completion

Completion Deadline for any unit not yet constructed, as set forth in the sales contract: The Unit shall be completed no later than twenty-four (24) months following the date that the sales contract becomes a binding contract, which is the earlier of the date: (a) Buyer delivers to Seller Buyer's written waiver of Buyer's right to cancel the sales contract following Seller's delivery to Buyer of the Notice of Right to Cancel this sales contract, or (b) thirty (30) days have expired following Seller's delivery to Buyer of the Notice of Right to Cancel, provided Buyer has not exercised Buyer's right to cancel, subject to Seller's right to extend the Completion Deadline for force majeure events, which are defined in the sales contract.

Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract.

5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):

<input type="checkbox"/>	For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or
<input type="checkbox"/>	For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.

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

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

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

5.7 Rights Under the Sales Contract

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

1.	Developer's Public Report
2.	Declaration of Condominium Property Regime (and any amendments)
3.	Bylaws of the Association of Unit Owners (and any amendments)
4.	Condominium Map (and any amendments)
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other: All documents as provided in Exhibit L.

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

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access rules: www.hawaii.gov/dcca/har

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

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

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

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

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

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

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

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

- (b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or
- (c) Closes the purchase of the unit before the 30-day cancellation period expires.

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

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

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

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

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

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

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

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

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

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

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

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

See Exhibit U.

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

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

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

D.R. HORTON - SCHULER HOMES, LLC, a Delaware
limited liability company, dba D.R. Horton-Schuler Division,
by Vertical Construction Corporation, its Manager

Printed Name of Developer

By: 

Duly Authorized Signatory*

October 21, 2014
Date

Robert Q. Bruhl, President, Hawaii Division

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

EXHIBIT A

Section 1.2 -- Buildings and Other Improvements

NOTE THAT, THROUGHOUT THESE EXHIBITS TO THE REPORT, DEVELOPER IS ALSO REFERRED TO AS DECLARANT.

DESCRIPTION OF BUILDINGS

The Community (the term "Community" shall have the same meaning herein as "project" in HRS 514B) shall contain a total of fifty-nine (59) buildings, which consist of 40 single-family detached Residences and 19 buildings which contain 6 or 8 Multifamily Homes in each building. None of the Residences or Multifamily Homes have a basement. The Residences and Multifamily Homes shall be constructed principally of metal, wood, glass and related building materials.

The 40 Residences are identified on the Condominium Map as Unit Nos. 20-59. There are two different Residence Unit Types in the Community, designated as Residence Unit Type 1/1R, which is a one-story Unit, and Residence Unit Type 2/2R, which is a two-story Unit. Residence Unit Type 1/1R has 17 buildings and Residence Unit Type 2/2R has 23 buildings.

Each building containing Multifamily Homes is identified on the Condominium Map as 1/III, 2/III, 3/III, 4/I, 5/II, 6/II, 7/I, 8/II, 9/I, 10/II, 11/I, 12/II, 13/I, 14/II, 15/I, 16/IV, 17/IV, 18/III, and 19/IV (referring to the building number and then building type). There are four (4) different building types containing Multifamily Homes in the Community.

Building Type I has six (6) buildings. Each building is a two-story structure and contains six (6) units.

Building Type II has six (6) buildings. Each building is a two-story structure and contains eight (8) units.

Building Type III has four (4) buildings. Each building is a two-story structure and contains six (6) units.

Building Type IV has three (3) buildings. Each building is a two story structure and contains eight (8) units.

DESCRIPTION OF UNITS

The Community has 172 Units, comprised of 40 Residences and 132 Multifamily Homes. There are two different Residence Unit Types in the Community, designated as Residence Unit Types 1/1R and 2/2R. There are 17 different Multifamily Home Unit Types in the Community, designated as Multifamily Home Unit Types A/AR, B/BR, C, D, E1, E2, F1, F2, G1/G1R, G1-IV/G1-IVR, G2, H1, H2, J/JR, J-IV/J-IVR, K and L. Residence Unit Types and Multifamily Home Unit Types designated with an upper case "R" are reverse floor plans.

Residence Unit Types

A description of each Residence Unit Type is as follows:

Residence Unit Type 1/1R

Residence Unit Type 1/1R is a one-story Unit containing 3 bedrooms, 2 bathrooms, a kitchen, living/dining room, entry lanai, attached 2-car garage and other improvements as shown on the Condominium Map. Each Residence Unit Type 1/1R contains a net living area of approximately 1,365 square feet, an entry lanai area of approximately 40 square feet and a garage area of approximately 439 square feet, with the exception of Residences Nos. 23, 24, 34, 35, 36, 50, 51 and 52, with respect to which Residences the garage area is approximately 463 square feet. With respect to Residences Nos. 23, 24, 34, 35, 36, 50, 51 and 52 only, there is a "Covered Lanai Option", which, if applicable, adds a lanai of approximately 129 square feet off the living room.

There are 11 Type 1 Residence Units and 6 Type 1R Residence Units in the Community, for a total of 17 Type 1/1R Residence Units.

Residence Unit Type 2/2R

Residence Unit Type 2/2R is a two-story Unit containing 3 bedrooms, 2½ bathrooms, a kitchen, living/dining room, entry lanai, lanai, attached 2-car garage and other improvements as shown on the Condominium Map. Each Residence Unit Type 2/2R contains a net living area of approximately 1,371 square feet, an entry lanai of approximately 7 square feet and a lanai of approximately 65 square feet, and a garage area of approximately 408 square feet.

Each Residence Unit Type 2/2R has a "Bedroom 4 Option", which, if applicable, converts the lanai and a portion of the living room to a fourth bedroom and expands the downstairs ½ bathroom to a full bathroom. If the "Bedroom 4 Option" is applicable, the Residence Unit Type 2/2R Unit contains a net living area of approximately 1,563 square feet, an entry lanai of approximately 7 square feet, and a garage area of approximately 408 square feet. There is also a "Covered Lanai Option" with the "Bedroom 4 Option", which, if applicable, adds a lanai of approximately 101 square feet off the living room.

There are 11 Type 2 Residence Units and 12 Type 2R Residence Units in the Community, for a total of 23 Type 2/2R Residence Units.

Multifamily Home Unit Types

A description of each Multifamily Home Unit Type is as follows:

Multifamily Home Unit Type A/AR

Multifamily Home Unit Type A/AR is a two-story Unit containing 3 bedrooms, 2½ bathrooms, a kitchen, living/dining room, entry lanai, lanai, exterior storage area and other improvements as shown on the Condominium Map. Each Multifamily Home Unit Type A/AR contains a net living area of approximately 1,118 square feet, an entry lanai of approximately 81 square feet and lanai of approximately 55 square feet, and an exterior storage area of approximately 19 square feet.

There are six Type A Multifamily Home Units and six Type AR Multifamily Home Units in the Community, for a total of 12 Type A/AR Multifamily Home Units.

Multifamily Home Unit Type B/BR

Multifamily Home Unit Type B/BR is a two-story Unit containing 2 bedrooms, 2½ bathrooms, a kitchen, living/dining room, entry lanai, lanai, exterior storage area and other improvements as shown on the Condominium Map. Each Multifamily Home Unit Type B/BR contains a net living area of approximately 1,007 square feet, an entry lanai of approximately 57 square feet and lanai of approximately 59 square feet, and an exterior storage area of approximately 32 square feet.

There are six Type B Multifamily Home Units and six Type BR Multifamily Home Units in the Community, for a total of 12 Type B/BR Multifamily Home Units.

Multifamily Home Unit Type C

Multifamily Home Unit Type C is a two-story Unit containing 2 bedrooms, 2½ bathrooms, a kitchen, living/dining room, entry lanai, lanai, exterior storage area and other improvements as shown on the Condominium Map. Each Multifamily Home Unit Type C contains a net living area of approximately 1,115 square feet, an entry lanai of approximately 82 square feet and lanai of approximately 55 square feet, and an exterior storage area of approximately 18 square feet.

There are six Type C Multifamily Home Units in the Community.

Multifamily Home Unit Type D

Multifamily Home Unit Type D is a two-story Unit containing 2 bedrooms, 2½ bathrooms, a kitchen, living/dining room, entry lanai, lanai, exterior storage area and other improvements as shown on the Condominium Map. Each Multifamily Home Unit Type D contains a net living area of approximately 1,008 square feet, an entry lanai of approximately 75 square feet and lanai of approximately 59 square feet, and an exterior storage area of approximately 18 square feet.

There are six Type D Multifamily Home Units in the Community.

Multifamily Home Unit Type E1

Multifamily Home Unit Type E1 is a one-story Unit containing 2 bedrooms, 2 bathrooms, a kitchen, living room, entry lanai, lanai, exterior storage area and other improvements as shown on the Condominium Map. Each Multifamily Home Unit Type E1 contains a net living area of approximately 757 square feet, an entry lanai of approximately 36 square feet and lanai of approximately 81 square feet, and an exterior storage area of approximately 16 square feet.

There are 12 Type E1 Multifamily Home Units in the Community.

Multifamily Home Unit Type E2

Multifamily Home Unit Type E2 is a one-story Unit containing 2 bedrooms, 2 bathrooms, a kitchen, living room, balcony, exterior storage area and other improvements as shown on the Condominium Map. Each Multifamily Home Unit Type E2 contains a net living area of approximately 757 square feet, a balcony of approximately 81 square feet, and an exterior storage area of approximately 16 square feet.

There are 12 Type E2 Multifamily Home Units in the Community.

Multifamily Home Unit Type F1

Multifamily Home Unit Type F1 is a one-story Unit containing 3 bedrooms, 2 bathrooms, a kitchen, living room, entry lanai, lanai, exterior storage area and other improvements as shown on the Condominium Map. Each Multifamily Home Unit Type F1 contains a net living area of approximately 945 square feet, an entry lanai of approximately 36 square feet and lanai of approximately 81 square feet, and an exterior storage area of approximately 16 square feet.

There are 12 Type F1 Multifamily Home Units in the Community.

Multifamily Home Unit Type F2

Multifamily Home Unit Type F2 is a one-story Unit containing 3 bedrooms, 2 bathrooms, a kitchen, living room, balcony, exterior storage area and other improvements as shown on the Condominium Map. Each Multifamily Home Unit Type F2 contains a net living area of approximately 945 square feet, a balcony of approximately 81 square feet, and an exterior storage area of approximately 16 square feet.

There are 12 Type F2 Multifamily Home Units in the Community.

Multifamily Home Unit Type G1/G1R

Multifamily Home Unit Type G1/G1R is a two-story Unit containing 3 bedrooms, 2½ bathrooms, a kitchen, living room, entry lanai, rear entry lanai, balcony, attached 1-car garage and other improvements as shown on the Condominium Map. Each Multifamily Home Unit Type G1/G1R contains a net living area of approximately 1,356 square feet, an entry lanai of approximately 119 square feet, rear entry lanai of approximately 48 square feet and balcony of approximately 119 square feet, and a garage area of approximately 240 square feet.

There are four Type G1 Multifamily Home Units and four Type G1R Multifamily Home Units in the Community, for a total of eight Type G1/G1R Multifamily Home Units.

Multifamily Home Unit Type G1-IV/G1-IVR

Multifamily Home Unit Type G1-IV/G1-IVR is a two-story Unit containing 3 bedrooms, 2½ bathrooms, a kitchen, living room, entry lanai, rear entry lanai, balcony, attached 1-car garage and other improvements as shown on the Condominium Map. Each Multifamily Home Unit Type G1-IV/G1-IVR contains a net living area of approximately 1,356 square feet, an entry lanai of approximately 119 square feet, rear entry lanai of approximately 48 square feet and balcony of approximately 119 square feet, and a garage area of approximately 240 square feet.

There are three Type G1-IV Multifamily Home Units and six Type G1-IVR Multifamily Home Units in the Community, for a total of nine Type G1-IV/G1-IVR Multifamily Home Units.

Multifamily Home Unit Type G2

Multifamily Home Unit Type G2 is a two-story Unit containing 3 bedrooms, 2½ bathrooms, a kitchen, living room, entry lanai, rear entry lanai, balcony, attached 1-car garage and other improvements as shown on the Condominium Map. Each Multifamily Home Unit Type G2 contains a net living area of approximately 1,353 square feet, an entry lanai of approximately 121 square feet, rear entry lanai of approximately 48 square feet and balcony of approximately 81 square feet, and a garage area of approximately 240 square feet.

There are four Type G2 Multifamily Home Units in the Community.

Multifamily Home Unit Type H1

Multifamily Home Unit Type H1 Unit is a two-story Unit containing 3 bedrooms, 2½ bathrooms, a kitchen, living/dining room, entry lanai, rear entry lanai, balcony, attached 1-car garage and other improvements as shown on the Condominium Map. Each Multifamily Home Unit Type H1 contains a net living area of approximately 1,432 square feet, an entry lanai of approximately 64 square feet, rear entry lanai of approximately 44 square feet and balcony of approximately 63 square feet, and a garage area of approximately 267 square feet.

There are four Type H1 Multifamily Home Units in the Community.

Multifamily Home Unit Type H2

Multifamily Home Unit Type H2 is a two-story Unit containing 3 bedrooms, 2½ bathrooms, a kitchen, living/dining room, entry lanai, rear entry lanai, balcony, attached 1-car garage and other improvements as shown on the Condominium Map. Each Multifamily Home Unit Type H2 contains a net living area of approximately 1,432 square feet, an entry lanai of approximately 64 square feet, rear entry lanai of approximately 61 square feet and balcony of approximately 63 square feet, and a garage area of approximately 267 square feet.

There are three Type H2 Multifamily Home Units in the Community.

Multifamily Home Unit Type J/JR

Multifamily Home Unit Type J/JR is a two-story Unit containing 3 bedrooms, 2½ bathrooms, a kitchen, living room, entry lanai, rear entry lanai, attached 1-car garage and other improvements as shown on the Condominium Map. Each Multifamily Home Unit Type J/JR contains a net living area of approximately 1,382 square feet, an entry lanai of approximately 119 square feet and rear entry lanai of approximately 48 square feet, and a garage area of approximately 240 square feet.

There are four Type J Multifamily Home Units and four Type JR Multifamily Home Units in the Community, for a total of eight Type J/JR Multifamily Home Units.

Multifamily Home Unit Type J-IV/J-IVR

Multifamily Home Unit Type J-IV/J-IVR is a two-story Unit containing 3 bedrooms, 2½ bathrooms, a kitchen, living room, entry lanai, rear entry lanai, attached 1-car garage and other improvements as shown on the Condominium Map. Each Multifamily Home Unit Type J-IV/J-IVR contains a net living area of approximately 1,382 square feet, an entry lanai of approximately 119 square feet and rear entry lanai of approximately 48 square feet, and a garage area of approximately 240 square feet.

There are three Type J-IV Multifamily Home Units and three Type J-IVR Multifamily Home Units in the Community, for a total of six Type J-IV/J-IVR Multifamily Home Units.

Multifamily Home Unit Type K

Multifamily Home Unit Type H2 is a two-story Unit containing 3 bedrooms, 2 bathrooms, a kitchen, living/dining room, entry lanai, balcony, attached 1-car garage and other improvements as shown on the Condominium Map. Each Multifamily Home Unit Type K contains a net living area of approximately 1,528 square feet, an entry lanai of approximately 79 square feet and balcony of approximately 110 square feet, and a garage area of approximately 245 square feet.

There are three Type K Multifamily Home Units in the Community.

Multifamily Home Unit Type L

Multifamily Home Unit Type L is a one-story Unit containing 2 bedrooms, 2 bathrooms, a kitchen, living/dining room, entry lanai, attached 1-car garage and other improvements as shown on the Condominium Map. Each Multifamily Home Unit Type L contains a net living area of approximately 1,178 square feet, an entry lanai of approximately 161 square feet, and a garage area of approximately 295 square feet.

There are three Type L Multifamily Home Units in the Community.

LOCATION AND NUMBERING OF UNITS:

Each Multifamily Home shall be designated by a numeral comprised of the building number ("1", "2", "3", "4", etc.) followed by the Unit Number (e.g. 01, 02, 03, etc.). Each Residence shall be designated by a number. The Unit numbers and locations are more fully illustrated on the Condominium Map.

ACCESS TO COMMON ELEMENTS:

Each Unit in the Community has immediate access to the common elements of the Community or to a walkway leading to the common elements of the Community.

ACCESS TO A PUBLIC STREET:

The Community will have access to Fort Barrette Road, a public road, via Kama'aha Blvd., Wakea Street, Wakea, Kakala and Manawai Streets, Wakea, Kakala and Kunehi Streets, Kukulu and Manawai Streets and/or Kukulu and Kunehi Streets, then to Kapolei Parkway.

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE BUILDINGS AND OTHER IMPROVEMENTS CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL. CAPITALIZED TERMS USED HEREIN, UNLESS OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE DECLARATION.

EXHIBIT B

Section 1.3 -- Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Approximate Net Living Area (sf)	Other (lanai, balcony, garage, etc.) (sf)	Approximate Total Area (sf)
Residences					
1/1R	17	3/2	1,365	40 (lanai) 439 (garage)*	1,844*
2/2R	23	3/2-1/2	1,371**	72 (lanais) 408 (garage)	1,851**
Multifamily Homes					
A/AR	12	3/2-1/2	1,118	136 (lanais) 19 (exterior storage)	1,273
B/BR	12	2/2-1/2	1,007	116 (lanais) 32 (exterior storage)	1,155
C	6	2/2-1/2	1,115	137 (lanais) 18 (exterior storage)	1,270
D	6	2/2-1/2	1,008	134 (lanais) 18 (exterior storage)	1,160
E1	12	2/2	757	117 (lanais) 16 (exterior storage)	890
E2	12	2/2	757	81 (balcony) 16 (exterior storage)	854
F1	12	3/2	945	117 (lanais) 16 (exterior storage)	1,078
F2	12	3/2	945	81 (balcony) 16 (exterior storage)	1,042
G1/GR	8	3/2-1/2	1,356	167 (lanais) 119 (balcony) 240 (garage)	1,882
G1-IV/G1-IVR	9	3/2-1/2	1,356	167 (lanais) 119 (balcony) 240 (garage)	1,882
G2	4	3/2-1/2	1,353	169 (lanais) 81 (balcony) 240 (garage)	1,843
H1	4	3/2-1/2	1,432	108 (lanais) 63 (balcony) 267 (garage)	1,870
H2	3	3/2-1/2	1,432	125 (lanais) 63 (balcony) 267 (garage)	1,887
J/JR	8	3/2-1/2	1,382	167 (lanais) 240 (garage)	1,789
J-IV/J-IVR	6	3/2-1/2	1,382	167 (lanais) 240 (garage)	1,789
K	3	3/2	1,528	79 (lanai) 110 (balcony) 245 (garage)	1,962
L	3	2/2	1,178	161 (lanai) 295 (garage)	1,634

*As to Residences Nos. 23, 24, 34, 35, 36, 50, 51 and 52 only, (i) the garage area is approximately 463 square feet and (ii) there is a "Covered Lanai Option", which, if applicable, adds a lanai of approximately 129 square feet off the living room.

** Each Residence Unit Type 2/2R has a "Bedroom 4 Option", which, if applicable, converts the lanai and a portion of the living room to a fourth bedroom and expands the downstairs ½ bathroom to a full bathroom. If the "Bedroom 4 Option" is applicable, the Residence Unit Type 2/2R contains a net living area of approximately 1,563 square feet, an entry lanai of approximately 7 square feet, and a garage area of approximately 408 square feet. There is also a "Covered Lanai Option" with the "Bedroom 4 Option", which, if applicable, adds a lanai of approximately 101 square feet off the living room.

Note regarding Net Living Areas: Throughout the Olino at Mehana documentation, the area of individual units is generally expressed as "net living area" square footage. This measurement represents the architect's best estimate of the interior square footage of the unit as measured from the unit's perimeter walls, which are included in the unit. This measurement is based upon the plans for the construction of the unit and different architects performing the same measurement may obtain a larger or smaller result.

Units followed by an "R" represent a reverse floor plan configuration from that reflected on the condominium map.

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE UNIT TYPES AND SIZES OF UNITS CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL. CAPITALIZED TERMS USED HEREIN, UNLESS OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE DECLARATION.

EXHIBIT C

Section 1.4 – Designation of Garage and/or Parking Stall Assignments

Capitalized terms used herein, unless otherwise defined herein, shall have the meanings given to them in the Declaration.

DESIGNATION OF GARAGE TO UNITS

Each Residence has assigned two (2) unnumbered parking stalls, which are located within the 2-car garage that is a component of the Residence.

Multifamily Home Unit Types G1/G1R, G1-IV/G1-IVR, G2, H1, H2, J/JR, J-IV/J-IVR, K and L Units have an attached 1-car garage as part of the Unit. The numbers initially designated to the garages attached to such Multifamily Homes are described as follows:

Unit No.	Attached Garage Parking Stall No.
101	11
102	9
103	7
104	5
105	3
106	1
201	23
202	21
203	19
204	17
205	15
206	13
301	35
302	33
303	31
304	29
305	27
306	25
1601	81
1602	83
1603	85
1604	87
1605	89
1606	91
1607	93
1608	95
1701	65
1702	67
1703	69
1704	71
1705	73
1706	75
1707	77
1708	79
1801	53

Unit No.	Attached Garage Parking Stall No.
1802	55
1803	57
1804	59
1805	61
1806	63
1901	37
1902	39
1903	41
1904	43
1905	45
1906	47
1907	49
1908	51

Note: Unit Owners should refer to the Condominium Map for the designation of garage. The above list is provided as additional information only.

PARKING STALLS ASSIGNMENTS:

Multifamily Home Unit Types G1/G1R, G1-IV/G1-IVR, G2, H1, H2, J/JR, J-IV/J-IVR, K and L Units have an attached 1-car garage as part of the Unit and one driveway parking stall as a limited common element appurtenant to such Unit, as shown on the Condominium Map. Each other Multifamily Home shall have for its own use at least two (2) parking stalls as limited common elements appurtenant to such Unit, as shown on the Condominium Map.

The initial designation of driveway parking stall numbers and initial assignment of open parking stalls to the Multifamily Homes, in each case, as applicable, is as follows:

Unit No.	Driveway Parking Stall No.	Open Parking Stall No.	Open Parking Stall No.
101	12		
102	10		
103	8		
104	6		
105	4		
106	2		
201	24		
202	22		
203	20		
204	18		
205	16		
206	14		
301	36		
302	34		
303	32		
304	30		
305	28		
306	26		
401		247	248
402		249	250

Unit No.	Driveway Parking Stall No.	Open Parking Stall No.	Open Parking Stall No.
403		251	252
404		253	254
405		255	256
406		257	258
501		239	266
502		228	238
503		229	240
504		237	265
505		230	235
506		232	233
507		234	236
508		231	241
601		203	221
602		208	216
603		207	217
604		202	220
605		222	223
606		206	264
607		205	263
608		204	215
701		192	193
702		196	224
703		197	226
704		198	225
705		199	227
706		194	195
801		175	183
802		178	184
803		179	185
804		174	182
805		177	187
806		180	188
807		181	189
808		176	186
901		163	210
902		164	211
903		165	212
904		166	213
905		167	214
906		168	209
1001		162	271
1002		274	279
1003		272	280
1004		161	273
1005		267	276
1006		270	278
1007		268	277
1008		269	275
1101		154	155
1102		156	173
1103		157	172

Unit No.	Driveway Parking Stall No.	Open Parking Stall No.	Open Parking Stall No.
1104		158	171
1105		159	170
1106		160	169
1201		142	143
1202		152	153
1203		150	151
1204		140	141
1205		144	145
1206		148	149
1207		146	147
1208		138	139
1301		126	127
1302		128	132
1303		129	135
1304		130	131
1305		136	137
1306		133	134
1401		110	111
1402		121	120
1403		122	123
1404		108	109
1405		107	106
1406		124	125
1407		117	116
1408		112	113
1501		98	97
1502		99	281
1503		100	282
1504		101	102
1505		103	283
1506		104	105
1601	82		
1602	84		
1603	86		
1604	88		
1605	90		
1606	92		
1607	94		
1608	96		
1701	66		
1702	68		
1703	70		
1704	72		
1705	74		
1706	76		
1707	78		
1708	80		
1801	54		
1802	56		
1803	58		
1804	60		

Unit No.	Driveway Parking Stall No.	Open Parking Stall No.	Open Parking Stall No.
1805	62		
1806	64		
1901	38		
1902	40		
1903	42		
1904	44		
1905	46		
1906	48		
1907	50		
1908	52		

PARKING STALL ASSIGNMENTS ARE SUBJECT TO CHANGE BY SUPPLEMENTAL DECLARATION(S) OR AMENDMENT(S) TO THE DECLARATION

Parking stalls may be "standard" or "compact" in size and may not be marked on the Condominium Map to reflect their respective sizes. In that regard, if marked on the Condominium Map, parking stalls marked with a "C" are compact sized parking stalls. Any parking stalls designated as a standard sized parking stall may be constructed as a compact sized parking stall and such modification is approved by the Buyer.

DECLARANT RESERVED STALLS

The following parking stalls are hereby designated as Declarant Reserved Stalls:

119 HC	200 HC					
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PARKING STALL ASSIGNMENTS ARE SUBJECT TO CHANGE BY SUPPLEMENTAL DECLARATION(S) OR AMENDMENT(S) TO THE DECLARATION

Declarant reserves to itself the right to amend the Declaration to establish spatial Units consisting of one or more of the foregoing parking stalls, all without the joinder or consent or notice to any Owner, Owner's mortgagees, or Person. Declarant further reserves the right to amend the Declaration in any manner to assign additional parking stalls that are reserved to the Declarant to any Unit as appurtenant Limited Common Element(s) to such Unit. Further Developer may assign such stalls to any unit and reserves all right of use and access to such stalls together with the right to sell the stalls and/or transfer the stalls to another unit. Such amendment reassignment is hereby specifically declared not to constitute a material amendment of the Declaration or, when appropriate, the Condominium Map.

GUEST PARKING STALLS

The following parking stalls are initially designated as guest parking stalls for the Units within the Community, subject to Declarant's right to substitute alternate guest parking stalls:

114	115	118 HC	190	191	201 HC	218	219
242	243	244	245	246	259	260	261
262	364	365	366	367	368	369	370
371	372	373	374	375	376		

PARKING STALL ASSIGNMENTS ARE SUBJECT TO CHANGE BY SUPPLEMENTAL DECLARATION(S) OR AMENDMENT(S) TO THE DECLARATION

Disclaimer Regarding Parking Stall Designations

Parking stalls may be "standard" or "compact" in size and may not be marked on the Condominium Map to reflect their respective sizes. In that regard, if marked on the Condominium Map, parking stalls marked with a "C" are compact sized parking stalls. Any parking stalls designated as a standard sized parking stall may be constructed as a compact sized parking stall and such modification is approved by the Buyer and the Association. Any parking stalls designated as a compact sized parking stall may be constructed as a standard sized parking stall and such modification is approved by the Buyer or the Association. Any parking stalls designated as a covered or uncovered parking stall may be constructed contrary to its designation and such modification is approved by the Buyer or the Association. There may be parking stalls in the Community that are suited or adaptable for use by persons with disabilities. To the extent not assigned to individual Units, adaptable guest stalls (or any Developer Reserved Stall) may be retrofitted for exclusive use by disabled persons. Declarant reserves the right to transfer one or more guest parking stalls or any one or more of the Developer Reserved Stalls to a Unit, provided that if a guest parking stall or stalls are so transferred Declarant shall designate a substitute parking stall or stalls, as may be the case, therefor.

In all such cases, Declarant reserves the right to and may amend (i) the Declaration to reflect such parking stall transfers and (ii) the Condominium Map to reflect the as-built parking stall designations (compact, standard, covered, uncovered) without the joinder or consent or notice to any person.

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE PARKING STALL ASSIGNMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL. CAPITALIZED TERMS USED HEREIN, UNLESS OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE DECLARATION.

EXHIBIT D

Section 1.4 -- Reserved Right to Assign or Re-Assign Parking Stalls

Declarant shall have the reserved right, to effect such modifications to the Units and Common Elements in the Community and/or to execute, record and deliver any amendments to the Declaration, the Condominium Map as well as the Bylaws and rules and regulations promulgated thereunder, as may be necessary or required to effect compliance by the Community, the Association, or by Declarant with laws which apply to the Community, including, without limitation, the Fair Housing Act, as amended, 42 U.S.C. §§ 3601 et seq., including any and all rules and regulations promulgated thereunder, and the Americans With Disabilities Act, as amended, 42 U.S.C. §§ 12101 et seq., including any and all rules and regulations promulgated thereunder. Without limitation, Declarant may amend the Declaration (and, when appropriate, the Condominium Map) in any manner required to retrofit guest parking stalls, including without limitation any adaptable parking stall, so they are suited for use by persons with disabilities and to assign such stalls as appurtenant Limited Common Elements to any one or more of the Units intended for use by persons with disabilities upon substitution therefor of alternate guest parking stall(s). Such stall assignment may be made to Units, the Owners of which Declarant, in its sole judgment, determines require a parking stall accessible to persons with disabilities. Such reassignment is hereby specifically declared not to constitute a material amendment of the Declaration or, when appropriate, the Condominium Map. All costs of such reassignment shall be borne as determined by Declarant. Notwithstanding the foregoing, Declarant also reserves the right, but does not hereby undertake any obligation, to interchange guest parking stalls and the disabled guest parking stalls to accommodate Unit Owners in need of such parking. The rights of Developer under this Section and Section E.25 of the Declaration may be assigned to the Association, without the consent or joinder of the Board.

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE RESERVED RIGHT TO ASSIGN OR RE-ASSIGN PARKING STALLS CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL. CAPITALIZED TERMS USED HEREIN, UNLESS OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE DECLARATION.

EXHIBIT E

Section 1.5 -- Boundaries of the Units

(a) Limits of Residences. Each Residence includes all walls, columns and partitions (both load bearing and not load bearing) which are within the Residence's perimeter walls including without limitation the Residence's perimeter walls, the Residence's foundation, all floors (to a depth of two feet below the finished floor elevation), ceilings, roofs, doors, windows, sliding glass doors, screen doors, door frames and window frames, the air space within the Residence, the garage including its floor (to a depth of two feet below the finished floor elevation), foundation, ceiling, roof, doors and perimeter walls, the lanais, if any, shown on the Condominium Map, all rollers, locks, handles, tracks, and appurtenant hardware associated with all windows, doors and exterior automobile garage doors and all sliding or swinging screen doors and all glass window screens and all fixtures originally installed in the Residence, and all pipes, plumbing (including water heaters), wires, conduits and other utility or service lines and facilities servicing only the Residence. The Residences shall also include all load bearing columns, girders, beams, building components and other elements included within each Residence. The Residence shall not include any pipes, shafts, wires, conduits or other utility or service lines running through a Residence which are utilized for or serve more than one Residence, all of which are deemed common elements as provided in the Declaration.

(b) Boundaries of Multifamily Homes. Each Multifamily Home includes all walls, columns and partitions which are not load bearing within the Multifamily Home's perimeter walls (including the garage associated with Multifamily Home Unit Types G1/G1R, G1-IV/G1-IVR, G2, H1, H2, J/JR, J-IV/J-IVR, K and L) and all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces of load bearing and perimeter walls. Each Multifamily Home shall also include doors, door frames, windows and window frames along the perimeters, the air space within the perimeter, the air space encompassed by the lanais, if any, shown on the Condominium Map to the inner decorated or finished surfaces of the perimeter walls floors and ceilings, if any of such lanais and to the interior edge of the exterior railings or other boundaries of such lanais, the entry courts or areas, if any, shown on the Condominium Map to the inner decorated or furnished surfaces of the perimeter walls of such entry courts or areas and to the interior edge of other boundaries of such entry courts or areas, the exterior storage areas, if any, shown on the Condominium Map, all rollers, locks, handles, tracks, and appurtenant hardware associated with all windows, exterior automobile garage doors (Multifamily Home Unit Types G1/G1R, G1-IV/G1-IVR, G2, H1, H2, J/JR, J-IV/J-IVR, K and L only) and all sliding or swinging screen doors and all glass window screens and all fixtures originally installed in the Multifamily Home, and all pipes, plumbing (including water heaters), wires, conduits and other utility or service lines and facilities servicing only the Multifamily Home. All other portions of the walls, floors, or ceilings, are a part of the Common Element. The Multifamily Homes shall not include the undecorated or unfinished surfaces of the perimeter party or non party walls, the interior load bearing columns, girders, beams and walls, the undecorated or unfinished surfaces of the floors and ceiling surrounding each Multifamily Home, the exterior edge of the exterior railings or other exterior boundaries of the lanais or balconies, if any, shown on the Condominium Map, or any pipes, shafts, wires, conduits or other utility or service lines running through a Multifamily Home which are utilized for or serve more than one Multifamily Home, all of which are deemed Common Elements as provided in the Declaration. If any chute, flue, duct, wire, conduit, or any other fixture lies partially within and partially outside the designated boundaries of a Multifamily Home, any portion thereof serving only that unit is a Limited Common Element appurtenant solely to that Multifamily Home, and any portion thereof serving more than one Multifamily Home or any portion of thereof serving more than one Multifamily Home or any portion of the Common Elements is a part of the Common Elements.

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE BOUNDARIES OF THE UNITS CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS

EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL. CAPITALIZED TERMS USED HEREIN, UNLESS OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE DECLARATION.

EXHIBIT F

Section 1.6 -- Permitted Alterations

1. Repair, Reconstruction, Restoration, and Replacement. Except as specifically provided to the contrary in the Declaration, repair, reconstruction, restoration and replacement of the Community or any building or other structure or Unit within the Community or construction of any additional building or other structure or structural alteration or addition thereto, different in any material respect from the Condominium Map shall be undertaken by the Association or any Unit Owners only pursuant to an amendment of the Declaration. Except as expressly provided otherwise in the Declaration, any such amendment shall be duly executed by or pursuant to the affirmative vote of seventy-five percent (75%) of the Unit Owners and accompanied by the written consent of the holders of first mortgage (as hereinafter defined) on Units to which at least sixty-seven percent (67%) of the votes of Units subject to mortgages held by such holders are allocated, and in accordance with complete plans and specifications therefor first approved in writing by the Board. Promptly upon completion of such repair, reconstruction, restoration, replacement, construction, alteration or addition, the Association shall duly Record and file of record such amendment together with a complete set of floor plans of the Community as so altered, certified as-built by a licensed, registered architect or professional engineer.

2. Alterations or Additions. Any alterations or additions solely within a Unit, including, without limitation, the addition of an exterior air conditioning unit to service the Unit that may protrude through a Common Element wall, or within a Limited Common Element appurtenant to and for the exclusive use of a Unit or more than one Unit, shall in all instances comply with the Declaration, the Design Guidelines and the Community Rules, and shall require the written approval thereof, including the plans thereof, by the Owners of such Unit(s), by the holders of first mortgage liens affecting such Unit(s) (if the lien holder require such approval), by the appropriate agencies of the State of Hawaii and the County, if such agencies so require, the Olino DRC, if created, and by the Board (which approval shall not be unreasonably or arbitrarily withheld or delayed), and by all other Owners thereby directly affected as determined in a reasonable manner by the Board (as the same may be limited, directed or constrained by the Community Rules); provided, however, that the Board shall always have the right to disapprove a proposed addition or alteration that the Board reasonably determines could jeopardize the soundness or safety of the Property, impair any easement, or interfere with or deprive any non-consenting Owner of the use or enjoyment of any part of the property. Upon completion of such alterations or additions, the Unit Owner(s) directly affected shall duly Record and file of record an amendment to the Declaration together with the approved plans showing only such alterations or additions within a Unit space or within a Limited Common Element as aforesaid. Such amendment to the Declaration need only be executed by the Unit Owner(s) directly affected and their first mortgagees, as may be required. Notwithstanding the foregoing, no alteration of a Unit may be made that causes or requires a protrusion through a common element wall.

3. Declarant's Rights. Declarant shall have the right to exercise each and all of the rights reserved to Declarant under and as provided in the Declaration, including, without limitation, those rights reserved to Declarant to alter Units or the Common Elements or Limited Common Elements within the Community as provided in Section E of the Declaration.

4. Permitted Alterations. Notwithstanding anything to the contrary contained herein but subject to (1) the Easements and other rights and licenses reserved for the benefit of other Unit Owners, (2) compliance with the Design Guidelines, the Master Design Guidelines, the Master Declaration, and (3) such other limitations specified below, each Unit Owner has the following rights:

(a) Each Owner has the right to make any of the following changes, additions and Improvements solely within the Owner's Unit or Limited Common Element that such Owner controls, subject to the Owner's compliance with the Design Guidelines:

(i) To install, maintain, remove, and rearrange partitions and other non-load bearing structures from time to time within the Unit or Limited Common Element; provided that the Owner shall not have the right to enclose any exterior lanai or Private Yard Area;

(ii) To finish, change, or substitute any plumbing, electrical, or other fixtures attached to the ceilings, floors, or interior walls as appropriate for the use of the Unit or Limited Common Element;

(iii) To decorate, paint, repaint, wallpaper or otherwise change the appearance of any walls, floors, and ceilings of the Unit or Limited Common Element that are not readily visible from outside the Unit or Limited Common Element, subject to any limitation, if any, as may be contained in the Design Guidelines;

(iv) To tile, finish, carpet, re-carpet, and install, change, or remove other flooring in the Unit or Limited Common Element which is not readily visible from outside the Unit or Limited Common Element, subject to the limitation on the installation of "hard" flooring as may be contained in the Design Guidelines; or

(v) To make such changes, additions and improvements to the Unit or Limited Common Elements to facilitate handicapped accessibility within the Unit or Limited Common Element.

(b) Except as otherwise provided in the Declaration, the Bylaws or the Design Guidelines, an Owner may make "nonmaterial structural additions" to an Owner's unit as the foregoing term is used in and subject to the provisions of Section 514B-140(c) of the Act.

(c) The Owner of two (2) Units that are separated by a Common Element that is a wall, floor, or a ceiling, or whose lanai or Limited Common Elements are separated from each other or from such Units by a Common Element that is a wall, floor, or ceiling, has the right and an easement, subject to Board approval and compliance with the Design Guidelines, to change or remove all or part of the intervening wall, floor, and/or ceiling. The Owner also has the right, subject only to Board approval and compliance with the Design Guidelines, to install doors, stairways, and other Improvements in such opening or openings in the intervening Common Element, to seal hallways or other openings, and to make other reasonable changes or additions which do not adversely affect the structural integrity of the Unit or Limited Common Element or the building in which such Unit is situated. Before terminating its common ownership of any of the adjacent Units, the Owner must restore the Common Element wall, floor, ceiling, hallway, and/or other openings to substantially the same condition as before the change or removal, unless the new Owners each agree otherwise in writing.

(d) An Owner who owns any two (2) adjacent Units separated as described in Section (c) above has the right, subject only to Board approval and compliance with the Design Guidelines: (i) to consolidate the Units into a single Unit; and (ii) to make any Common Element walls, floors or ceilings between the Units part of the Unit or its Limited Common Elements. The Common Interest of the newly created Unit will be equal to the sum of the Common Interests of the Units being consolidated.

(e) Each Owner shall be entitled to install a split air conditioning system equal or superior in quality and operational noise level as the system installed or designated by the Declarant in Units within the Community; provided such systems do not exceed the energy consumption and wattage requirements of the Declarant installed systems. Installation of such a system by the Owner(s) shall not require the consent of any other Unit Owner, but such installation must first be approved as required by and must comply with the Design Guidelines. Except as provided in Section F.2(b) of the Declaration, condenser units serving such systems shall be located in the Private Yard Area of the Unit to be served by the air conditioning system. As provided in Section F.2(b) of the Declaration, Owners Units may install a split air conditioning system, components of which, including specifically condenser units and piping, may be located in the Common Elements of the Community (solely in that general location that may be indicated on the Condominium Map by a rectangle and noted in the Site Legend for the map), and each such Owner shall have an easement over that portion of the Common Elements described in Section F.2(b) of the Declaration for the purpose of installing, maintaining and repairing the air conditioning system's condenser units and piping and other facilities located within the Common Elements. As further

provided in Section F.2(b), specifically with respect to Owners of Multifamily Home Unit Types E2 (i.e., Unit Nos. 505, 507, 605, 607, 805, 807, 1005, 1007, 1205, 1207, 1405 and 1407) and F2 (i.e., Unit Nos. 506, 508, 606, 608, 806, 808, 1006, 1008, 1206, 1208, 1406 and 1408) only, Owners of such Units may install a split air conditioning system, components of which, including specifically condenser units and piping, may be located in the Common Elements adjacent to and/or Limited Common Elements of Multifamily Home Unit Types E1 (i.e., Unit Nos. 501, 503, 601, 603, 801, 803, 1001, 1003, 1201, 1203, 1401 and 1403) and F1 (i.e., 502, 504, 602, 604, 802, 804, 1002, 1004, 1202, 1204, 1402 and 1404), respectively, solely in that location where the pre-plumbed piping for such system that serves the benefitted Units daylights in the building where the benefitted Unit is located (which general location may be indicated on the Condominium Map by a rectangle and noted in the Site Legend for the map), and each such Owner shall have an easement over that portion of the Common Elements and/or Limited Common Elements described in Section F.2(b) of the Declaration for the purpose of installing, maintaining and repairing the air conditioning system's condenser units and piping and all other facilities located within the Common Elements and/or Limited Common Elements.

Any Owner has the right, with Board approval, to install air conditioning unit(s) and any exterior improvements associated with the installation of such air conditioning unit(s).

5. Government Regulations. If there is any conflict between the requirements or actions of the Board and the mandatory regulations or ordinances of any governmental entity relating to the Community, the government regulation or ordinance, to the extent that such regulations and ordinances are more restrictive, shall control, and the Board shall modify its requirements or actions to conform to the government regulation or ordinance; provided, however, that if the governmental rules or regulations are less restrictive, the provisions of the Declaration shall nonetheless apply. The application by an Owner for review and approval by the Board of any plans and specifications or other submittals by such Owner shall in no way be deemed to be satisfaction of compliance with any applicable statute or law, or governmental rule or regulation or public utility requirement (hereinafter collectively referred to as "Additional Requirements"); provided, however, if the Additional Requirements are less restrictive than the provisions of the Declaration, the provisions of the Declaration shall nonetheless apply.

6. Diligence In Construction. Upon final approval of any plans and specifications, the Owner shall promptly commence construction within sixty (60) days after final approval of any Plans and Specifications and diligently pursue the same to completion and complete such construction within six (6) months of the commencement of construction unless a longer time is authorized in writing by the Board.

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE PERMITTED ALTERATIONS CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL. CAPITALIZED TERMS USED HEREIN, UNLESS OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE DECLARATION.

EXHIBIT G-1
Section 1.7 -- Common Interest

COMMON INTERESTS FOR ALL INCREMENTS
(Assuming all Increments are Constructed)

Unit Type	Unit Number	Undivided Common Interest of Each Unit (Fraction)	Undivided Common Interest of Each Unit (Percentage)
1/1R (17)	20, 23, 24, 25, 26, 28, 34, 35, 36, 41, 42, 43, 44, 48, 49, 52, 57	0.00683	0.68300%
2/2R (23)	21, 22, 27, 29, 30, 31, 32, 33, 37, 38, 39, 40, 45, 46, 47, 50, 51, 53, 54, 55, 56, 58, 59	0.00686	0.68600%
A/AR (12)	401, 406, 701, 706, 901, 906, 1101, 1106, 1301, 1306, 1501, 1506	0.00560	0.56000%
B/BR (12)	402, 405, 702, 705, 902, 905, 1102, 1105, 1302, 1305, 1502, 1505	0.00504	0.50400%
C (6)	404, 704, 904, 1104, 1304, 1504	0.00558	0.55800%
D (6)	403, 703, 903, 1103, 1303, 1503	0.00505	0.50500%
E1 (12)	501, 503, 601, 603, 801, 803, 1001, 1003, 1201, 1203, 1401, 1403	0.00379	0.37900%
E2 (12)	505, 507, 605, 607, 805, 807, 1005, 1007, 1205, 1207, 1405, 1407	0.00379	0.37900%
F1 (12)	502, 504, 602, 604, 802, 804, 1002, 1004, 1202, 1204, 1402, 1404	0.00473	0.47300%
F2 (12)	506, 508, 606, 608, 806, 808, 1006, 1008, 1206, 1208, 1406, 1408	0.00473	0.47300%
G1/G1R (8)	103, 104, 203, 204, 303, 304, 1803, 1804	0.00679	0.67900%
G1-IV/G1-IVR (9)	1604, 1605, 1607, 1704, 1705, 1707, 1904, 1905, 1907	0.00679	0.67900%
G2 (4)	101, 201, 301, 1801	0.00677	0.67700%
H1 (4)	106, 206, 306, 1806	0.00717	0.71700%
H2 (3)	1608, 1708, 1908	0.00717	0.71700%
J/JR (8)	102, 105, 202, 205, 302, 305, 1802, 1805	0.00692	0.69200%
J-IV/J-IVR (6)	1603, 1606, 1703, 1706, 1903, 1906	0.00692	0.69200%
K (3)	1602, 1702, 1902	0.00763	0.76300%

Unit Type	Unit Number	Undivided Common Interest of Each Unit (Fraction)	Undivided Common Interest of Each Unit (Percentage)
L (3)	1601, 1701, 1901	0.00590	0.59000%

Declarant contemplates that the Community shall proceed in no more than thirty-nine (39) Increments. Declarant may alter the number of units within an Increment (by increasing or decreasing the number of Units within an Increment) or construct the Community in one (1) or more Increments in Declarant's sole discretion. In constructing the Community in multiple Increments, all common profits and expenses of the Community shall be allocated to and shared among those Units for which a Developer's Certificate of Completion of Increment and a Supplemental Declaration of Annexation has been Recorded, proportionate to the common interests appurtenant to such Units within Increment 1 and such subsequent Increments.

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE COMMON INTERESTS CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL. CAPITALIZED TERMS USED HEREIN, UNLESS OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE DECLARATION.

EXHIBIT G-2
Section 1.7 -- Common Interest

COMMON INTERESTS FOR PARTICULAR ASSESSMENT OBLIGATIONS

Common expenses benefitting the entire Community are to be assessed to both the Multifamily Home and Residence Owners in the proportions described in Exhibit "G-1" to this report and Exhibit "G-2" to the Declaration.

COMMON INTERESTS FOR PARTICULAR ASSESSMENT OBLIGATIONS – MULTIFAMILY HOMES

Common expenses relating exclusively to the Multifamily Homes (e.g., charges for maintenance repair, replacement, additions and improvement of any Multifamily Building, private trash service, dryer vent cleaning and reserve assessments therefor) shall be common expenses allocable solely to the Multifamily Homes as provided in Section K.1(a)(ii) of the Declaration and shall be borne by the Multifamily Home Unit Owners in the ratio and percentages:

Multifamily Home Unit Type	Multifamily Home Unit Number	Undivided Common Interest of Each Unit (Fraction)	Undivided Common Interest of Each Unit (Percentage)
A/AR (12)	401, 406, 701, 706, 901, 906, 1101, 1106, 1301, 1306, 1501, 1506	0.00772	0.7720%
B/BR (12)	402, 405, 702, 705, 902, 905, 1102, 1105, 1302, 1305, 1502, 1505	0.00695	0.6950%
C (6)	404, 704, 904, 1104, 1304, 1504	0.00769	0.7690%
D (6)	403, 703, 903, 1103, 1303, 1503	0.00696	0.6960%
E1 (12)	501, 503, 601, 603, 801, 803, 1001, 1003, 1201, 1203, 1401, 1403	0.00522	0.5220%
E2 (12)	505, 507, 605, 607, 805, 807, 1005, 1007, 1205, 1207, 1405, 1407	0.00522	0.5220%
F1 (12)	502, 504, 602, 604, 802, 804, 1002, 1004, 1202, 1204, 1402, 1404	0.00652	0.6520%
F2 (12)	506, 508, 606, 608, 806, 808, 1006, 1008, 1206, 1208, 1406, 1408	0.00652	0.6520%
G1/G1R (8)	103, 104, 203, 204, 303, 304, 1803, 1804	0.00936	0.9360%
G1-IV/G1-IVR (9)	1604, 1605, 1607, 1704, 1705, 1707, 1904, 1905, 1907	0.00936	0.9360%
G2 (4)	101, 201, 301, 1801	0.00933	0.9330%
H1 (4)	106, 206, 306, 1806	0.00988	0.9880%
H2 (3)	1608, 1708, 1908	0.00988	0.9880%
J/JR (8)	102, 105, 202, 205, 302, 305, 1802, 1805	0.00954	0.9540%

Multifamily Home Unit Type	Multifamily Home Unit Number	Undivided Common Interest of Each Unit (Fraction)	Undivided Common Interest of Each Unit (Percentage)
J-IV/J-IVR (6)	1603, 1606, 1703, 1706, 1903, 1906	0.00954	0.9540%
K (3)	1602, 1702, 1902	0.01038	1.0380%
L (3)	1601, 1701, 1901	0.00800	0.8000%

COMMON INTERESTS FOR PARTICULAR ASSESSMENT OBLIGATIONS – RESIDENCES

Common expenses relating exclusively to the Residences shall be common expenses allocable solely to the Residences as provided in Section K.1(a)(iii) of the Declaration and shall be borne by the Residences Unit Owners in the following ratio and percentages:

Residence Unit Type	Residence Unit Number	Undivided Common Interest of Each Unit (Fraction)	Undivided Common Interest of Each Unit (Percentage)
1/1R (17)	20, 23, 24, 25, 26, 28, 34, 35, 36, 41, 42, 43, 44, 48, 49, 52, 57	0.024931	2.4931%
2/2R (23)	21, 22, 27, 29, 30, 31, 32, 33, 37, 38, 39, 40, 45, 46, 47, 50, 51, 53, 54, 55, 56, 58, 59	0.025051	2.5051%

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE COMMON INTERESTS FOR PARTICULAR ASSESSMENT OBLIGATIONS CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL. CAPITALIZED TERMS USED HEREIN, UNLESS OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE DECLARATION.

EXHIBIT H

Section 1.8 -- Recreational and Other Common Facilities

The recreational and other common facilities include mailbox(es) and/or mail centers, trash enclosures and pathways as shown on the Condominium Map, and other common elements identified in Exhibit I of this report. The Developer has reserved the right but is not obligated to improve such areas with other recreational facilities in the Community. Additionally, Developer has the reserved right to modify the Community as further provided in Exhibit O of this report. Discharge from the Community into the sewer system or the drainage easement shall be subjected to all applicable laws, ordinances, rules and regulations, including but without limitation to, all Hazardous Material Laws made by any governmental authority.

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE RECREATIONAL AND OTHER COMMON FACILITIES CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL. CAPITALIZED TERMS USED HEREIN, UNLESS OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE DECLARATION.

EXHIBIT I
Section 1.9 -- Common Elements

The common elements of the Community shall specifically include, but are not limited to, the following:

1. The Land and those improvements to the Land, excluding the Units and Private Yard Areas, if any, but including, without limitation, the Community Access Drives, exterior lighting fixtures located along and/or adjacent to the Community Access Drives, the common area landscaping and similar improvements. Without limitation of the foregoing, improvements to the Land include all yards, grounds, gardens, planters, plants, landscaping, sidewalks, walkways, pathways, curbs, mailboxes, lamp, lamp posts, trash enclosures and recycle bins (which may be labeled as refuse/recycling centers), mail centers, electrical rooms, refuse facilities, elevators (if any), trash chutes (if any), fencing, walls, gates, security doors, barbeque areas and facilities (if any), breezeway accesses to units (egress balconies), railings, and any recreational or exercise facilities constructed on the common elements, if any, whether or not shown on the Condominium Map.
2. All the benefits, if any, inuring to the Land or to the Community from all easements, if any, shown on the Condominium Map or listed in **Exhibit "D-1"** attached to the Declaration of Condominium Property Regime.
3. As to the Multifamily Homes only, all structural components, such as foundations, girders, columns, beams, floor slabs, supports, main walls, load-bearing walls, floors, ceilings (except the inner or decorated surfaces of such walls, floors and ceilings), roofs, exterior stairs and stairways, landings, railings, entrances and exits of the buildings and/or Units (other than the entry courts or areas, if any, shown on the Condominium Map to the inner decorated or furnished surfaces of the perimeter walls of such entry courts or areas and to the interior edge of other boundaries of such entry courts or areas, the exterior storage areas, if any, shown on the Condominium Map, doors, door frames, windows and window frames included in the definition of a Unit, all rollers, locks, handles, tracks, and appurtenant hardware associated with all windows, exterior automobile garage doors (Unit Types G1/G1R, G1-IV/G1-IVR, G2, H1, H2, J/JR, J-IV/J-IVR, K and L only), and all sliding or swinging screen doors and all glass and window screens, all of which shall be the responsibility of the Unit owners), and other building appurtenances, and all other portions of the walls, floors or ceilings, are a part of the Common Elements.
4. If any chute, flue, duct, wire, conduit, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element appurtenant solely to that Unit, and any portion thereof serving more than one Unit or any portion of thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements.
5. All yards, grounds, gardens, planters, plants, landscaping, sidewalks, walkways, pathways, curbs, mailboxes, lamp, lamp posts, trash enclosures, mail centers, recycle bins, electrical rooms, refuse facilities and loading area.
6. All fences and walls as shown on the Condominium Map, other than fences enclosing a Private Yard Area.
7. All drainage facilities or swales, pipes, shafts, wires, conduits, retention basins, aqua swirl facilities, filters at drain inlets and underground drainage chambers, or other utilities or service lines running through a Unit, or Private Yard Area, if any, which are utilized for or serve more than one Unit, or Private Yard Area, if any, or other features of the Community.
8. Loading area(s), if any, as shown on the Condominium Map.

9. All guest and accessible guest parking stalls and parking areas, which are shown on the Condominium Map, subject to Declarant's right to substitute alternate guest parking stalls. The use of guest parking stall(s), inclusive of accessible guest parking stalls, shall be governed by the applicable rules and regulations set forth in the Community Rules; but excluding therefrom all non-assigned parking stalls designated as Declarant Reserved Stalls, which may be assigned by Declarant to any one or more Units by amendment(s) to the Declaration.

The parking stalls initially designated as guest parking stalls for the Units within the Community, subject to Declarant's right to substitute alternate guest parking stalls, are described in Exhibit C to this report.

10. Any and all apparatus and installations of common use by more than one (1) Unit or Limited Common Element appurtenant thereto, and all other parts of the Community necessary or convenient to its existence, maintenance and safety, or normally in common use.
11. All ducts, electrical equipment, transformers, wiring, pipes and other central and appurtenant transmission facilities and installations over, under and across the Community or individual Private Yard Areas, if any, shown on the Condominium Map, which are utilized by or serve more than one Unit or for services such as power, light, water, gas, sewer, drainage, telephone and radio and television signal distribution, if any.
12. All areas, rooms, spaces, structures, housings, chutes, shafts or facilities of the Community within or outside of the buildings, which are for common use or which serve more than one Unit, such as electrical, maintenance, service, security, machine, mechanical and equipment rooms and the equipment, machinery and facilities therein.
13. All other parts of the Community which are not included in the definition of a Residence or Multifamily Home.
14. The Entry Sign Monument identifying the Community, which may be covered by a grant of easement in favor of the Association.

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE COMMON ELEMENTS CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL. CAPITALIZED TERMS USED HEREIN, UNLESS OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE DECLARATION.

EXHIBIT J

Section 1.10 -- Limited Common Elements

Certain Residences and Multifamily Homes shall have appurtenant thereto easements for the exclusive use of certain limited common elements as follows:

1. Private Yard Area:

Certain units may include Private Yard Areas. This land area appurtenant to each Unit, as described in the Declaration and if shown on the Condominium Map, and bearing the same Private Yard Area number as the unit number assigned to the Unit, is a limited common element. Private Yard Areas are not legally subdivided lots. Private Yard Areas include the land beneath the Unit bearing the same number as the Private Yard Area, the yard area in front of, to the rear and the sides of the Unit as demarked (at the sole election of Developer) by (1) fencing of the yard area or rear yard and/or front yard areas of the Unit; (2) appropriate physical monuments at the corners of the Private Yard Area and/or locations shown on the Condominium Map; or (3) by metes and bounds noted on the Condominium Map or contained in a Supplemental Declaration.

2. Partially Included in Unit:

If any chute, flue, duct, wire, conduit, or any other fixture lies partially within and partially outside the designated boundaries of a Unit (including all facilities, piping, condenser units or the other components of the air conditioning system servicing the Unit), any portion thereof serving only that unit is a Limited Common Element appurtenant solely to that Unit, and any portion thereof serving more than one Unit or any portion of thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements. Any shutters, awnings, window boxes, doorsteps, stoops, air conditioning units, heat exchange units (and singular facilities serving the same) and all exterior doors (including exterior automobile garage doors) and windows or other fixtures designed to serve a single unit, but are located outside the Unit's boundaries, are Limited Common Elements appurtenant exclusively to that Unit.

3. Air Conditioning Facilities:

Any air conditioning facilities installed outside Private Yard Areas.

4. Parking Stalls:

Parking Stall Assignments:

Multifamily Home Unit Types G1/G1R, G1-IV/G1-IVR, G2, H1, H2, J/JR, J-IV/J-IVR, K and L Units have an attached 1-car garage as part of the Unit and one driveway parking stall as a limited common element appurtenant to such Unit, as shown on the Condominium Map. Each other Multifamily Home shall have for its own use at least two (2) parking stalls as limited common elements appurtenant to such Unit, as shown on the Condominium Map.

The initial designation of driveway parking stall numbers and initial assignment of open parking stalls to the Multifamily Homes, in each case, as applicable, is described in Exhibit C to this report.

5. Exterior Light Fixtures:

Exterior Lighting Fixtures, electrical service in respect of which is provided by an individual Residence or Multifamily Home, whether located within or without a Private Yard Area, are limited common element(s) associated with the Residence or Multifamily Home providing such electrical service.

6. Party Walls/Fences.

The fences and walls or portion thereof that have been constructed within a Private Yard Area or on the common Private Yard Area line boundary between Units as shown on the Condominium Map, including those fences and walls defined as "Party Walls" in the Declaration, are limited common elements.

7. Mailboxes.

Each Multifamily Home and each Residence is provided a designated mailbox in the location shown on the Condominium Map, which location is subject to change.

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE LIMITED COMMON ELEMENTS CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL. CAPITALIZED TERMS USED HEREIN, UNLESS OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE DECLARATION.

EXHIBIT K

Section 1.11 -- Special Use Restrictions

Subject to the rights reserved to Declarant in the Community Documents, the Community and each of the Units are intended for and shall be restricted to the following purposes and uses, which, together with any other restrictions contained in the Community Documents, are intended and shall be deemed to be cumulative.

1. Residential Purposes. Except for Home-Based Small Businesses (defined below) otherwise or as provided in the Declaration, and subject to the limitations specified in this Section, the Units shall at all times be occupied and used only for residential purposes in accordance with applicable laws, the Declaration, and the Bylaws, and for no other purposes. Without limiting the foregoing, no Unit shall be used or caused, allowed, or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other such non-residential purpose. "Home-Based Small Business" shall mean a business which: (i) is operated solely within the Unit incidental to the use of the Unit for residential purposes; (ii) is limited to arts and crafts, the rendition of professional services not permitting client visitation, or other similar activities; (iii) is operated by the Owner of the Unit (or a member of such Owner's family) whose principal residence is the Unit; (iv) is permitted by, and is at all times in compliance with, all applicable laws, the Declaration, the Bylaws, and the Community Rules; (v) maintains at all times, any licenses and permits necessary for such business as required by law; (vi) maintains a policy or policies of public liability insurance in an amount which is reasonable for such business and any additional insurance as determined by the Association, in each case naming the Association as an additional insured; (vii) does not result in (A) the violation of any of the provisions of the Declaration, (B) any unreasonable increase in the flow of traffic within the Community, (C) any odor, noise, or vibration outside of the Unit, or (D) parking problems within the Community; and (vi) excludes in all cases manufacturing, kilns, hammering and sawing. No Owner, lessee, tenant, or other occupant of a Unit shall regularly bring clients, customers, or other business invitees onto the Community for business purposes.

2. Restrictions on Timeshares. No Unit or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any timesharing purpose or under any timesharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership", "exchange program", or "time-interval ownership" arrangement. The term "timesharing" or "timeshare" as used in this Section shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess a Unit rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise. This Section shall not apply to Declarant.

3. Limitation of Transfer of Short Term Ownership. Subject to Section H.2 and the limitations contained in the Declaration, the Unit Owners shall have the absolute right to sell, lease, rent or otherwise transfer their respective Units subject to all provisions of the Act and the Community Documents. Without limitation of the foregoing, Declarant shall have the absolute right to rent Units owned by Declarant. No Unit may be leased or rented for an initial term of less than thirty days (or such longer period as may be required by ordinance of the County to avoid classification of the Unit as a "transient vacation unit"), it being understood that this Section shall not apply to Declarant. Also, except for rights reserved to Declarant in the Declaration, no Owner may rent any Unit in any manner by which the occupants of the Unit are provided customary hotel or similar services, such as room service, maid service, laundry or linen service or bell service. Any lease or rental agreement of a Unit shall be in writing and shall provide that it shall be subject in all respects to the provisions of the Community Documents and that the failure of the lessee or tenant to comply with the terms of the Community Documents shall be a default under the lease or rental agreement. Any Unit Owner leasing or renting a Unit shall provide the Association with a copy of such lease or rental agreement as soon as possible upon execution. If an Owner of a Unit desires to make an arrangement for rental or occupancy of his Unit, then the Owner must make such arrangement without the involvement or participation of Declarant. **DECLARANT HAS NOT AUTHORIZED ANY AGENT, EMPLOYEE, SALESPERSON OR BROKER TO MAKE ANY**

REPRESENTATIONS AS TO RENTAL OR OTHER INCOME FROM ANY UNIT OR AS TO ANY OTHER ECONOMIC BENEFIT, INCLUDING POSSIBLE ADVANTAGES FROM THE OWNERSHIP OF A UNIT UNDER FEDERAL OR STATE TAX LAWS, TO BE DERIVED FROM THE PURCHASE OF A UNIT, IN THE COMMUNITY.

4. Use of Unit Generally. A Unit Owner shall not use his or her Unit and/or any appurtenant Limited Common Element for any purpose which will injure the reputation of the Community or suffer anything to be done or kept in his or her Unit or elsewhere in the Community which will (a) jeopardize the soundness of any building in the Community, (b) create a nuisance or interfere with or unreasonably disturb the rights of other Owners and occupants, (c) increase the rate of fire insurance on any structure or the contents of any structure, or (d) reduce the value of the Community or any structure in the Community. Any lease or rental agreement of a Unit shall provide that it shall be subject in all respects to the provisions of the Community Documents and that the failure of the lessee or tenant to comply with the terms of the Community Documents shall be a default under the lease or rental agreement. Any Unit Owner leasing or renting a Unit shall provide the Association with a copy of such lease or rental agreement as soon as possible upon execution. If an Owner of a Unit desires to make an arrangement for rental or occupancy of his Unit, then the Owner must make such arrangement without the involvement or participation of Declarant. **DECLARANT HAS NOT AUTHORIZED ANY AGENT, EMPLOYEE, SALESPERSON OR BROKER TO MAKE ANY REPRESENTATIONS AS TO RENTAL OR OTHER INCOME FROM ANY UNIT OR AS TO ANY OTHER ECONOMIC BENEFIT, INCLUDING POSSIBLE ADVANTAGES FROM THE OWNERSHIP OF A UNIT UNDER FEDERAL OR STATE TAX LAWS, TO BE DERIVED FROM THE PURCHASE OF A UNIT.**

5. Use of Parking Stalls. Use of those parking stalls, if any, which are not designated as Limited Common Elements appurtenant to any specific Unit, may be governed by rules and regulations adopted in accordance with the Bylaws to assure equitable use of the stalls by all Owners. The Board of Directors may install parking meters, gates, security devices, checkpoints and other equipment appropriate to this end and may issue stickers or adopt an allocation system.

6. Use of Common Elements. Subject to the rights reserved by Declarant elsewhere in the Declaration or in the Bylaws and subject also to the exclusive or limited use of the Limited Common Elements that may be specified in the Declaration, each Unit Owner may use the Common Elements in accordance with the purposes for which they were intended without hindering or encroaching upon the lawful rights of the other Unit Owners, subject to the rights of the Board of Directors:

(a) To change the use of the Common Elements upon the approval of seventy five percent (75%) of the Unit Owners, provided that the change does not adversely affect (1) Declarant's rights and interests in the Common Elements or the Limited Common Elements or (2) the Easements of any Unit Owner, including Declarant, in a Limited Common Element, without first having secured the permission of the adversely affected Owner;

(b) On behalf of the Association, to lease or otherwise use for the benefit of the Association, including, without limitation, to grant easements and enter into licenses respecting, those Common Elements that, in accordance with Section 514B-38(5) of the Act, the Board determines are not actually used by any Unit Owners for a purpose permitted in the Declaration so long as it does not adversely affect Declarant's rights and interests in the Common Elements, provided that, unless the approval of seventy-five (75%) of the Owners is obtained, such lease shall not have a term of more than five (5) years and shall contain a provision that the lease or agreement for use may be terminated by either party thereto on not more than sixty (60) days' written notice; provided, however, that the foregoing approval requirement shall not apply to any leases, licenses, or other agreements entered into for the purposes authorized by Section 514B-140(d) of the Act; and

(c) Provided it does not adversely affect Declarant's rights and interests in the Common Elements or Limited Common Elements, to lease or otherwise use for the benefit of the Association those Common Elements and elements that, in accordance with Section 514B-38(6) of the Act, the Board determines are actually used by one or more Unit Owners for a purpose permitted in the

Declaration upon obtaining the approval of seventy-five percent (75%) of the Owners, including all directly affected Owners that the Board reasonably determines actually use such Common Elements, and the Owners' Mortgagees, provided that the foregoing approval requirement shall not apply to any leases, licenses, or other agreements entered into for the purposes authorized by Section 514B-140(d) of the Act

7. Lanais. No Owner shall change or alter the surface or exterior of any lanais without the consent of the Board. Use of all lanais shall be subject to the provisions of the Community Rules.

8. Window Coverings. All window coverings shall be a shade of color that are specified in the Design Guidelines, harmonious with and not conflicting with the color scheme of the exterior wall surface of a Unit and shall be subject at all times to the review and approval of the DRC. Window tinting and window coverings, which differ from that described above shall be subject to the approval of the Board and/ or DRC, as appropriate. Window coverings that conflict with the color scheme of the exterior wall surface as reasonably determined by the Board must be replaced with compliant window coverings of directed by the Board or DRC and/or the Olino DRC, as appropriate.

9. Signs, etc. The Owner of any Unit will not, without the prior written consent of the Board, display any sign or place any other thing in or upon any doors, windows, walls or other portions of the Unit or the Common Elements so as to be visible from the exterior. This restriction shall not apply to any signs displayed by Declarant for any purpose.

10. Animals. No animals, livestock, reptiles, insects, poultry, or other animals of any kind shall be kept in any Unit except as is permitted by and in accordance with the Bylaws. The Bylaws provide that no livestock, poultry, or other animals whatsoever shall be allowed or kept in or on any part of the Community, except that dogs, cats, or other common household pets, in a reasonable number as established by the Community Rules, may be kept by Owners and Occupants in their respective Units. Pets shall not be allowed on any common elements of the Community except on a leash or when carried. Owners and Occupants shall be responsible for the immediate and proper removal and disposal of all fecal matter of pets while the pets (whether on a leash or carried) are on any common elements of the Community. The Owner or Occupant of any Unit in which a pet is to be kept pursuant to these rules shall register the pet with the Board or the Managing Agent prior to or immediately upon bringing such pet onto the Community. Pets shall not be kept, bred or used for any commercial purpose. Any personal injury or property damage to the structures, grounds, flooring, walls, trim, finish, tile, carpeting, stairs or other portion of the Community caused by a pet will be the full responsibility of the pet owner and the Owner of the Unit in which the pet is kept. Owners and Occupants shall be responsible for the immediate and proper removal and disposal of all fecal matter of pets kept in their Units.

11. No Mechanic's Liens. No Owner shall cause or permit any mechanic's lien to be filed against any portion of the Common Elements or another Unit for labor or materials alleged to have been furnished or delivered to such Owner's Unit or for the benefit of such Owner, and any Owner who does so shall immediately cause the lien to be discharged within five (5) days after notice to the Owner from the Board. If any Owner fails to remove such mechanic's lien, the Board may discharge the lien and charge the Owner for such cost of discharge.

12. Offensive Conduct; Nuisances. No noxious or offensive activities shall be conducted within the Community. Nothing shall be done on or within the Community that may be or may become an annoyance or nuisance to the residents of the Community, or that in any way interferes with the quiet enjoyment of occupants of Units or which may create a nuisance or injure the reputation of the Community. No odorous matters shall be emitted upon or about the Community in such quantity as to be readily detectable outside the physical boundaries of the space within which the odor was generated.

13. Noise and Vibration. Unless authorized in advance by Declarant, no person shall produce, or allow to be produced, noise or building shaking vibration at such levels as will be offensive to other Owners.

14. Outside Drying and Laundering. No exterior clothes lines or other outside clothes drying or airing facilities shall be permitted on any part of the Common Elements or lanais so as to be visible from other Units or Common Elements of the Community.

15. Toxic or Noxious Matter. No person shall discharge into the Community's sewer system storm drain any toxic or noxious matter in such concentrations as to be detrimental to or endanger the public health, safety or welfare, violate any law, subject any Owner, Declarant, or the Association to liability under state and federal law for any clean up, or cause injury or damage to neighboring property or business elsewhere on the Mehana Community.

16. Parking Stalls and Vehicular Restrictions.

(a) Parking Stalls for Disabled Persons. Certain Parking Stalls may be designated for use by disabled persons ("Disabled Parking Stalls") and will be designated as such on the Condominium Map. Such Disabled Parking Stalls may be assigned by Declarant to the Owners of particular Units upon the initial sale of such Units. Declarant shall, upon assigning a Disabled Parking Stall to an Owner, designate such assignment in the records of the Association and such Disabled Parking Stalls shall constitute Limited Common Elements appurtenant to the Unit to which the stall is assigned. If any Disabled Parking Stalls remain unassigned after the sale of all the Units in the Community, the Board shall have the right to assign and manage such spaces unless the same have reserved to Declarant in the Declaration. The Owners who are assigned Disabled Parking Stalls shall be subject to the rights of the Board to re-assign such parking Stalls. Evidence of disabled status shall be by distinguishing license plate or placard issued by the Hawaii Department of Motor Vehicles. Except for Declarant Reserved Parking Stalls, the Board shall have the authority and be responsible for coordinating the assignment of parking stalls pursuant to this Section and Section H of the Declaration and shall adopt rules and regulations with respect thereto, including the procedure to be followed should an Owner or occupant become disabled and wish to use a Disabled Parking Stall, forms and methods of notice to be given to the Board and Owner, and procedures for review of the required evidence of disabled status. The Board shall maintain appropriate records of such assignment, including a copy of the evidence provided. In no event shall the Declarant or the Association be held liable if the Declarant or the Association is unable to assign a Disabled Parking Stall to a disabled Owner because all designated Disabled Parking Stalls have previously been assigned to other disabled Owners.

(b) Authorized Vehicles. The following vehicles are "Authorized Vehicles": motorized land vehicles designed and used primarily for non-commercial passenger transport, such as automobiles, passenger vans designed to accommodate ten (10) or fewer people, two-wheel motorcycles, pick-up trucks having a manufacturer's rating or payload capacity of one (1) ton or less, and any vehicle owned, used, or authorized by Declarant. Subject to Section H.17 of the Declaration, Authorized Vehicles may be parked in the parking areas in the Community intended for parking of motorized vehicles.

(c) Prohibited Vehicles. The following vehicles are "Prohibited Vehicles": recreational vehicles (e.g., motor homes, travel trailers, camper vans, boats, dune buggies, etc.), stake bed trucks, tank trucks, dump trucks, step vans, concrete trucks, or other similar vehicles, buses or vans designed to accommodate more than ten (10) people, vehicles having more than two (2) axles, trailers, including, without limitation, boat trailers, inoperable vehicles or parts of vehicles, aircraft, other similar vehicles, or any vehicle or vehicular equipment deemed a nuisance by the Board. Prohibited Vehicles shall not be parked, stored, or kept in any parking or loading areas in the Community.

(d) General Restrictions. All Authorized Vehicles owned or operated by or within the control of an Owner or a resident of an Owner's Unit and kept within the Property shall be parked in that Owner's assigned parking stalls. No vehicle shall be parked in any parking stall if such vehicle does not completely and clearly fit between the painted parking lines designated for a parking stall or otherwise physically fit wholly within the designated space (the boundaries of which are the ground surface, any street side curb or garage wall, the interior edge of the painted stall striping, an imaginary line connecting the driveway edge of the painted stall striping, the lowest surface of the ceiling above the areas or any protruding pipe or apparatus above the stall area, or if there is no ceiling, the imaginary horizontal plan

7.5 feet above the surface of the floor or ground) or any other portion of the parking areas in the Property designed for ingress and egress of vehicles. There shall be no parking in the Property that obstructs free traffic flow, constitutes a nuisance, violates the Community Rules, or otherwise creates a safety hazard. The parking areas in the Property shall be used for parking Authorized Vehicles only and shall not be used for storage, living, recreational, or business purposes (except for storage in authorized storage spaces, if any). No maintenance, repair, restoration, or construction of any vehicle shall be conducted on the Property.

(e) Traffic and Parking Regulations. The Board shall have the right to police and regulate traffic in and otherwise control the use of parking areas and streets within the Community to minimize adverse effects and over-crowdedness. In furtherance of that right, Declarant or the Board may promulgate reasonable written rules and regulations with respect to such areas, and those rules and regulations shall be binding upon Owner on notice of the adoption and delivery of the rules and regulations to Owners. For the enforcement of said rules and regulations, the Board or such committee as designated in such rules and regulations, shall have the same remedies as if said rules and regulations were expressly incorporated herein, in addition to all other legal or equitable remedies, whether or not provided for in the Declaration.

17. Community Rules Respecting Parking. Declarant has the exclusive right to use and/or assign any Parking Stalls that are not appurtenant to any specific Unit, including any parking stalls reserved to Declarant in the Declaration or in a Recorded amendment to the Declaration. Declarant may relinquish this right and if Declarant waives this right with respect to any one or more unassigned Parking Stalls, use of those unassigned Parking Stalls, if any, may be governed by rules and regulations adopted in accordance with the Bylaws to assure equitable use of the stalls by all Owners. The Board of Directors may install parking meters, gates, security devices, checkpoints, and other equipment appropriate to this end and may issue stickers or adopt a permit or an allocation system. Without limiting the foregoing, the Board may establish additional regulations as it deems appropriate in its sole discretion with regard to street parking within the Community and with respect to any of the parking areas not assigned to individual Units, including, without limitation, designating "residential guest parking," "commercial parking," "parking," and "no parking" areas thereon. Any parking areas shall be subject to such further reasonable control and use limitations as the Board may establish. The Board shall determine, in its discretion, whether there is a violation of the parking and vehicular restrictions set forth in the Declaration or established by the Board, and, if such noncompliance is determined by the Board to exist, the Board shall have the power to enforce all parking and vehicle use regulations applicable to the Property, including the power to remove violating vehicles from any of the Property pursuant to law. To enforce such a system, the Board and the Declarant shall also have the power to adopt and implement a ticket, fine, and towing program to foster compliance with any parking regulations that may be adopted. Non-payment of any approved fines or tickets may be treated as the equivalent of non-payment of common expenses and afford the Board and Declarant with same enforcement rights available under the Declaration with respect to such items.

18. Declarant's Rights With Respect to Parking Stalls. The restrictions in use set out in Sections 16(b) – (e), inclusive, and 17 above shall not apply to Declarant and the parking stalls reserved to Declarant.

19. Fences. Owner installed fencing must comply with the Fence Master Plan. Only one fence is permitted to be constructed on the common boundary line between the Private Yard Areas for adjacent Units, and any fence so installed shall be deemed a Party Wall and shall be subject to the provisions of Section J.9(c) and Section 8.11 of the Master Declaration.

20. Declarant's Limited Warranty. The Common Elements and their use is subject to an express limited warranty by Declarant in favor of the Association, which is conditioned on, among other items, appropriate regular and routine maintenance, inspection and repair of the Common Elements by the Association set out in Declarant's Limited Warranty, which shall be effective upon the recording of the Declaration and a copy of which shall be provided to the Association. An appropriate validation form, described below and in Declarant's Limited Warranty, will be delivered to the Association NOT later than

the first annual meeting of the Owners. It is expressly understood and agreed by and between Declarant and each Owner and the Association that, other than this express limited warranty, DECLARANT MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE COMMON ELEMENTS, THE COMMUNITY OR CONSUMER PRODUCTS OR OTHER THINGS WHICH MAY BE INSTALLED OR WHICH ARE CONTAINED IN THE COMMON ELEMENTS OR THE COMMUNITY, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR USE. During the term of Declarant's Limited Warranty, the Association shall in each and all instances permit Declarant or Declarant's designated representative to repair any and all items classified by Declarant as items covered by Declarant's Limited Warranty. The Association and its members shall have no further rights and Declarant no further obligation to the Association and/or its members in respect of such matters repaired by Declarant or Declarant's representative.

In providing for the maintenance, management and repair of the Common Elements pursuant to this Section, the Association shall comply with each of those obligations specified in Declarant's Limited Warranty delivered by Declarant to the Association and undertake each of those actions therein required to be taken by the Association. In that regard, the Association shall let appropriate contracts to service professionals in order to provide and shall provide regular and routine maintenance, inspection and repair of the Common Elements. Without limitation of the obligations imposed on the Association pursuant to the Declaration, the Association, through its Board, shall execute all necessary documents in order to effectuate Declarant's Limited Warranty, including without limitation, the "Limited Warranty Validation Form". With respect to the Declarant's Limited Warranty, the Association acknowledges and agrees:

- With respect to items covered under Declarant's Limited Warranty, the Association hereby waives all other express or implied warranties, as set forth in Declarant's Limited Warranty, to the fullest extent permitted by law.
- The Association shall satisfy each and every requirement contained in Declarant's Limited Warranty, including without limitation those for written notice, access, right of repair and review etc., as detailed in Declarant's Limited Warranty.
- The Board has received and shall maintain a copy of Declarant's Limited Warranty and further understands and acknowledges that only those Defects identified in Declarant's Limited Warranty are covered by the limited warranty and only to the extent provided in Declarant's Limited Warranty.
- The Association has and undertakes to perform those affirmative maintenance obligations as set forth in Declarant's Limited Warranty, in addition to any maintenance obligations otherwise required by the Declaration or by applicable law.

21. Rights of Persons with Disabilities. Subject to the provisions of the Declaration, each Owner shall have the right to modify the Owner's Unit and the Board and/or the Declarant has the right to modify the route over the Common Elements leading to the front door of the Unit, at the Owner's sole cost and expense, in order to facilitate access to the Unit by persons who are blind, visually handicapped, deaf, or physically disabled, or to alter conditions which could be hazardous to such persons. The rights granted by this Section are further subject to the following conditions: (a) the modifications shall be consistent with applicable building code requirements; (b) the modifications shall be consistent with the intent of otherwise applicable provisions of the Declaration pertaining to safety or the aesthetic integrity of the Community; (c) the modifications which are external to the Unit shall not prevent reasonable passage by other Owners or invitees on the Community, and shall be removed by the Owner when the Unit is no longer occupied by persons requiring those modifications; (d) any Owner who intends to modify a Unit pursuant to this Section shall submit their plans and specifications to the Board for review to determine whether the modifications comply with the provisions of the Declaration; and (e) any change in the exterior appearance of a Unit shall be in accordance with the provisions of the Declaration and all applicable provisions of law. Any Owner with a disability desiring such a modification shall make such request, in writing, to the Board. That request shall set out, with specificity and in detail, the nature of the request and the reason that the requesting party needs to be granted such the modification. The Board

shall not unreasonably withhold or delay its consent to such request and the Board shall not deny approval of the proposed modifications under this Section without good cause.

22. Not Applicable to Declarant. The foregoing provisions of this Section shall not apply to Units owned by Declarant or to any Improvements proposed or made by Declarant in connection with its development, construction, promotion, marketing, sale, or leasing of any Unit or any other portion of the Community.

23. Improvements and Pests. Except as otherwise specifically provided in the Declaration, any Supplemental Declaration, or any agreement with the Association, the performance and cost of all maintenance and repair of each Limited Common Element, including, without limitation, any Private Yard Area, and all structures, parking areas, landscaping and other Improvements located on or within such Limited Common Element shall be the sole responsibility of the Owner of the Unit to which such Limited Common Element is appurtenant. For this purpose, Improvements within the Private Yard Area include the Residences thereon situated but do not include the Multifamily Homes, which may have an appurtenant Private Yard Area. The Private Yard Area may also include areas outside of any installed fencing. Each Owner shall maintain all Improvements, including landscaping upon or within such Owner's Private Yard Area, in a state of good condition and repair in accordance with the Declaration. Any Improvement shall comply with County Ordinance 04-46, the Unilateral Agreement, any sight distance restrictions and the Design Guidelines. No Owner or occupant shall landscape or plant in any area controlled by the Association or otherwise interfere with the landscaping and maintenance of such landscaping as performed by the Association. No such Owner or occupant shall interfere in any manner with the proper and effective operation of the irrigation facilities, if any, located in or on such common areas or easement areas, including any automatic or electric timer system(s) associated with such facilities. Further, each Owner acknowledges and agrees that the Owner is responsible for the control of pests (termites, insects, rodents and the like) in or around the Owner's Unit and appurtenant Limited Common Element(s), including, without limitation, any Private Yard Areas and Improvements to the Private Yard Area. Notwithstanding anything to the contrary in the Declaration, responsibility for maintenance shall include responsibility for repair and replacement, as necessary. Notwithstanding anything to the contrary contained in the Declaration, each Owner shall have and shall comply with each of those obligations specified in Declarant's Limited Warranty and undertake each of those actions therein required to be taken by the Unit Owner.

24. Maintenance.

(a) Appearance of Improvements. Each Owner shall maintain the exterior appearance of the Improvements to their Private Yard Area, including the Residence, as applicable, in a neat and attractive manner, consistent with the surrounding areas in accordance with the provisions of the Declaration. Each Owner shall maintain the Unit and appurtenant Limited Common Elements in a neat and attractive manner, consistent with the surrounding areas in accordance with the provisions of the Declaration and the maintenance responsibilities set out in Exhibit "J-2" to the Declaration. Each Owner shall also be responsible for maintenance of the any and all split system air conditioning systems servicing the Owner's Unit (whether components therefor are located in the Owner's Private Yard Area, another Unit's Private Yard Area or in the common elements of the Community). Each Owner should attempt to utilize colors that are consistent with the exterior color scheme of the Unit and surrounding Units within the Community.

(b) Improper Maintenance and Use of Units. In the event any portion of a Unit or Limited Common Element, including, without limitation, any Private Yard Area, is so maintained as to present a public or private nuisance or an unreasonable condition (as determined by the Board) with respect to other Owners or occupants, or as to substantially detract from the appearance or quality of the surrounding Private Yard Areas or other areas of the Community, or in the event any portion of a Unit or Limited Common Element, including, without limitation, any Private Yard Area, is being used in a manner which violates the Declaration, the Community Rules or any applicable Supplemental Declaration, or in the event the Owner of a Unit is failing to perform any of such Owner's obligations under the Declaration, any applicable Supplemental Declaration or Community Rules, the Board may by resolution, make a

finding to such effect, specifying the particular condition or conditions which exist, and pursuant thereto, give notice to the offending Owner that, unless corrective action is taken within ten days, the Board may cause such action to be taken at the Owner's cost. If, at the expiration of said ten-day period of time, the requisite corrective action has not been taken, the Board shall be authorized and empowered to cause such action to be taken and the cost thereof shall be a special assessment against the offending Owner and the Owner's Unit, secured by a special assessment lien enforceable in accordance with Sections K.1 and O of the Declaration.

25. Design Guidelines. Each Owner shall comply with the Design Guidelines, which include, without limitation, the Mehana Design Guidelines, the Supplemental Design Guidelines described in the Master Declaration and any supplemental architectural standards contained in the Community Rules.

26. Grade of Private Yard Areas. Each Owner shall maintain the grade and ground cover of the Owner's Private Yard Area so as to prevent soil erosion and, excessive water run-off onto any neighboring Private Yard Area or Common Element, and the ponding of any water on the Private Yard Area. Such erosion and ponding may contribute to expansion or shrinking of soils underlying improvement and damage the area.

27. Landscaping.

(a) All Private Yard Areas shall be landscaped in accordance with plans that comply with the Declaration, the Master Declaration and the Design Guidelines contained in the Community Rules. Landscaping on all Private Yard Areas shall be maintained in a neat and attractive manner, consistent with any surrounding common areas and shall conform to any additional landscape maintenance standards established in the Design Guidelines and which may be established under the Declaration and the Master Declaration. The entire Private Yard Area must be landscaped within 90 days after Recordation of the Deed to Owner. In the event an Owner fails to landscape these areas on Owner's Private Yard Area within 100 days after Owner's purchase, either the Declarant or the Association may, at their respective option, perform all such clearing and landscape work and the Owner shall reimburse the Declarant or the Association, as the case may be, for the cost thereof upon demand together with interest thereon at the maximum rate allowed by law; provided, however, that the cost thereof does not exceed \$5,000, exclusive of interest. All such sums expended shall be a special assessment lien on the Unit, subject to foreclosure in accordance with Sections K.1(c) and O of the Declaration.

(b) Similarly, if after 30 days following written demand, the Owner fails to maintain, repair and/or restore, as the case may be, the landscaping on the Private Yard Area in a neat and attractive manner, the Declarant or the Association may at their respective option perform the work and shall be reimbursed therefor, together with the interest on amounts advanced to perform such work. Any sums not paid by the Owner on demand shall be a lien against the Unit, subject to foreclosure as herein permitted. All landscaping in Private Yard Areas, including without limitation, plants, flowers, bushes, shrubs, or foliage of any kind, must be at least two (2) feet away from the Unit in order to prevent possible termite damage to the Unit.

28. Trees and Planting Strip Area. Declarant may plant trees in Private Yard Areas or in the Common Elements within the Community and along the Community Access Drives in the Community, including, without limitation, the planting strip between the curb and the sidewalk (the "Planting Strip Area"). No trees planted by Declarant shall be removed, changed or relocated without the prior written consent of Declarant and the County agency or agencies with jurisdiction thereover. The Association shall be responsible for the proper maintenance and care of any trees planted any Planting Strip Area adjacent to Community. Each Owner shall be responsible for the proper care and maintenance of any tree and/or landscaping planted in such Owner's Private Yard Area. Under no circumstances may the Association or any Owner alter the Planting Strip Area without written permission of the Board of Directors and Declarant. Each Owner is prohibited from altering, modifying, removing, or adding any tree to the Planting Strip Area and may not, without limitation, (i) fill in the ground area of the Planting Strip Area, (ii) pile building materials or equipment in the Planting Strip Area, (iii) poison any landscaping in the Planting

Strip Area, (iv) post any signs or notices in the Planting Strip Area, or (v) damage any tree in the Planting Strip Area. County ordinance restricts the removal of trees growing in the Planting Strip Area and may restrict the alteration of any landscaping in the Planting Strip Area, without first obtaining a permit from DPP, or in emergencies, the traffic engineer and the chief engineer of the County. Owners may not plant trees in the Planting Strip Area, landscape, or alter the landscaping in the Planting Strip Area without first obtaining an appropriate Street Tree Planting Permit from the DPP and/or approval of the Declarant. The County may prohibit any person from injuring or destroying street trees in any manner, including but not limited to: (i) the filling in of the ground area around the tree; (ii) the piling of building materials or equipment which may injure the tree; (iii) poisoning the tree or parking strip area; (iv) the posting of any signs or notices on any tree; and (v) the damaging of any tree.

29. Exterior Lighting. Any exterior lighting used in any Private Yard Area shall be suitably dimmed, screened, shaded or diffracted so that no offensive glare from the light sources is visible from any neighboring Private Yard Area or from the street. Owners shall properly maintain any exterior lighting fixtures located within Owners' respective Private Yard Areas.

30. Existing Drainage Facilities and Easements. Neither the Association nor any Owner shall alter the existing drainage pattern within the Community or on any Private Yard Area, nor shall any Owner modify any existing drainage facility located on the Owner's Private Yard Area. Private Yard Area Owners shall be responsible for maintaining the existing drainage pattern within Owners' respective Private Yard Areas. The Owner of a Private Yard Area on which any drainage ditch facility or portion thereof is located shall be responsible, at the Owner's cost, for the maintenance, repair and cleaning, as required, of the drainage ditch facilities located on the Owner's Private Yard Area. The County shall be responsible for the maintenance of the underground drainage facilities located on a Private Yard Area, if any, which are constructed for the benefit of the County.

31. Existing Fences and Walls.

(a) Among the Improvements constructed by Declarant are various vinyl or aluminum fences and masonry or cementitious walls located within various Private Yard Areas or along Private Yard Area boundaries. The locations of the fences or walls shown on the Condominium Map are tentative and may be changed at any time, all without further notice to Owner. The final locations of the fences and walls will be shown on the Condominium Map filed with the "as built" statement. Owners may not remove any Declarant installed fencing or walls. The Owner of any Private Yard Area within which a fence or wall has been constructed or along the Private Yard Area line of which a fence or wall is located may not remove such fences or walls, and shall be responsible, at such Owner's cost, to maintain, paint as required, and repair any fence or wall so constructed or located (the "Fence Maintenance Obligation"), and shall to the extent required have a right in the nature of an easement over the adjacent Private Yard Area to perform such Fence Maintenance Obligation. No additions or alterations shall be made to these Improvements except as permitted pursuant to this Section, Section J.9 of the Declaration and the Master Declaration.

(b) In all cases where an existing fence or wall is located within a Private Yard Area (as opposed to being located along a Private Yard Area's boundary), there may exist a Planting Strip Area on the roadway side of the fence or wall. In all such cases, each Owner of a Private Yard Area so affected will be responsible for the maintenance of the Planting Strip Area in accordance with the provisions of the Declaration.

(c) Certain fences and walls have been constructed on the common Private Yard Area boundary between limited common elements appurtenant to adjacent Units as delineated on the Condominium Map, with portions of the fence or wall located in one or the other of the Private Yard Areas (such fences and walls are herein described as "Party Wall(s)" and the Units affected by such Party Walls are sometimes referred to as the "Party Wall Units" for purposes of this Section). The constructed placement and location of Party Walls within the Community, together with the encroachments resulting therefrom, are specifically authorized by the Declaration. Party Walls may not be demolished or relocated by an Owner of a Party Wall Unit, except (1) in accordance with the terms of the Declaration and the Master Declaration and (2) with the written consent of the Owner of any other Party Wall Unit or where

the Party Wall proposed to be demolished and/or relocated is located. Owners of Party Wall Units that share a Party Wall on a common boundary Private Yard Area have a mutual Fence Maintenance Obligation to maintain and repair the common Party Wall in good order and condition, consistent with its then-current age and condition, reasonable wear and tear excepted, and as may be directed by the Association, and the reasonable cost of such maintenance and repair, and reconstruction, as required, shall be shared equally by such Unit Owners. Each wall or fence built as a part of the original construction or in accordance with the Fence Master Plan which shall serve and separate any two adjoining Private Yard Areas shall constitute a Party Wall and, to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. If a Party Wall is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner of a Party Wall Lot adjoining the fence or wall or on whose Party Wall Unit boundary the fence or wall is located may restore it. The other Owner or Owners of Units on whose Private Yard Area boundaries the fence or wall is located shall contribute to the cost of restoration thereof in equal proportions without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the Unit and shall pass to such Owner's successors-in-title. In the event of any dispute arising concerning a Party Wall or the provisions of this Section, such dispute shall first be submitted to the Board for review as provided in Section J.12 of the Declaration.

32. Future Additions and Alterations. No Owner shall add to or alter any Improvement constructed by the Declarant, including the Units, without the prior written consent of the County planning department, and the Association's Board. All Improvements constructed within the Private Yard Areas by an Owner shall conform with the requirements of the Declaration, the Master Declaration and the Design Guidelines, if any, and the restrictions contained in the Declaration. Specifically, but without limitation, yard setbacks and the height of all Improvements on each Private Yard Area shall comply with any and all applicable zoning requirements, including, without limitation, any applicable requirements of the "Land Use" or "Zoning" or "Building" Ordinance for the County. In the event of a conflict between the Declaration, the Master Declaration and the Design Guidelines, the more restrictive provision shall control.

33. Right of Removal. Any construction, alteration, or other work done in violation of the Declaration shall be deemed to be nonconforming. Upon written request from the Board, the Owner(s) shall, at his, her or their own cost and expense, remove such nonconforming construction, alteration, or other work and shall restore the altered area to substantially the same condition as existed prior to the nonconforming construction, alteration, or other work. Should an Owner fail to remove and restore as required in this Section, the Board or its designee(s) shall have the right to enter the Unit or Limited Common Element appurtenant thereto, including, without limitation, any Private Yard Area, remove the violation and restore the property to substantially the same condition as existed prior to the nonconforming construction, alteration or other work. The Owner shall be liable for all costs thereof together with interest thereon at the maximum rate allowed by law, and the Association shall have an assessment lien to secure the payment of such costs.

34. Dispute Resolution. All disputes among Unit Owners concerning the common or individual responsibility for items described in Section J of the Declaration shall first be reviewed by the Board or a committee thereof designated for that purpose and the Board's non-binding opinion may be accepted by the disputing parties. Any Owner dissatisfied with such non-binding opinion may thereafter resolve the matter pursuant to Section T of the Declaration.

35. Restriction on Use. An Owner shall not cause or permit any Hazardous Material to be generated, used, transported, stored or disposed of upon, in or about his or her Unit or the Common Elements, except in a manner that complies with all applicable Hazardous Materials Laws.

36. Affordable Housing Buy-Back Restriction. Units designated by Developer as affordable housing (the "Affordable Units") shall be subject to a four (4) or eight (8) year buy-back deed restriction in favor of the City and County of Honolulu and the Developer. The buy-back restriction limits the lease,

rental, or resale of the Affordable Unit during the restriction period.

37. Number of Occupants. The number of occupants shall be in accordance with any limitations imposed by State or municipal law or ordinances.

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE SPECIAL USE RESTRICTIONS CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL. CAPITALIZED TERMS USED HEREIN, UNLESS OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE DECLARATION.

EXHIBIT L

Section 1.12 -- Encumbrances Against Title

- 1. Mineral and water rights of any nature in favor of the State of Hawaii.
- 2. The terms and provisions contained in the following:

INSTRUMENT : AMENDED DOCUMENT LISTING CONDITIONS AND PRE-CONDITIONS TO RECLASSIFICATION

DATED : November 14, 1989

FILED : Land Court Document No. 1684751

PARTIES : TRUSTEES UNDER THE WILL AND OF THE ESTATE OF JAMES CAMPBELL, DECEASED

Said Amended Document Listing Conditions and Pre-Conditions to Reclassification was amended by instrument dated September 11, 1995, filed as Land Court Document No. 2260756, recorded as Document No. 95-119179.

- 3. The terms and provisions contained in the following:

INSTRUMENT : AMENDED AND RESTATED DOCUMENT LISTING CONDITIONS TO RECLASSIFICATION

DATED : September 11, 1995

FILED : Land Court Document No. 2260754

RECORDED : Document No. 95-119177

PARTIES : TRUSTEES UNDER THE WILL AND OF THE ESTATE OF JAMES CAMPBELL, DECEASED

Said Amended and Restated Declaration of Listing Conditions to Reclassification was amended by instrument dated September 11, 1995, filed as Land Court Document No. 2260756, recorded as Document No. 95-119179.

- 4. GRANT OF EASEMENT in favor of HAWAIIAN ELECTRIC COMPANY, INC., a Hawaii corporation, and VERIZON HAWAII INC., a Hawaii corporation (now known as HAWAIIAN TELCOM, INC.), dated July 25, 2002, filed as Land Court Document No. 2829229; granting a right and easement for utility purposes, further described therein.

- 5. The terms and provisions contained in the following:

INSTRUMENT : UNILATERAL AGREEMENT AND DECLARATION FOR CONDITIONAL ZONING

DATED : November 17, 2004

FILED : Land Court Document No. 3195643

PARTIES : TRUSTEES UNDER THE WILL AND OF THE ESTATE OF JAMES CAMPBELL, DECEASED, "Declarant"

- 6. The terms and provisions contained in the following:

INSTRUMENT : TRUSTEES' LIMITED WARRANTY DEED WITH COVENANTS AND RESERVATION OF RIGHTS

DATED : December 14, 2005

FILED : Land Court Document No. 3368412

ASSIGNMENT OF RIGHTS dated December 13, 2010, filed as Land Court Document No. 4051714.

7. GRANT OF EASEMENT in favor of HAWAIIAN ELECTRIC COMPANY, INC., a Hawaii corporation, and HAWAIIAN TELCOM, INC., a Hawaii corporation, dated January 23, 2008, filed as Land Court Document No. 3707463; granting a right and easement for maintenance purposes, over, under, upon, across and through those certain premises located off Barbers Point Naval Air Station Access Road, more particularly described therein.
8. Designation of Easement "7119" for utility purposes, as shown on Map 1028, as set forth by Land Court Order No. 139733, filed October 4, 2000.
9. Access rights in favor of Lot(s) 18256, 18257, and 18259, as shown on Map 1416, as set forth by Land Court Order No. 176856, filed November 10, 2008.
10. Access rights in favor of Lot(s) 18707 and 18708, as shown on Map 1463, as set forth by Land Court Order No. 179795, filed August 3, 2009, as amended by Land Court Order No. 182953, filed June 3, 2010.
11. Designation of Easement "10508" for drainage and sewer purposes, as shown on Map 1531, as set forth by Land Court Order No. 188009, filed August 8, 2011.
12. Designation of Easement "10509" for drainage and sewer purposes, as shown on Map 1531, as set forth by Land Court Order No. 188009, filed August 8, 2011.
13. Designation of Easement "10510" for drainage purposes, as shown on Map 1531, as set forth by Land Court Order No. 188009, filed August 8, 2011.
14. Designation of Easement "10511" for irrigation purposes, as shown on Map 1531, as set forth by Land Court Order No. 188009, filed August 8, 2011.
15. Designation of Easement "10513" for flowage purposes, as shown on Map 1531, as set forth by Land Court Order No. 188009, filed August 8, 2011.
16. Designation of Easement "10889" for access, sewer, drainage, street light and traffic control, water, electric and telecommunications purposes, as shown on Map 1585, as set forth by Order filed as Land Court Document No. T-8415242.
17. Designation of Easement "10897" for sewer purposes, as shown on Map 1586, as set forth by Order filed as Land Court Document No. T-8522296.
18. GRANT OF WATERLINE EASEMENT in favor of the CITY AND COUNTY OF HONOLULU, a municipal corporation of the State of Hawaii, dated December 31, 2013, filed as Land Court Document No. T-8997268; granting a nonexclusive easement for utility purposes through a portion of said Easement "7119", further described therein.
19. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in Master Declaration of Covenants, Conditions, Restrictions and Easements for Mehana at Kapolei recorded January 12, 2009 in the Land Court as Document No. 3818406, as amended by Document No. T-8219212, as the same may be further amended, restated and/or supplemented.

The herein property described was annexed to the above covenants, conditions, restrictions and easements by Supplemental Declaration of Annexation for Mehana at Kapolei (Olino at Mehana) dated October 31, 2014, recorded in the Land Court as Document No. T-9072149.

21. Condominium Map No. 2261, filed in the Land Court, as the same may be amended, restated and/or supplemented.
22. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Declaration of Condominium Property Regime of Olino at Mehana recorded in the Land Court as Document No. T-9072150, as the same may be amended, restated and/or supplemented.
23. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Bylaws of the Association of Unit Owners of Olino at Mehana recorded in the Land Court as Document No. T-9072151, as the same may be amended, restated and/or supplemented.
24. Real property taxes due and payable. For more information contact the Real Property Assessment Office, City and County of Honolulu.

In addition to the encumbrances listed above, Affordable Units shall be subject to a four (4) or eight (8) year buy-back deed restriction in favor of the City and County of Honolulu and Developer that restricts the lease, resale or rental of the Affordable Unit during the restriction period.

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE ENCUMBRANCES AGAINST TITLE CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL. CAPITALIZED TERMS USED HEREIN, UNLESS OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE DECLARATION.

EXHIBIT M
Section 1.13 -- Reserved

EXHIBIT N

Section 3.5 -- Changes to the Condominium Documents

Owners may not amend any provisions in the Declaration and Bylaws reserving rights to the Developer without the consent of Developer.

1. Amendment of Declaration by Unit Owners. Except as otherwise expressly provided in the Declaration, including without limitation Section R.6, or in the Act, the Declaration may be amended by the affirmative vote or written consent of not less than seventy-five percent (75%) of the Unit Owners at a meeting of the Association called for that purpose, and effective only upon the Recording of an instrument setting forth such amendment and vote, duly executed by two (2) officers of the Association as provided in the Bylaws; provided, however, that, except as otherwise expressly provided in the Declaration or in the Act, the approval of holders of first mortgages on Units to which at least fifty-one percent (51%) of the votes of Units subject to mortgages held by such holders are allocated, together with such other approval requirements as set forth in this Section, shall be required to materially amend any provision of the Declaration, or to add any material provisions hereto, which establish, provide for, govern or regulate any of the following:

- (a) By act or omission, seek to abandon or terminate the Community;
- (b) Change the common interest appurtenant to any individual Unit;
- (c) Partition or subdivide any Unit;

(d) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements, provided that the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Community shall not be deemed a transfer within the meaning of this subsection;

(e) Use condemnation proceeds or hazard insurance proceeds for losses to the Property or any part thereof (whether to Units or to Common Elements) for other than the repair, replacement or reconstruction of same;

(f) Amend any provision of the Declaration or the Bylaws that materially and adversely affect mortgagees, provided, however, that this subsection shall not apply to any actions taken pursuant to rights expressly reserved to Declarant in the Community Documents.

Any amendment to the Declaration on behalf of the Association shall be signed by such officer or officers as shall be provided by general or special resolution of the Board or, in the absence of any resolution applicable to such instrument, by the President and Vice President, or by the President or the Vice President and the Treasurer or the Secretary.

2. Amendment of Declaration by Declarant..

(a) Any provision of this Section and Section R of the Declaration to the contrary notwithstanding, and until the last of the Recording of Unit conveyances or agreements of sale with respect to all of the Units in the Community in favor of persons other than Declarant, Declarant may amend the Declaration, the Bylaws and/or the Condominium Map, without the approval, consent or joinder of, or notice to, any person or group of persons, including the Association, any Unit Owner or any mortgagee, lienholder, Unit purchaser or any other person who may have an interest in the Community, to correct typographical or mathematical errors and to make such amendments as may be required by law, by the Real Estate Commission of the State of Hawaii, by any title insurance company issuing a title insurance policy on the Community or any of the Units, by any institutional lender lending funds on the security of the Community or any of the Units, or by any governmental agency (including without limitation the VA, HUD, FHA, FNMA and/or FHLMC) or as otherwise required by Declarant (including specifically without limitation the right to alter, adjust, or reassign guest parking stalls, retrofit adaptable parking stalls

and limit the use thereof, and to change covered and uncovered parking stalls); provided, however, that, except as otherwise provided herein, no such amendment which would change the common interest appurtenant to a Unit or substantially change the design, location or size of a Unit or the building in which it is located shall be made without the consent to such amendment by all persons having an ownership interest in such Unit.

(b) Any provision of this Section to the contrary notwithstanding, Declarant may amend the Declaration (and when appropriate the Condominium Map) as provided in Section E, Section N, Section V or otherwise in the Declaration without the approval, consent or joinder of, or notice to, any person or group of persons, including the Association, any Unit Owner or any mortgagee, lienholder, or any other person who may have an interest in the Community or in any Unit.

3. Amendment of Declaration by Declarant to File an As Built Certificate. Any provision of this Section and Section R of the Declaration to the contrary notwithstanding, Declarant may amend the Declaration (and when appropriate the Condominium Map) without the approval, consent or joinder of, or notice to, any person or group of persons, including the Association, any Unit Owner or any mortgagee, lienholder, Unit purchaser or any other person who may have an interest in the Community or in any Unit, to file a verified statement of the Declarant, a registered architect, or a professional engineer certifying that the final Recorded Condominium Map fully and accurately depicts the layout, location, house numbers and dimensions of the Units, as built, or that any revised plans being filed simultaneously with the amendment involve only immaterial changes to the layout, location and dimensions of the Units as built or any change in any house number, or such other changes as Declarant is permitted to make pursuant to the Declaration.

4. Amendment of the Declaration Regarding Parking Stall Assignments. Notwithstanding anything to the contrary herein contained, Declarant may amend the Declaration (and when appropriate the Condominium Map) without the approval, consent or joinder of, or notice to, any person or group of persons, including the Association, any Unit Owner or any mortgagee, lienholder, Unit purchaser or any other person who may have an interest in the Community or in any Unit in any manner required to retrofit guest parking stalls so they are suited for use by persons with disabilities and to assign such retrofitted stalls or existing guest stalls designated for use by persons with disabilities as appurtenant Limited Common Elements to any one or more of the units intended for use by persons with disabilities upon substitution therefor of alternate guest parking stall(s). Such reassignment is hereby specifically declared not to constitute a material amendment of the Declaration or Condominium Map. All costs of such reassignment shall be borne as determined by Declarant. Notwithstanding the foregoing, Declarant also reserves the right to interchange guest parking stalls and the handicap guest parking stall with other parking stalls in the control of Declarant as owner of a Unit to accommodate Unit owners in need of such.

5. Votes Required. Any provision of this Section to the contrary notwithstanding, any amendment affecting any provision of the Declaration which is for the express benefit of holders or insurers of first mortgages on Units shall require the approval of holders of first mortgages on Units to which at least sixty-seven percent (67%) of the votes of Units subject to mortgages held by such holders are allocated, together with such other approval requirements as set forth in this Section. Except to the extent such rights are specifically reserved by the Declarant under the Declaration, any holder, insurer, or guarantor of a first mortgage of a Unit whose interest appears in the record of ownership or who has otherwise delivered a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the House number) shall be entitled to:

(a) Prior written notice of any proposed amendment by the Association to the Declaration or these Bylaws effecting a change in (1) the boundaries of a Unit, (2) the common interest pertaining to the Unit, or (3) the purposes to which the Unit, the Limited Common Elements appurtenant thereto, or the Common Elements are restricted;

(b) Prior written notice of any proposed termination of the Community;

(c) Timely written notice of any actual or threatened condemnation or eminent domain proceeding or casualty loss affecting the Property or any portion thereof;

(d) Timely written notice of any significant damage or destruction to the Common Elements or to a Unit on which there is a first mortgage held, insured, or guaranteed by such holder which results in a loss greater than ten percent (10%) of the annual Association Budget;

(e) A copy of any bond required to be posted before commencing or permitting construction of any Improvements on or to the Property;

(f) Timely written notice of all meetings of the Association (the holder or insurer of a first mortgage being permitted to designate a representative to attend all such meetings);

(g) Notice of any default by the Owner of the Unit involved which is not cured within sixty days;

(h) Upon request therefore, a certificate of any then unpaid assessments for common expenses due from the Owner of the Unit involved, as provided in Section 6.13 of the Bylaws;

(i) A copy of all pleadings filed in any lawsuit, administrative proceedings, or other action affecting the Property, or any portion thereof, upon specific written request and at such Person's expense;

(j) Prior written notice of any proposal by the Association to subdivide, encumber, sell, or transfer the Common Elements or any part thereof, provided that the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Community shall not be deemed a transfer within the meaning of this subsection;

(k) Prior written notice of a lapse, cancellation, or material modification of any insurance policy maintained by the Association;

(l) Prior written notice of any proposed action that requires the consent of a specified percentage of mortgagees;

(m) In the event provisions requiring the use of a professional management company are removed from the Declaration or the Bylaws, a majority of mortgagees shall have the right to demand that the Association use professional management; and

(n) In the event provisions requiring an annual audit of the Association's financial records are removed from the Declaration or the Bylaws, a majority of mortgagees shall have the right to demand an audit of the Association's financial records.

6. No Impairment or Diminishment of Declarant's Rights. Any provision of the Declaration to the contrary notwithstanding, and in addition to such other approval requirements as are set forth in this Section and Section R of the Declaration, to the extent permitted by Section 514B-106(d) of the Act, the prior written approval of Declarant is required before any amendment which would impair or diminish the rights of Declarant to complete the Property or sell or lease Units therein in accordance with the Declaration shall become effective. Notwithstanding any other provisions of the Declaration, until such time as Declarant no longer owns any Unit in the Community, the following actions, before being undertaken by the Association, shall first be approved in writing by Declarant:

(a) Mortgagee Approval. Any amendment or action requiring the approval of Mortgagees pursuant to the Declaration;

(b) Capital Improvement Assessment. The levy of a capital improvement assessment for the construction of new facilities not constructed in the Common Element by Declarant;

(c) Reduction in Services. Subject to any restrictions contained in the Bylaws regarding limitations on general assessment increases, any significant reduction of Association maintenance or other services;

(d) Assessments. Alteration in the method of fixing and collecting assessments or any increases in assessments beyond the amounts permitted under the Bylaws;

(e) Responsibility for Repairs. Reduction in the level of, or change in allocation of, responsibility for maintenance of and repairs to all or any portion of the Common Element subject to the Declaration, or any other maintenance obligations of the Association set forth in the Declaration;

(f) Common Elements. Conveyance or dedication by the Association of all or any portion of the Common Elements;

(g) Olino DRC Enforcement and Review Procedures. Modification of the enforcement and review procedures of the Board or Olino Design Review Committee, or any change in the architectural and landscaping design originally installed by Declarant;

(h) Improvements to and Maintenance of Common Elements. Modification to Improvements to the Common Elements or to the level or frequency of maintenance of the Common Elements;

(i) Enforcement of the Declaration. Alteration in the method of enforcing the provisions of the Declaration; or

(j) Declarant's Reserved Rights. Any modification of the rights reserved and granted to Declarant herein with respect to development or sale of the Property or which are for the express benefit of Declarant.

Amendment to Bylaws:

Pursuant to Section 11.2 of the Bylaws, the Bylaws may be amended in any respect not inconsistent with law or the Declaration by the affirmative vote or written consent of not less than sixty-seven percent (67%) of the Owners.

Until such time as the Declarant has turned over administration of the Community to the Association, Declarant shall have the right to amend the Bylaws without the approval, consent or joinder of, or notice to, any person or group of persons, including the Association, any Unit Owner or any mortgagee, lienholder, Unit purchaser or any other person who may have an interest in the Community.

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE CHANGES TO THE CONDOMINIUM DOCUMENTS CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL. CAPITALIZED TERMS USED HEREIN, UNLESS OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE DECLARATION.

EXHIBIT O

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

The rights reserved in this Section and Section E of the Declaration are intended to permit Declarant to complete the development and sale of the Units, as contemplated by the Declaration and as shown on the Condominium Map. Except as otherwise provided herein, the rights reserved in this Section and Section E of the Declaration shall terminate upon the closing and recordation of the last Declarant owned Unit in the Community. In addition to the easements established as Limited Common Elements and any easements and reserved rights described in Exhibit "D-1" attached to the Declaration or elsewhere in the Declaration (including without limitation the rights reserved to Declarant and others in Section F of the Declaration relating to the merger of Increments), the Units and the Land, excluding only lands withdrawn by Declarant from the Declaration, and other Common Elements shall have and be subject to the following easements and reserved rights of Declarant:

1. Easement Rights Exercisable by Declarant. Declarant shall have the right to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across or through the Common Elements of the Community, the Private Yard Areas and the Community Access Drive(s) as shown on the Condominium Map for any reasonable purpose, which may include, but shall not be limited to, those purposes which are necessary for the operation, care, upkeep, maintenance or repair of any Unit, the Common Elements or any easements for utilities or for any public purpose.

2. Declarant's Reserved Rights Concerning Easements. Declarant reserves a present easement over the whole of the Land and Common Elements, together with the right for itself and its successors and assigns, to designate, grant, convey, transfer, cancel, relocate, reserve or otherwise deal with any easements, licenses, and rights of way (for purposes which are necessary for the operation, care, upkeep, maintenance or repair of any Unit, the Common Elements or any easements for utilities or for any public purpose) at any time for utilities, air conditioning service or access ways or stairs for one or more units, any public-type facility (mailboxes and the like), sanitary and storm sewers, cable television transmission facilities, party walls (including the creation of the same on the Community boundaries), refuse disposal, sight distance, landscape, maintenance, driveways, parking areas, access drives, Community Access Drive(s) and other similar purposes, on, over, across, under and through the Common Elements of the Community and the Private Yard Areas. Without limiting the generality of the foregoing, Declarant reserves the right to utilize any common roadway and utility facilities (including without limitation water, sewer, electrical, telephone, and cable) described in the prior sentence (such as, but not limited to, waterlines, sewer lines, Community Access Drive(s) and the like) whether located in designated easement areas or otherwise, together with the right of entry to construct, reconstruct, operate, maintain, repair and relocate such lines, facilities and appurtenances and to grant any such easements or rights of way to governmental or quasi-governmental authorities, utility or service companies, homeowner's associations or other entities and the right to grant, dedicate, designate, use and enjoy easements and/or rights-of-way for access purposes (including for vehicular and pedestrian access). Declarant may, in its discretion, complete any construction of intended facilities in advance of the designation or creation and granting of the easement covering the facilities so constructed. Without limiting the generality of the foregoing, Declarant reserves the right to grant easements in favor of the Master Association, including, without limitation, for access, landscape, irrigation, electricity, utility, dog park, and maintenance purposes over any portion of the Land. The rights reserved to Declarant include specifically without limitation the right to utilize any utility service to the Community to complete such construction, to perform warranty or punchlist repair services within the Community and to serve adjacent and separate developments outside of the Community provided Declarant with respect to such separate and/or adjacent communities submeters such use, and may use the Community Access Drive(s) to serve adjacent developments provided the association controlling such development shares pro rata in the cost of maintenance and repair of the Community Access Drive(s) and reimburses the Association for any submetered use. Without limiting the generality of the foregoing, Declarant, for itself and for the benefit of the Association, reserves the right to install a submeter for water and/or electricity usage at the Dog Park Area. The easements retained in this Section and these reserved rights shall be exercised in a manner that will not materially impair or interfere with the use of any Unit. In the event of a submetered use (such as water

service), the Association shall be entitled to confirm submeter readings. Each Owner, by purchasing a Unit, consents to any such designation, granting, conveyance, transfer, cancellation, relocation and reservation of easements and/or rights of way as provided above without the necessity of any Owner or those claiming by, through or under an Owner entering into any further agreement respecting such action or document; provided, however, that such Owner and those claiming by, through or under an Owner agrees to join in and execute such documents and instruments and do such other things as may be necessary or convenient to effect the same promptly at the request of Declarant without payment of additional consideration. Declarant shall have the right to cancel the easement in favor of the Master Association for the Dog Park Area, and/or to modify the boundaries, redesignate, convey or relocate said easement in another Common Element of the Community, without joinder of, or notice to, the Association, any Owner, Mortgagee or other Person who may have an interest in the Community.

3. Declarant's Reserved Right and Easement to Conduct Extensive Sales Activities. Declarant, and its agents, successors, mortgagees and assigns, shall for the benefit of the Mehana Community have the right and an easement to conduct extensive sales activities on and at the Community, including the use of any Unit owned by Declarant (and any other Unit, with the express permission of the Owner of such Unit) and the Common Elements (excluding Limited Common Elements appurtenant to other Units) for model units, sales and management offices, parking and extensive sales displays and activities, and the posting and maintenance of signs and other advertisements relating to such sales activities. Declarant's sales activities may include one or more sales offices for other portions of the Mehana Community.

4. Reserved Right to Make Continuing Disclosures. Declarant reserves, for itself and its successors and assigns, the right during the course of Declarant's sales of Units in the Community to supplement, modify and amend the estimated breakdown of annual maintenance fees and estimated cost of assessment to each Unit, as Declarant deems appropriate, to reflect changes in estimated expenses applicable to ownership of Units attributable to the increase in cost of service or modification of proposed service to the Association reflected in the budget for annual maintenance fees. Upon such modifications, Declarant may supplement and amend its public report applicable to the Community, which modification shall not be deemed material in any respect.

5. Declarant's Easement to Complete Construction and Make Repairs. Declarant and its agents, employees, contractors, licensees, successors, mortgagees and assigns shall have an easement over, under and upon any portion of the Community, including the Common Elements, any utility service, Limited Common Elements and any Unit, as may be reasonably necessary for the inspection of and for the completion of improvements to and correction of defects and other "punchlist" and warranty items in any Unit or Private Yard Area or the Community. The rights reserved in this Section shall continue the later of: (i) the Recording of the "as built" verified statement required by Section 514B-34 of the Act; (ii) the "date of completion" of improvements requiring repair as defined in Section 507-43(f), Hawaii Revised Statutes of the last Unit constructed in the Community; (iii) the expiration of the applicable limited warranty period for any portion or portions of the Common Elements; or (iv) the conclusion of the statute of repose as set forth in Section 657-8, Hawaii Revised Statutes, with respect to the last Unit constructed in the Community.

6. Declarant's Easements for Development, Construction, and Sale. Declarant and its agents, employees, contractors, licensees, successors, mortgagees and assigns shall have an easement over, under and upon the Community and each and any portion of the Community and the individual Units to create and cause noise, dust, vibration and other nuisances or annoyances created by and resulting from any work connected with or incidental to the development, construction and sale of any Unit or other Improvement to the Community, any additional Increment to the Community, or any other community which Declarant, its successors or assigns, may develop on property adjacent to or in the vicinity of the Community. Each and every Owner or other person acquiring any interest in the Community waives any and all rights, claims or actions that might otherwise be asserted against Declarant, its agents, employees, licensees, successors, mortgagees and assigns, based on any such noise, dust, vibration and other nuisances or annoyances. Without limitation of the foregoing:

(a) Declarant, its agents, employees, consultants, contractors, licensees, successors, mortgagees and assigns, shall have an easement over, under and upon the Community as may be reasonable or appropriate for additional construction, the completion of renovations to the improvements of the Community, and (at the option of Declarant) the correction of defects therein. In addition to any other easements reserved to Declarant under the Declaration, in connection with, and to the extent necessary for the development and construction of Units, common facilities, and/or Increments following the transfer of ownership of any Unit to an individual or entity other than Declarant, Declarant shall have the right to enter upon the Community premises with employees, agents and contractors for all purposes reasonably necessary for or useful to constructing and completing all Increments in accordance with the Declaration and the Condominium Map. Such rights shall include, but are not limited to, the following:

(i) An easement over, under and across the Common Elements of the Community and all utility service to the Community for the purposes of all work connected with or incidental to the development, construction and sale of the Units or Increments; and

(ii) The right in the nature of an easement over and upon the existing buildings and Common Elements of the Community to create and cause dust, noise, vibration and other nuisances created by and resulting from any work connected with or incidental to the development, construction and sale of the Increments or Units.

(b) Declarant, its contractors, subcontractors, licensees, mortgagees and assigns, and their respective employees and agents, shall have the right and an easement at any time and from time to time to enter upon, use, remove, replace, add to, or otherwise alter the Common Elements and the Limited Common Elements of the Community and to do all things reasonably necessary, desirable or useful for designing, developing, constructing or completing any additional Increment to the Community, connecting any such additional Increment to the utility installations of the Community, and selling the Units contained within any such additional Increment, including, but not limited to, the right to consolidate any parcel(s) of land covered hereby with any other parcel(s) of land in connection with the merger of increments; provided that the exercise of the rights granted herein shall not cause any permanent or avoidable interruption in the service of utilities to the Community, and provided further that any person exercising such rights shall use reasonable efforts, without additional cost to Declarant and consistent with maintaining the progress of the design, development, construction, completion and sale of the additional Increment, to minimize interference with the Owners' use and enjoyment of the Property. Declarant further reserves the right to grant, for the benefit of the owner or owners from time to time of all or any portion of each of the other Increments, easements over, under, across, along, upon and through the Common Elements of the Community for ingress and egress purposes, access purposes, electrical, gas, sight distance, communications and other utility purposes, sanitary sewer, drainage and drainline, waterline, and flowage purposes, and all other purposes, to the State of Hawaii, the County, the Board of Water Supply of the County, any other appropriate governmental agency, and/or any public or private utility or other corporation, partnership, individual or entity, provided that such easements and rights-of-way do not materially impair or interfere with the use of any Unit in the Community or the Common Elements of the Community.

(c) Declarant's exercise of rights reserved in this Section are subject to Declarant's agreement to repair at its sole cost, in a good and workmanlike manner and in accordance with all laws any damage caused to the Community by reason of the exercise of the easements granted by this Section.

7. Declarant's Reserved Right Regarding Licenses and Permits. Developer shall have the reserved right, without the approval, consent or joinder of, and without notice to, the Association, any purchaser or Owner of any Unit, or any other party with any interest in the Unit (including any tenant), which may be exercised as herein provided or as provided in Section U.2 to (a) amend any of the Community Documents, including, without limitation, the Declaration, (b) enter into any agreements, including, without limitation, to declare and subject the Land and Improvements to restrictive covenants, (c) designate one or more areas and/or to record against the Land of the Project an agreement with the

Department of Land and Natural Resources of the State of Hawaii for purposes of addressing the preservation, location and/or relocation of any burial or historic sites or artifacts found during development of the Project and protected under the laws of the State of Hawaii, (d) designate and grant easements, (e) secure any other governmental permits, and (f) do all things necessary and convenient to satisfy, alter or amend the requirements of any land use or other permits pertaining to the Community, including, without limitation, such permits as may be issued authorizing the Community, including one or more building permits, Conditional Use Permit(s) (Minor), Zoning Adjustment(s), and Special District (Major) Permit(s), issued by the Department of Planning and Permitting of the County (the "DPP"), and to execute, file and deliver any and all documents necessary to effect the same, including, but not limited to, any amendments to the Declaration and to the Condominium Map.

Without limitation of the foregoing, each Owner acknowledges and agrees that Declarant, on behalf of the Association or Declarant, may (i) seek or has obtained certain licenses and permits from the DPP and other government agencies relating to the development of the Community, including, but not limited to items that may include or address the public storm sewer system and parking, conditional use permits (major or minor), and the joint development of the Land subject to the Declaration pursuant to Section 21-5.380 of the LUO; (ii) enter and Record as an encumbrance on the Land any declaration regarding improvements or use of the Property Declarant is required to impose on the Land in order to proceed with the development of the Land and/or (iii) impose on the Association obligations imposed on Land and the development of the Land by such licenses and permits, the declarations required to proceed with the improvement, use, or development of the Property, and the Unilateral Agreement (collectively these items and all such items of a substantially equivalent nature are described as the "licenses and permits"). To the extent that any such licenses or permits have not been issued to the Association, Declarant and its agents, employees, contractors, licensees, successors, mortgagees and assigns, reserve the right to transfer to the Association any and all obligations arising under or imposed in connection with such licenses or permits. Declarant hereby reserves the right, without the joinder or consent of, or notice to, the Association or any Owner or their mortgagees, (a) to enter and/or to amend such license or permit as may be required or issued by the DPP or other government agency or in respect of which Declarant has reserved such right in the applicable instrument, (b) to encumber the Land and the Association with the obligations thereunder arising, and (c) to modify Improvements to the Community to conform to the licenses and permits. In connection with such licenses and permits, the Association shall have the responsibility to comply at all times now and in the future with all requirements and obligations under such licenses and permits transferred to the Association or that encumber the Land, and all DPP regulations and any other applicable statutes, ordinances and rules and regulations of Federal, State or County agencies relating to the discharge, drainage and runoff of storm water and surface water, and their constituents, from the Community into the public storm sewer system. Neither the Association nor any Owner shall take any actions that may in any way undermine the Association's obligations to comply with the foregoing requirements. Each Owner and the Association shall execute any and all documents required by Declarant in Declarant's sole discretion to transfer, if required, any applicable license or permit to the Association, including without limitation any license relative to discharge, drainage and runoff.

Without limitation of the foregoing, the rights reserved to Declarant by this Section include by way of example and not limitation, the right: (i) to provide open space(s) and a sidewalk for use by the public in the Community; (ii) to establish a private park area(s) at the Community; (iii) to designate one or more areas and/or to record against the Community one or more agreements with the Department of Land and Natural Resources of the State of Hawaii for purposes of addressing the preservation, establishment, location and/or relocation of any burial or historic sites or artifacts found during development of the Community and protected under the laws of the State of Hawaii; (iv) to amend the Community Declaration and to modify the Condominium Map and scope of any Limited Common Element or Common Element, including, without limitation, the recreational facilities and parking facilities; (v) to perform such additional offsite requirements as may be mandated, including, without limitation, road widening improvements and/or the provisioning of utilities, traffic signals, bus stops and/or stop signs; (vi) to modify building types, unit types (alter the number of rooms and Net Living Area, and location within the Community), the overall "product mix", the landscaping plan, available number of parking stalls (both Common Element and Limited Common Element parking stalls); and (vii) to prohibit enclosure of the lanais to any Unit in the

Community. The Association and each Owner shall indemnify and hold harmless Declarant, its successors and assigns, from and against any and all claims and demands for damages in connection with the Association's fulfillment of its obligations under transferred licenses and permits, including, without limitation, any storm sewer connection obligations.

8. Declarant's Reserved Right Regarding Grading and Drainage Channels. Declarant hereby reserves to itself and the Association, and their respective officers, agents, employees, successors, and assigns, an easement to enter upon, across, over, in, and under any portion of the Community, including Private Yard Areas, for the purpose of changing, correcting, or otherwise modifying the grade or drainage channels of any portion of the Community for all reasons determined appropriate by Declarant, including without limitation so as to improve the drainage of water within the Community. Reasonable efforts shall be made to use this easement so as to disturb as little as possible the uses of the Owners, the Association and Declarant, as applicable, to prosecute such drainage work promptly and expeditiously, and to restore any areas affected by such work to a slightly and usable condition as soon as reasonably possible following such work. The rights reserved in this Section shall continue the later of: (i) the Recording of the "as built" verified statement required by Section 514B-34 of the Act; (ii) the "date of completion" of improvements requiring repair as defined in Section 507-43(f), Hawaii Revised Statutes for the last Unit constructed in the Community, (iii) the expiration of the applicable limited warranty period for any portion or portions of the Common Elements, or (iv) the conclusion of the statute of repose as set forth in Section 657-8, Hawaii Revised Statutes, with respect to the last Unit constructed in the Community.

9. Declarant's Reserved Right for Roadway and Utility Purposes. Declarant hereby reserves an easement for roadway and utility purposes on and over the Community Access Drive(s) as shown on the Condominium Map. Without limitation of Declarant's rights under Section E.1, Declarant further reserves the right to grant to the State of Hawaii, County or Hawaiian Electric Company or any agency or organization acting on their behalf and/or the Master Association any or all of the easement areas designated under the Condominium Map or in the Declaration herein, without joinder or consent of, or notice to, the Association, any Owner, or any Owner's mortgagee.

10. Declarant's Reserved Right to Transfer Property to the Association. The Association shall accept title to any property, including any improvements thereon and personal property transferred to the Association by Declarant, together with the responsibility to perform any and all duties associated therewith, which, upon conveyance or dedication to the Association, the Association shall maintain at its expense for the benefit of the Owners as provided in the Declaration. Property interests transferred to the Association by Declarant shall constitute Common Elements of the Community, which may include, without limitation, the Declarant's Reserved Stalls described at Section E.23 of the Declaration, any contract relating to Community facilities, any landscaping, flowage, drainage, or utility easements (pending dedication of all or portions of the affected easement areas to the County), the adjacent roadways, parks, walkways, pathways, landscape buffers, any tradename, recreational or leisure equipment or facilities, any unassigned parking stall or parking stall reserved to Declarant under the terms of the Declaration, and may encompass fee simple title, easements, leasehold interests and licenses to use; provided, however, that any property or interest in property transferred to the Association by Declarant shall, except to the extent otherwise specifically approved by resolution of the Board, be transferred to the Association "as-is," "where-is," free and clear of all liens and encumbrances except for the following: (a) the lien for property taxes and assessments not then due and payable; (b) the terms of the Declaration and the terms of any Supplemental Declaration annexing the property to the Property; (c) easements, rights-of-way, reservations, covenants, conditions, restrictions and equitable servitudes or other non-financial encumbrances as Declarant in its discretion may deem appropriate; and (d) such financial encumbrances as may be reasonably accepted and assumed by the Association and specifically approved by resolution of the Board. Any property or interest in property transferred to the Association by Declarant shall not impose any unreasonable or special burden on the Association other than the normal burdens of ownership and maintenance of property and the operation of facilities thereon; provided, however, such conveyance instrument may contain an indemnity of the Declarant by the Association. Each Owner, by accepting title to any portion of the Property and becoming an Owner, is deemed to approve and accept the acquisition by the Association of Common Elements as provided herein, and any

Common Expenses which may relate thereto. The conveyance by Declarant may be without warranty of any kind except as aforesaid and without the benefit of escrow or title insurance, provided, however, the Association may purchase such title insurance, at the Association's expense, as the Association may wish. Upon transfer, the Association agrees to assume the obligations of the Declarant under any applicable leases, contracts, and other agreements. Furthermore, and notwithstanding anything to the contrary contained or implied in the Declaration, Declarant shall have the absolute right, without consent or joinder of, or notice to, the Association, or any member thereof or its Board, to convey to the Association the Common Element(s) and properties described in this Section.

11. Declarant's Reserved Rights Regarding Modifications, Alterations and Repairs. Any other provision in the Declaration to the contrary notwithstanding, Declarant does hereby reserve the rights described in this Section unto Declarant, its successors and assigns. Prior to the later of (i) the time that all Units in the Community have been sold and the conveyance thereof Recorded, or (ii) the filing by Declarant of the "as built" verified statement (with plans, if applicable) required by Section 514B-34(a) of the Act, Declarant shall have the right, but not the obligation, notwithstanding the lease, sale, or conveyance of any Unit, and without being required to obtain the consent or joinder of, and without notice to, any person or group of persons, including the Association, any Unit Owner or any Mortgagee, lienholder, Unit purchaser, or any other person who may have an interest in the Community, to do the following:

(a) Configuration of Units, and Other Changes. Declarant shall have the absolute right to modify the Community (and to amend the Declaration and the Condominium Map accordingly): (1) to change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any building or Unit (and the Limited Common Elements appurtenant thereto) in the Community which is not sold and the conveyance thereof Recorded; (2) to change the overall "product mix" (e.g., change the Unit types or change the configuration of Unit built on a particular floor of a building); (3) to change Unit or parking stall numbering, which can have the impact of altering a Unit's mailing address; (4) to alter the Common Elements to create Limited Common Element(s) benefitting a single or more than one Unit (inclusive of private yard areas); (5) to alter the Common Elements or the Limited Common Elements to convert the same into a Unit or for any purpose benefitting one or more Units, including without limitation by creating, expanding or reducing lanais, fenced areas, gates, pathways and sidewalks, utility placement locations; and (6) to make other alternations in the Community which make minor changes in any Unit in the Community or in the Common Elements and/or Limited Common Elements that do not affect the physical location, design or size of any Unit that has been sold and the conveyance thereof Recorded.

Without limitation of the foregoing, Declarant may change or remove all or part of any Common Element feature and/or an intervening Common Element wall, floor, and/or ceiling separating two (2) Units owned by the Declarant or Limited Common Elements controlled by the Declarant, install doors, stairways, and other Improvements in such opening or openings in the intervening Common Element, seal hallways or other openings, and make any other reasonable related changes or additions Declarant determines expedient or necessary. Further, Declarant may consolidate any two (2) adjacent Units owned by the Declarant into a single Unit and make any Common Element walls, floors, or ceilings between the Units part of the Unit or its Limited Common Elements. In that regard, Declarant may change the designation of the Limited Common Elements appurtenant to any two (2) adjacent Units owned by the Declarant so that one or more Limited Common Elements appurtenant to one Unit will be appurtenant to the other Unit or to both of the Units. Declarant also reserves the right to (i) modify exterior elevations of buildings, exterior door and window types (open versus fixed, slider versus awning or otherwise) and the location of the same, roof types and materials, (ii) to change the size and location of lanais and lanai railings and coverings, parking stall locations and coverings, air conditioning unit locations, (iii) to add, delete, and/or relocate exterior stairways, (iv) to alter, building materials, exterior stairways and rails, walkways, air conditioning units (which reserved right shall include the right to (A) establish air conditioning guidelines respecting split air conditioning systems to the extent installed and/or (B) permit window air conditioning units subject to the Mehana Design Guidelines), fences and walls (installation and deletion of same and/or modifications to the fence master plan made a part of the Condominium Map (the "Fence Master Plan")) and utility locations from those reflected on the

Condominium Map, (v) to substitute any included appliances as standard, and (vi) to create an enclosed and/or covered storage area. In addition to the foregoing, Declarant shall have the right to amend the Declaration, Bylaws and/or Community Rules to change the name of the Community, alter the pet policy of the Community, and make such other changes to the Community Rules as Declarant desires.

(b) Right to Improve and Fix Location of Recreation Facilities and Barbeque Areas.

Declarant shall have the absolute right to improve any area within the Community with parks, recreational facilities, which may include, but are not limited to, barbeque areas, pathways, and play and/or exercise structures or facilities. These areas, facilities and structures may result in the creation of public activity zones that may negatively impact the Owner's use, views, privacy and enjoyment of their Unit. Upon the construction of such items, they shall be Common Elements of the Community.

(c) Alterations to the Community. Generally without limitation by virtue of the foregoing, Declarant shall have the absolute right to make other alterations in the Community (and to amend the Declaration and the Condominium Map accordingly) to change the Community and Association name and/or to make changes in any Unit in the Community or in the Common Elements that do not affect the physical location, design, or size of any Unit that has been sold and the conveyance thereof Recorded.

(d) Amendment to Declaration and Condominium Map. Declarant shall have the absolute right to amend the Declaration and the Condominium Map as necessary or convenient to describe any new Improvements constructed on the Property in accordance with the Declaration and to make such amendments to the Declaration as are appropriate to describe any rights and obligations in respect of such new Improvement in accordance with this Section.

12. Declarant's Reserved Right to Improve Private and Public Parks. Declarant shall have the absolute right, notwithstanding the lease, sale, or conveyance of any Unit and without being required to obtain the consent or joinder of or provide notice to any Unit Owner, lien holder, or other persons, to improve Common Elements with other recreational facilities, which may include, but are not limited to, picnic tables and barbeque areas, all of which upon such construction shall be Common Elements of the Community. Declarant has reserved the right to include these and other items within the Community, but Declarant has no obligation to provide these or any additional items and has made no promise to do so.

13. Declarant's Reserved Right of Inspection. Declarant reserves the right, but not the obligation, to make any inspection of the Common Elements, Limited Common Elements, or Units.

14. Declarant's Reserved Right Regarding Alterations and Transfers of Common Interest. Declarant reserves and shall have the right to alter the common interest and easements appurtenant to each Unit, which otherwise shall have a permanent character, as noted in this Section. The common interest, voting rights and easements appurtenant to each Unit may be altered (diminished or increased) by a Recorded amendment to the Declaration: (a) as may be determined necessary by Declarant, without the consent of any party, to correct typographical or mathematical errors in the statement of such common interests, (b) filed by Declarant, without the joinder of any party, upon the alteration of the Community as permitted pursuant to the Declaration, and/or (c) upon the action or consent of all Owners of Units affected thereby, and the consent of the holders of any mortgage affecting such Units as shown in the Association's records of ownership, or who have given the Board notice of their interest.

15. Declarant's Reserved Right to Change Parking Stall Types and to Change Unit Numbering or Other Designations. Declarant reserves the right, without being required to obtain the consent or joinder of, or provide notice to, any person or group of persons, including the Association, any Unit Owner or any mortgagee, lien holder, Unit purchaser or any other person who may have an interest in the Community or in any Unit, and notwithstanding the sale of a Unit provided the conveyance therefor have not been Recorded, (a) to change the designation of compact and standard sized parking stalls, (b) to change covered and uncovered parking stalls from that depicted on the Condominium Map, (c) to relocate or renumber parking stalls, (d) to reassign parking stalls designated as Limited Common Elements appurtenant to a Unit provided such Unit shall have assigned to it not less than one (1) parking

stall, and (e) to amend the Declaration and Condominium Map as necessary or convenient to describe such changes. Any parking stall designated on the Condominium Map as a standard sized parking stall may be constructed as a compact size parking stall or vice versa.

16. Declarant's Reserved Right to Change Construction Increments. Any other provision in the Declaration to the contrary notwithstanding, the Declarant shall have the right (but shall not be obligated) at its sole discretion under this Section, without being required to obtain the consent or joinder of, or provide notice to, any person or group of persons, including the Association, any Unit Owner or any mortgagee, lien holder, Unit purchaser or any other person who may have an interest in the Community or in any Unit, to develop, construct, transfer, convey and/or sell the Units hereunder in legal phases or Increments on a building by building basis, or to abandon and not develop or construct such Increments as Declarant may determine in its sole and absolute discretion. For purposes of the Declaration the term "Increment" means any cluster or clusters of Units in this Community together with related facilities appurtenant thereto as reflected on the Condominium Map, developed and built on an incremental basis in accordance with this Section. The Community consists of those Units described in Exhibit "D-2" that have been annexed into the Community. Declarant shall develop the Community in no more than thirty-nine (39) Increments and shall proceed initially with only the development of Increment 1. Before proceeding with development of future Increments, Declarant shall and hereby reserves the right to amend the Declaration to evidence the incorporation and annexation of the Units included in such future Increments within the Community. However, Declarant reserves the right to construct the remaining Increments in Declarant's sole discretion, which discretion shall include, without limitation, determining the order of the Units constructed and the number of Units to be included in each Increment. Upon the completion of any Unit within an Increment, the Declarant may, notwithstanding the incompleteness of any other Increment(s) or other Units in the pending Increment, but subject to the Community Documents and the provisions of the sales contract for the sale of a Unit in such Increment, thereupon transfer ownership of Units in such Increment to Unit purchasers.

17. Declarant's Reserved Right Regarding Completion of Increments and Community. In connection with, and to the extent necessary for the development and construction of the Community, other Units and/or Increments following the transfer of ownership of any Unit to an individual or entity other than the Declarant, the Declarant shall have the right to enter upon and have an easement over all portions of the Community and enter and use the same for all purposes reasonably necessary for or useful to constructing and completing all Increments in accordance with the Declaration and the Condominium Map without any obligation to reimburse the Association for any cost or benefit attribute to the exercise of Declarant's rights reserved under this Section and Section E of the Declaration. Such rights shall include, but are not limited to, the following:

(a) An easement over, under and across the Common Elements of the Community for the purposes of all work connected with or incidental to the development, construction and sale of the Community, other Units and all Increments;

(b) The right in the nature of an easement over and upon the existing buildings and Common Elements and Limited Common Elements of the Community to create and cause dust, noise, vibration and other nuisances created by and resulting from any work connected with or incidental to the development, construction and sale of the Increments;

(c) The right to enter the Common Elements of the Community for the purpose of showing prospective purchasers Units in the Community;

(d) The right to place signs upon the Community in conjunction with sales of Units;

(e) The right of the Declarant to use any Unit owned or rented by the Declarant for sales or display purposes until all Units and Property within the Mehana Community have been sold; and

(f) The right to use utility services benefiting the Community.

18. Declarant's Reserved Right to Alter Common Elements and Limited Common Elements.

The Declarant, its contractors, subcontractors, licensees, mortgagees and assigns, and their respective employees and agents, shall have the right and an easement in favor of the Declarant and its successors and assigns is hereby granted at any time and from time to time, to enter upon, use, remove, replace, add to, or otherwise alter the Common Elements and the Limited Common Elements of the Community and to do all things reasonably necessary, desirable or useful for designing, developing, constructing or completing any additional Increment to the Community, connecting any such additional Increment to the Community Access Drive(s) and utility installations of the Community, and selling the Units contained within any such additional Increment, including, but not limited to, the right to consolidate any parcel(s) of land covered hereby with any other parcel(s) of land in connection with the addition of an Increment; provided that the exercise of the rights granted herein shall not cause any permanent or avoidable interruption in the service of utilities to the property, and provided further that any person exercising such rights shall use reasonable efforts, without additional cost to the Declarant and consistent with maintaining the progress of the design, development, construction, completion and sale of the additional Increment, to minimize interference with the Owners' use and enjoyment of the property. Declarant further reserves the right to grant, for the benefit of the owner or owners from time to time of all or any portion of each of the other Increments, and without the consent or joinder of, or notice to, any party having any interest in the Community, easements over, under, across, along, upon and through the Common Elements of the Community for ingress and egress purposes, access purposes, electrical, gas, mail, communications and other utility purposes, sanitary sewer, drainage and drainline, waterline, and flowage purposes, and all other purposes, to the State of Hawaii, the County, the Board of Water Supply of the County, any other appropriate governmental agency, and/or any public or private utility or other corporation, partnership, individual or entity, provided that such easements and rights-of-way do not materially impair or interfere with the use of any Unit in the Community or the Common Elements of the Community.

19. Declarant's Reserved Rights Regarding Incremental Development. The rights reserved to the Declarant in Sections 17 and 18, above, are subject to the following terms and conditions:

(a) Construction shall be in accordance with complete plans and specifications therefor prepared by a licensed architect or engineer and in accordance with the Declaration and the Condominium Map (as the same may be amended pursuant to the Declaration), and each Increment shall be generally consistent with the other Increments in terms of quality of construction;

(b) No plans and specifications shall require the alteration or demolition of any existing Units or Limited Common Elements, except that the Declarant shall have the right to utilize, relocate and realign existing, and/or to develop additional, central and appurtenant installations for services to the additional Units for electricity, hot and cold water and other applicable utilities and services and, when applicable, to add, delete, relocate, realign, designate, cancel and grant easements and rights-of-way over, under and on the Common Elements as necessary and desirable in connection therewith; provided that the same shall not cause an interruption, other than a temporary interruption, in the service of such utilities to any other part of the Community;

(c) Construction of each Increment shall be at the Declarant's expense and shall be completed within five (5) years of commencement thereof, subject to delays beyond the control of the Declarant;

(d) During the entire course of such construction, the Declarant will cause to be maintained at its expense builder's all-risk insurance in an amount not less than the estimated cost of construction. The Association may be named as an additional insured and evidence of such insurance may be deposited with the Board of Directors;

(e) Prior to commencement of such construction, the Declarant may, in Declarant's sole discretion, deposit with the Association evidence of a payment and performance bond or an irrevocable letter of credit issued by a bank, material house or other entity authorized to do business in the State of Hawaii, naming the Association as a co-obligee, in an amount not less than one hundred

percent (100%) of the cost of construction as estimated by the Declarant, or in lieu thereof a guarantee issued by Declarant against mechanic's and materialmen's liens;

(f) The Declarant shall not in any way encumber individual Units no longer owned by the Declarant in connection with the financing of construction of Increments, provided that the Declarant may assign, by way of security, its interest in the Units owned by the Declarant; and

(g) Promptly upon the completion of each Increment, Declarant shall duly Record and file of record an amendment to the Declaration (which may be titled "Supplemental Declaration of Annexation") evidencing the incorporation and annexation of the completed Increment, without the approval, consent or joinder of, or notice to, any person or group of persons, including the Association, any Unit Owner or any mortgagee, lienholder, Unit purchaser or any other person who may have an interest in the Community, together with a complete set of floor plans of the Community as so altered, certified, if required, as-built by a licensed, registered architect or professional engineer or verified as complete by Declarant in the form of a Declarant's certificate of completion (a "Declarant's Certificate of Completion").

20. Amendment to Declaration and Condominium Map. Declarant shall have the absolute right, notwithstanding the lease, sale, or conveyance of any Unit and without being required to obtain the consent or joinder of or provide notice to any Unit Owner, lien holder, or other persons, to amend the Declaration and the Condominium Map as necessary or convenient to describe any new Improvements constructed on the Property in accordance with the Declaration and to make such amendments to the Declaration as are appropriate in accordance with this Section and Section E of the Declaration.

21. Assignment of Declarant's Rights. The rights of the Declarant under this Section shall extend to the Declarant and its respective successors and assigns. Without limitation of the foregoing, Declarant may, by Recorded instruments or by Supplemental Declaration, assign or partially assign, while retaining equivalent rights to Declarant, to any assignee, including without limitation the Association, any one or more of the rights and easements reserved to Declarant under this Section and Section E of the Declaration and its subparts (or otherwise reserved to Declarant in the Declaration).

22. Declarant's Reserved Rights Under the Unilateral Agreement. Declarant hereby reserves on behalf of itself and its respective officers, agents, employees, successors, and assigns, without the consent or joinder of or notice to any Unit Owner or their respective mortgagees, all and privileges necessary to perform those actions reserved under that certain Unilateral Agreement, including but not limited to the right to establish, create and improve parks and pedestrian and bike paths as shown on the Updated Preliminary Land Use Plan dated August 19, 2004 (Exhibit B-1 to the Unilateral Agreement), including the connection of the parks and the elementary school fields and playgrounds by footpaths, to establish and create and improve the "Village Walk", anywhere within the Mehana Community as shown in Exhibit B-2 to the Unilateral Agreement, Village Walk Concept Plan A, dated August 19, 2004, attached to the Unilateral Agreement and to provide public pedestrian and vehicular connections to the regional drainage corridor as shown in the Updated Preliminary Land Use Plan dated August 19, 2004 (Exhibit B-1 to the Unilateral Agreement), which is described as the regional drainage channel in the Master Declaration ("Regional Drainage Channel"). Declarant reserves the right to designate the Village Walk as a Common Element of the Community and also has the power and right under the Master Declaration to reserve to that Association the right to maintain, repair and care for the Village Walk.

23. Declarant's Reserved Right to Assign Parking Stalls to Units and to Certain Parking Stalls. Declarant may reserve to itself parking stalls in the Community (sometimes the "Declarant Reserved Stalls") and further reserves to itself the right to amend the Declaration to denominate such stalls and (i) to transfer the Declarant Reserved Stalls to the Association as permitted pursuant to Section E.9, (ii) to assign stalls to particular Units (by transfer or amendment to the Declaration as permitted under the Act), and/or (iii) to establish spatial Units consisting of one or more of the foregoing parking stalls, all without the joinder or consent of, and without notice to, any Owner, Owner's mortgagees, or other Person. Without limitation of the foregoing, Declarant further reserves the right to amend the

Declaration in any manner to assign additional parking stalls that are reserved to the Declarant to any Unit as appurtenant Limited Common Element(s) to such Unit as Declarant in its sole discretion determines. Further Developer may assign such stalls to any Unit and reserves all right of use and access to such stalls together with the right to sell the stalls and/or transfer the stalls to another Unit. Any amendment or action permitted by this Section is hereby specifically declared not to constitute a material amendment of the Declaration or, when appropriate, the Condominium Map.

24. Declarant's Reserved Right to Reconfigure, Annex, Include, Delete or Withdraw Land. Declarant or its authorized representatives shall have the right, in their respective sole and absolute discretion and without being required to obtain the consent or joinder of, or provide notice to, any person or group of persons, including the Association, any Unit Owner or any mortgagee, lien holder, any Unit purchaser, or any other person who may have an interest in the Community or in any Unit, to reconfigure, annex, include, delete or withdraw land from the property that has been made subject to the Declaration as permitted pursuant to Section V of the Declaration in order to create the Community Land.

25. Declarant's Reserved Right to Modify Community to Comply with Law. Declarant shall have the reserved right, to effect such modifications to the Units and Common Elements in the Community and/or to execute, record and deliver any amendments to the Declaration, the Condominium Map as well as the Bylaws and rules and regulations promulgated thereunder, as may be necessary or required to effect compliance by the Community, the Association, or by Declarant with laws which apply to the Community, including, without limitation, the Fair Housing Act, as amended, 42 U.S.C. §§ 3601 et seq., including any and all rules and regulations promulgated thereunder, and the Americans With Disabilities Act, as amended, 42 U.S.C. §§ 12101 et seq., including any and all rules and regulations promulgated thereunder. Without limitation, Declarant may amend the Declaration (and, when appropriate, the Condominium Map) in any manner required to retrofit guest parking stalls, including without limitation any adaptable parking stall, so they are suited for use by persons with disabilities and to assign such stalls as appurtenant Limited Common Elements to any one or more of the Units intended for use by persons with disabilities upon substitution therefor of alternate guest parking stall(s). Such stall assignment may be made to Units, the Owners of which Declarant, in its sole judgment, determines require a parking stall accessible to persons with disabilities. Such reassignment is hereby specifically declared not to constitute a material amendment of the Declaration or, when appropriate, the Condominium Map. All costs of such reassignment shall be borne as determined by Declarant. Notwithstanding the foregoing, Declarant also reserves the right, but does not hereby undertake any obligation, to interchange guest parking stalls and the disabled guest parking stalls to accommodate Unit Owners in need of such parking. The rights of Declarant under this Section may be assigned to the Association, without the consent or joinder of, or notice to, the Board.

26. Reserved Right to Control Association for Limited Period. Declarant shall have the reserved right to control the Association in accordance with Section 514B-106(d) of the Act, during which time Declarant, or persons designated by Declarant, may appoint and remove the officers and members of the Board of Directors. Such period of control of the Association by Declarant (the "Control Period") shall terminate no later than the earlier of:

- (a) Sixty (60) days after conveyance of seventy-five percent (75%) of the common interest appurtenant to Units to Owners other than Declarant or an affiliate of Declarant;
- (b) Two (2) years after Declarant has ceased to offer Units for sale in the ordinary course of business;
- (c) Two (2) years after any right to add new Units was last exercised; or
- (d) The day Declarant, after giving written notice to Unit Owners, Records an instrument voluntarily surrendering all rights to control activities of the Association.

Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of the Control Period, but in such event Declarant may require, for

the duration of the period of Declarant control, that specified actions of the Association or Board, as described in a Recorded instrument executed by Declarant, be approved by Declarant before they become effective, provided, however, that during the Control Period (i) Declarant must provide a copy of all amendments to the Department of Veterans Administration (the "VA"), and (ii) the Association may not make any material amendments or take any extraordinary actions as described in VA Pamphlet 26-7 revised, as may be applicable, without the approval of VA.

Until such time as the Declarant has turned over administration of the Community to the Association, Declarant shall have the right to amend the Bylaws without the approval, consent or joinder of, or notice to, any person or group of persons, including the Association, any Unit Owner or any mortgagee, lienholder, Unit purchaser or any other person who may have an interest in the Community.

27. Declarant's Right to Designate Units as Affordable Housing. Declarant shall have the right, but not the obligation to designate certain Units as affordable housing (the "Affordable Units") for owner-occupants meeting the income qualification eligibility requirements of the DPP and only in accordance with and to satisfy certain affordable housing conditions mandated by DPP pursuant to the Unilateral Agreement and Declaration for Conditional recorded as Document No. 3195643 adopted as part of the City in County of Honolulu Ordinance No. 04-46. Affordable Units will be subject to a four (4) year or eight (8) year by-back restriction benefiting the City and County of Honolulu that limits the lease, resale, or rental of the Affordable Unit during the restriction period. The applicable buy-back restriction will be determined by the income of the purchaser. Declarant reserves the right to change the terms of the affordable housing program it offers in Declarant's sole discretion. Declarant reserves the right to develop, market and sell as many Affordable Units in the Community as Declarant desires, without notice to, or joinder of, any Owner. Each Owner waives any and all claims arising under the presence of Affordable Units, or lack thereof, in the Community. The initial Affordable Units shall be as follows: Units 401-406, inclusive, Units 501-508, inclusive, Units 601-608, inclusive, Units 701-706, inclusive, Units 801-808, inclusive, Units 901-906, inclusive, Units 1001-1008, inclusive, Units 1101-1106, inclusive, Units 1201-1208, inclusive, Units 1301-1306, inclusive, Units 1401-1408, inclusive, and Units 1501-1506, inclusive. Declarant reserves the right to terminate the designation of any unsold Affordable Unit, without notice to, or joinder of, any Owner, and remove any Affordable Unit from the affordable housing program. Additionally, Declarant reserves all rights of enforcement and recourse against the Owner of an Affordable Unit available under Chapter 5 of the Department of Planning and Permitting City and County of Honolulu State of Hawaii Amendment of the Affordable Housing Rules for Unilateral Agreements adopted February 12, 2010, in the event of a failure of the Owner of an Affordable Unit to comply with the requirements arising under the applicable buy-back restriction, including, without limitation, by seeking financial recourse from such Owner. The buyback restrictions shall be automatically extinguished and shall not attach in subsequent transfers of title when a mortgage holder or other party becomes the owner of an Affordable Unit pursuant to a mortgage foreclosure, foreclosure under power of sale, or a conveyance in lieu of foreclosure after a foreclosure action is commenced.

28. Reserved Right to Reconfigure and Delete Land.

28.1. Withdrawal and Deletions. Any other provision in the Declaration to the contrary notwithstanding, Declarant or its authorized representatives shall have the right, at its sole discretion and without being required to obtain the consent or joinder of, or provide notice to, any person or group of persons, including the Association, any Unit Owner or any mortgagee, lien holder, any Unit purchaser, or any other person who may have an interest in the Community or in any Unit, to effect or participate (unilaterally or jointly with the owner or owners of adjacent parcels of land) in one or more subdivisions of the Community land or consolidations and resubdivisions of the Community land with adjacent parcels of land, the result of which may be to adjust the boundaries of the Community land and/or to delete or withdraw from the Community all or a portion of the land covered by the Declaration, excepting only the Community area of approximately 14.358 acres (sometimes, the land to be removed is hereafter described as the "Removable Land" and the land to be included is referred to as the "Inclusion Land"). Any such adjustment of boundaries will reconfigure the Community land such that it actually conforms to the configuration of the Community land as depicted on the Condominium Map, which may be included or excluded from the Community land as appropriate, and, consequently, will not affect the layout, location,

dimensions or structure of any of the buildings, Units or other Increments of the Community as shown on the Condominium Map, and will not change or reapportion the common interests appurtenant to the Units, all as set forth and described in the Declaration. Upon such inclusion, removal, withdrawal and/or deletion: (i) the included land will be part of the Community, and (ii) with no further action required, the Removable Land shall cease to be a part of the Community or subject to the Declaration or the Act, and no Unit Owner, mortgagee, lien holder, Unit purchaser or any other person (other than Declarant and the holder of any blanket mortgage affecting the Removable Land prior to the Declaration) who may have an interest in the Community or any Unit shall have any legal or equitable interest in the Removable Land (or in any other land adjacent to the Community land which may have been consolidated with the Community land pursuant to this Section) and shall be deemed to have quitclaimed and/or released to Declarant any and all interest each person may have had in the Removable Land or in any other land which may have been consolidated with the Community land pursuant to this Section. If deemed necessary to effect the intent of this Section, each Unit Owner, mortgagee, lien holder and any other person who may have an interest in the Community or any Unit shall, if requested by Declarant, unconditionally quitclaim and/or release its interest, if any, in the Removable Land (and in any other land adjacent to the Community Land which may have been consolidated with the Community land pursuant to this Section) to Declarant or to Declarant's designee. Declarant shall also have the right, at its sole discretion and without being required to obtain the consent or joinder of, or provide notice to, any person or group of persons, including the Association, any Unit Owner or any mortgagee, lien holder, any Unit purchaser, or any other person who may have an interest in the Community or in any Unit, to consolidate and resubdivide or subdivide the Property, relocate and subsequently grant the roadways, driveways and easements.

In the exercise of the foregoing rights, Declarant may at any time and multiple times (a) file and process to final approval an application with the County for a legal subdivision of the Removable Land from the land covered by the Declaration (or for a consolidation and resubdivision resulting in the legal subdivision of the Removable Land from the land covered by the Declaration), (b) file and process a petition for an order of subdivision or consolidation and resubdivision, designation, granting, conveyance, transfer, cancellation, relocation and reservation of easements and/or rights of way with the Land Court of the State of Hawaii, and/or any other procedure required to fully and legally effect such subdivision or consolidation and resubdivision, designation, granting, conveyance, transfer, cancellation, relocation and reservation of easements and/or rights of way, (c) Record one or more amendments to the Declaration which shall contain an amended description of the land covered by the Declaration deleting therefrom the Removable Land, (d) if deemed necessary by Declarant, Record one or more amendments to the Condominium Map showing any changes to the Community, and (e) if deemed necessary by Declarant, apply for and obtain from the Real Estate Commission of the State of Hawaii an amended Developer's Public Report describing the changes made to the Community pursuant to this Section. The Removable Land shall be deemed deleted or withdrawn from the Community for all purposes upon the Recordation of the amendment(s) to the Declaration referenced herein.

Declarant shall have the absolute right, notwithstanding the lease, sale or conveyance of any Unit and without being required to obtain the consent or joinder of, or provide notice to, any Unit Owner, lien holder or other persons, and the removal, withdrawal and/or deletion of the Removable Land in accordance with this Section, and to execute, Record and/or file the herein described applications, petitions, amendments, quitclaims, releases and any and all other instruments necessary or appropriate for the purpose of effecting the removal, withdrawal and/or deletion of the Removable Land as contemplated in this Section. Any such action shall be deemed taken by Declarant as the true and lawful attorney-in-fact of the respective Unit Owners and lien holders. Each and every party acquiring an interest in any Unit, the Community or the land covered by the Declaration, by such acquisition, consents to such removal, withdrawal and/or deletion and to the filing or Recordation of such documents as may be necessary or convenient to effect the same, agrees to execute such documents and do such other things on its behalf, which grant of such power, being coupled with an interest, is irrevocable and shall not be affected by the disability of any such party.

28.2. Annexation. Declarant shall have the absolute right, notwithstanding the lease, sale, or conveyance of any Unit and without being required to obtain the consent or joinder of, or provide notice to, any Unit Owner, lien holder, or other persons, but not the obligation, from time to time and at

any time, to annex by Supplemental Declaration additional real property, whether in fee simple or leasehold to the Declaration in Increments of any size whatsoever, or to annex more than one such Increment at any given time and in any given order. Any such property not specifically annexed by Supplemental Declaration properly Recorded shall not become subject to the Declaration. Supplemental Declarations may contain such complementary or supplementary additions and modifications of the provisions of the Declaration as may be necessary to reflect the different character, if any, of the property being annexed and may add, delete, or modify provisions of the Declaration as it applies to the property being annexed. The Recordation of such Supplemental Declaration shall constitute and effectuate the annexation of the property described therein, unless a later effective date is specified in the Supplemental Declaration, making such real property subject to the Declaration and subject to the functions, powers, and jurisdiction of the Association, and thereafter said real property shall be part of the Community and Property for all intents and purposes of the Declaration, and all of the owners of units in the annexed property shall automatically be Owners hereunder. Each Owner hereby acknowledges and agrees that their voting power as a member may be altered (diminished or increased) attributable to such an annexation.

The rights reserved to Declarant under this Section shall extend to Declarant and its successors and assigns.

The rights reserved to Declarant in this Section are subject to the following conditions:

(a) The removal, withdrawal and/or deletion of the Removable Land shall not adversely affect the layout, location, dimensions or structure of any of the buildings, Units to the Community as shown on the Condominium Map.

(b) The removal, withdrawal and/or deletion of the Removable Land shall not change or reapportion the common interest appurtenant to the Units.

(c) The subdivision or consolidation and resubdivision pursuant to this Section shall be ordered and effected on or before upon the closing and recordation of the last Declarant owned Unit in the Community.

29. Cable/Data System. Without limiting any other right reserved or available to Declarant in the Declaration or at law, Declarant hereby reserves the exclusive right and an exclusive easement to install or have installed a Cable/Data System as defined below, to include the cost for provision of such service in the Community operating budget (Initial Maintenance Fees) and to subject the Community to the cable contract described below. The Cable/Data System, if and when installed, may be maintained by either a satellite/cable television provider or a telecommunication service provider or both as provided in the contract for the delivery of installation of such system or facilities. Declarant reserves the right to grant non-exclusive easements over the Community as necessary to provide cable television and telecommunication services to Owners, or some portion of them, including easements for access, ingress, and egress for installation, maintenance, and removal of any type of cable and telecommunication equipment, including, without limitation, antennae, head end equipment, cable amplifier, line splitting devices, coaxial cable, amplifier housing, and all facilities related thereto (collectively, "Cable/Data System"), as well as for the solicitation of sales, marketing, disconnection of service, and subscriber equipment retrieval. Each Unit and the Community Association and all Owners shall be subject to all of the limitations, restrictions, reservations, rights, easements conditions and covenants set forth in such grant or contract for the provision of such bulk cable service facilities. Each Unit and the Common Elements shall be subject to an easement in favor of all other Units and in favor of the entity holding the right to provide cable television and telecommunication service to the Community, to provide for the passage through the Units and the Common Elements of television and telecommunication connections from any other Unit to the Cable/Data System, and shall be subject to further easement for the placement and maintenance of such connections. Declarant, on behalf of itself and its successors, assigns, and grantees, hereby acknowledges and agrees that its interest in the Community and any Owner's interest of the Association's interest in the Community shall be subject to the terms of any agreement between Declarant and a satellite/cable television provider or a telecommunication services provider (collectively,

the "Cable Contract"), and the Association and all Owners shall be subject to all of the limitations, restrictions, reservations, rights, easements, conditions, and covenants set forth in such Cable Contract. Declarant may assign such cable contract to the Association pursuant to Section E.9 of the Declaration without the consent or joinder of or notice to any Owner or the Association. Declarant shall be entitled to collect and retain all amounts payable under the Cable Contract or any assignment of Declarant's rights thereunder. Under no circumstances may the Association, any Owner or any other person engage in, exercise, perform or permit any of the activities or rights reserved to Declarant or install, construct or operate any of the antennae, satellite dishes, equipment, facilities, lines or wires described above at or from the common elements without the prior written consent of Declarant (which consent may be withheld in its sole and absolute discretion).

30. Enforcement. If any one or more of the provisions of this Section shall be declared to be contrary to law, then such provision or provisions shall be null and void and shall be deemed separable from the remaining provisions of this Section and shall in no way affect the enforceability of any other provision hereof.

31. No Limitation to Right to Construct Units. Nothing in the Declaration shall be deemed to or otherwise limit or inhibit the Declarant's ability to construct some or all Units in the Community in accordance with the Declaration and the Condominium Map, as the same may be amended.

32. No Amendment by Others. The Declaration cannot be amended to modify or eliminate the easements or other rights reserved to Declarant by this Section and Section E of the Declaration or any other Section without the prior written consent of Declarant, and any attempt to do so shall have no effect and shall be void ab initio.

33. Amendment by Declarant. Declarant reserves and shall have the right to amend the Declaration, Condominium Map or any other Community Document to effect the rights reserved to Declarant specified in this Section and Section E of the Declaration, or otherwise in the Declaration, including, without limitation, those rights reserved to Declarant under Section G (ALLOCATION OF COMMON INTEREST, PROFITS, AND EXPENSES), Section R (AMENDMENT OF THIS DECLARATION; MORTGAGE PROTECTION), and Section V (RESERVATION TO RECONFIGURE AND DELETE LAND) of the Declaration.

34. Declarant's Exercise of Rights. Each of the rights reserved to Declarant in this Section and Section E of the Declaration, and Section G, Section R and Section V or otherwise in the Declaration may be exercised by Declarant or its authorized representatives in their respective sole and absolute discretion and without being required to obtain the consent or joinder of, or provide notice to, any Person or group of Persons, including the Association, any Unit Owner or any mortgagee, lien holder, any Unit purchaser, or any other person who may have an interest in the Community or in any Unit. Pursuant to Section Y.1 of the Declaration, each and every Unit Owner by acceptance of a Deed for a Unit and/or acknowledgement of the Declaration, appoints Declarant, with full right of substitution, as the attorney-in-fact of such Owner or acquiring party to execute such documents and to do such things on such Owner's or acquiring party's behalf; and such appointment, being coupled with an interest, shall be irrevocable for the specific period(s) of Declarant's reserved rights as set forth in the Declaration and shall not be affected by the disability of any such Owner or acquiring party.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL OF THE RIGHTS RESERVED BY THE DEVELOPER UNDER THE CONDOMINIUM DOCUMENTS CONTAINED IN THE DECLARATION, BY LAWS, CONDOMINIUM MAP, COMMUNITY RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF SUCH RESERVED RIGHTS, PURCHASER CAN USE THIS SUMMARY OF SUCH RESERVED RIGHTS, PURCHASER SHOULD REFER TO THE CONDOMINIUM DECLARATION TO DETERMINE THE ACTUAL RIGHTS RESERVED BY THE DEVELOPER. IF ANY CONFLICT OR DIFFERENCES EXISTS BETWEEN THIS SUMMARY AND THE

CONDOMINIUM DECLARATION, THE CONDOMINIUM DECLARATION WILL CONTROL. CAPITALIZED TERMS USED HEREIN, UNLESS OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE DECLARATION.

EXHIBIT P

Section 4.2 -- Estimate of the Initial Maintenance Fees

The Estimated Maintenance Fee Disbursements for Olino at Mehana have been compiled by Hawaiiana Management Company, a licensed property manager, assuming that all units in the Community as reflected on the Condominium Map are constructed. Although the property manager makes every effort to estimate the actual cost of operation, certain budget items, especially energy costs, labor costs, and insurance, may change. The Buyer is aware that such amounts are only estimates and may change for reasons beyond the control of Developer, and the Buyer hereby specifically accepts and approves any such changes. The Buyer is also aware that such estimates do not include the Buyer's obligation for payment of real property taxes. The Buyer understands that such estimates are not intended to be and do not constitute any representation or warranty by the Developer, including but not limited to any representation or warranty as to the accuracy of such estimates. Buyer understands that Developer has not independently confirmed the accuracy or content of the estimates prepared by the licensed independent managing agent. Further, the Developer advises that costs and expenses of maintenance and operation of a condominium community are very difficult to estimate initially and even if such maintenance charges have been accurately estimated, such charges will tend to increase in an inflationary economy and as the improvements age. Maintenance charges can vary depending on services desired by unit owners and may increase significantly depending on the level of services eventually selected by the Association's Board of Directors. The Buyer should examine the maintenance charges schedule to see what services are included in the schedule and address these issues with its Board upon its formation. Buyers should also be aware that the estimates provided are as of the date reflected in the Managing Agent's certification and do not reflect the actual charges that may be incurred upon the formation of the Association and the actual contracting for such services such as insurance and maintenance, etc.

By purchasing a Unit at Olino at Mehana, the Buyer will become a member of the Mehana Master Association and be required to pay membership dues to that Association. The Association will collect this fee in addition to the Buyer's monthly maintenance fee and pay the same to the Master Association.

The Developer intends to pay all of the actual common expenses for the units and the unit owner shall not be obligated for the payment of the owner's share of the common expenses until such time as the Developer causes a 30 day advance written notice to be sent to the Owners that, after a specified date, the unit owners shall be obligated to pay for the portion of common expenses that is allocated to their respective units. The Developer shall mail the written notice to the Owners, the Association, and the Managing Agent, if any, at least thirty days before the specified date.

The estimate of the initial annual maintenance fees and monthly estimated Maintenance fees is attached hereto.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE ESTIMATE OF THE INITIAL MAINTENANCE FEES CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF SUCH RESERVED RIGHTS, PURCHASER CAN USE THIS SUMMARY OF SUCH RESERVED RIGHTS, PURCHASER SHOULD REFER TO THE DECLARATION TO DETERMINE THE ACTUAL RIGHTS RESERVED BY THE DEVELOPER. IF ANY CONFLICT OR DIFFERENCES EXISTS BETWEEN THIS SUMMARY AND THE DECLARATION, THE DECLARATION WILL CONTROL. CAPITALIZED TERMS USED HEREIN, UNLESS OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE DECLARATION.

CERTIFICATE

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

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

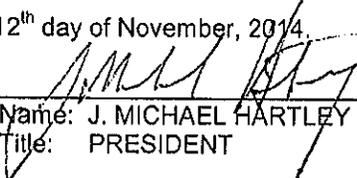
2. Attached hereto is a true and correct copy of the projected budget for the Project. The estimates contained therein, including the maintenance fee assessments and disbursements, are based upon and in reliance on the assumptions, expense and income data provided by the Developer along with information gathered by the Managing Agent from projects of comparable size and character. The estimated figures do not account for inflation, market adjustments, future utility rate changes, future insurance premium rate changes or other unanticipated events, including but not limited to, acts of government, acts of God, terrorism or war. In addition, the projected budget is based upon and in reliance on discussions with the Developer.

3. I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated cost for each unit in the Project, as attached hereto and hereby incorporated herein by reference, were determined in accordance with Section 514B-148 of the Hawaii Revised Statutes and Chapter 107 of the Hawaii Administrative Rules, and that the Managing Agent made a good faith effort to calculate such estimates for the one-year period commencing November, 2014, based on generally accepted accounting principles.

4. As permitted pursuant to Section 514B-148(b), new associations need not collect estimated reserves until the fiscal year which begins after the association's first annual meeting. The Developer has not conducted a reserve study for the Project. The budget amount for Reserves is an estimate only.

5. The Budget has been prepared on a cash basis.

DATED: Honolulu, Hawaii, this 12th day of November, 2014.

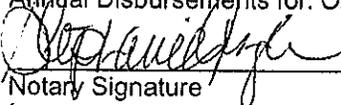

Name: J. MICHAEL HARTLEY
Title: PRESIDENT

Subscribed and sworn to before me
this 12th day of November, 2014.

State of Hawaii
City & County of Honolulu

Date: November 12, 2014 # of Pages: 6

Doc. Description: Certificate of Managing Agent & Estimated
Annual Disbursements for: Olino

 11/12/2014
Notary Signature
Name: Stephanie M. Angle

No. & Expiration: 10-134
6/13/2018
First Circuit, State of Hawaii



NOTARY CERTIFICATION

Estimated Fee Disbursement

Olino
(132 Multifamily Homes and
40 Residences)

Utilities and Services	Shared Expenses		Multifamily Homes		Residences	
	Monthly	Annually	Monthly	Annually	Monthly	Annually
Electricity			\$1,800.00	\$21,600.00		
Refuse			\$3,750.00	\$45,000.00	\$400.00	\$4,800.00
Water (irrigation) (*)			\$2,500.00	\$30,000.00	\$400.00	\$4,800.00
Sewer (submetered) (*)						
Telephone - Internet Monitoring			\$1,050.00	\$12,600.00		
Maint, Repairs, Supplies						
Common Area Cleaning & Maint.						
Grounds			\$1,500.00	\$18,000.00	\$200.00	\$2,400.00
Grounds Extras			\$7,000.00	\$84,000.00	\$200.00	\$2,400.00
Alarm Monitoring (Multifamily Homes Only) Alert Alarm			\$250.00	\$3,000.00	\$100.00	\$1,200.00
Tree Trimming			\$760.00	\$9,120.00		
Fire Systems	\$90.00	\$1,080.00	\$1,530.00	\$18,360.00		
Dryer Vent Cleaning			\$600.00	\$7,200.00		
Equipment			\$542.00	\$6,504.00		
Pest Control			\$300.00	\$3,600.00	\$100.00	\$1,200.00
Pest Control (Termidor/Sentricon) At Warranty exp			\$500.00	\$6,000.00		
Electrical/Lighting			\$450.00	\$5,400.00	\$250.00	\$3,000.00
Plumbing (Storm Drains)	\$1,300.00	\$15,600.00				
Roof Mice (gutters, etc)			\$400.00	\$4,800.00		
Road Maintenance	\$250.00	\$3,000.00	\$500.00	\$6,000.00	\$250.00	\$3,000.00
Misc Building Supplies, repairs, etc			\$500.00	\$6,000.00	\$200.00	\$2,400.00
Underground Utilities	\$800.00	\$9,600.00				
Professional Services						
Management Fees	\$2,702.00	\$32,424.00				
Audit/Tax fees	\$125.00	\$1,500.00				
Legal Fees	\$750.00	\$9,000.00				
Covenants Enforcement	\$350.00	\$4,200.00				
Administrative						
Admin. Services/Supplies	\$750.00	\$9,000.00				
Meeting Expense	\$100.00	\$1,200.00				
Newsletter/Website	\$100.00	\$1,200.00				
GET/Other	\$50.00	\$600.00				
Condo Registration	\$191.00	\$2,292.00				
Misc	\$50.00	\$600.00				
Insurance						
Property			\$5,087.00	\$61,044.00		
Comp. General Liability	\$190.00	\$2,280.00				
Umbrella	\$225.00	\$2,700.00				
Directors and Officers	\$259.00	\$3,108.00				
Bond	\$75.00	\$900.00				
Subtotal	\$8,357.00	\$100,284.00	\$29,019.00	\$348,228.00	\$3,600.00	\$43,200.00
Reserves	\$928.55	\$11,142.66	\$3,224.33	\$38,691.96	\$400.00	\$4,800.00
Total	\$9,285.55	\$111,426.66	\$32,243.33	\$386,919.96	\$4,000.00	\$48,000.00

(*) Assumes that unit water and sewer usage will be sub-metered and billed as a separate line item on each unit owner's monthly maintenance fee bill. In addition to the water and sewer usage charges, a fee of \$10 per unit per month will be added to each unit owner's monthly bill to off-set the cost of meter reading and billing services for water and sewer.

Unit Type	Unit Number	Shared Expenses Monthly Fee	Residences Additional Monthly Fee	Multifamily Homes Additional Monthly Fee	Total Monthly Fee	Annual Fee
1/1R	20	\$63.42	\$99.72	N/A	\$163.14	\$1,957.73
1/1R	23	\$63.42	\$99.72	N/A	\$163.14	\$1,957.73
1/1R	24	\$63.42	\$99.72	N/A	\$163.14	\$1,957.73
1/1R	25	\$63.42	\$99.72	N/A	\$163.14	\$1,957.73
1/1R	26	\$63.42	\$99.72	N/A	\$163.14	\$1,957.73
1/1R	28	\$63.42	\$99.72	N/A	\$163.14	\$1,957.73
1/1R	34	\$63.42	\$99.72	N/A	\$163.14	\$1,957.73
1/1R	35	\$63.42	\$99.72	N/A	\$163.14	\$1,957.73
1/1R	36	\$63.42	\$99.72	N/A	\$163.14	\$1,957.73
1/1R	41	\$63.42	\$99.72	N/A	\$163.14	\$1,957.73
1/1R	42	\$63.42	\$99.72	N/A	\$163.14	\$1,957.73
1/1R	43	\$63.42	\$99.72	N/A	\$163.14	\$1,957.73
1/1R	44	\$63.42	\$99.72	N/A	\$163.14	\$1,957.73
1/1R	48	\$63.42	\$99.72	N/A	\$163.14	\$1,957.73
1/1R	49	\$63.42	\$99.72	N/A	\$163.14	\$1,957.73
1/1R	52	\$63.42	\$99.72	N/A	\$163.14	\$1,957.73
1/1R	57	\$63.42	\$99.72	N/A	\$163.14	\$1,957.73
2/2R	21	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	22	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	27	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	29	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	30	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	31	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	32	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	33	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	37	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	38	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	39	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	40	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	45	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	46	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	47	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	50	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	51	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	53	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	54	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	55	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	56	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	58	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
2/2R	59	\$63.70	\$100.20	N/A	\$163.90	\$1,966.83
A/AR	401	\$52.00	N/A	\$248.92	\$300.92	\$3,611.01
A/AR	406	\$52.00	N/A	\$248.92	\$300.92	\$3,611.01
A/AR	701	\$52.00	N/A	\$248.92	\$300.92	\$3,611.01
A/AR	706	\$52.00	N/A	\$248.92	\$300.92	\$3,611.01
A/AR	901	\$52.00	N/A	\$248.92	\$300.92	\$3,611.01
A/AR	906	\$52.00	N/A	\$248.92	\$300.92	\$3,611.01
A/AR	1101	\$52.00	N/A	\$248.92	\$300.92	\$3,611.01
A/AR	1106	\$52.00	N/A	\$248.92	\$300.92	\$3,611.01
A/AR	1301	\$52.00	N/A	\$248.92	\$300.92	\$3,611.01

Unit Type	Unit Number	Shared Expenses Monthly Fee	Residences Additional Monthly Fee	Multifamily Homes Additional Monthly Fee	Total Monthly Fee	Annual Fee
A/AR	1306	\$52.00	N/A	\$248.92	\$300.92	\$3,611.01
A/AR	1501	\$52.00	N/A	\$248.92	\$300.92	\$3,611.01
A/AR	1506	\$52.00	N/A	\$248.92	\$300.92	\$3,611.01
B/BR	402	\$46.80	N/A	\$224.09	\$270.89	\$3,250.68
B/BR	405	\$46.80	N/A	\$224.09	\$270.89	\$3,250.68
B/BR	702	\$46.80	N/A	\$224.09	\$270.89	\$3,250.68
B/BR	705	\$46.80	N/A	\$224.09	\$270.89	\$3,250.68
B/BR	902	\$46.80	N/A	\$224.09	\$270.89	\$3,250.68
B/BR	905	\$46.80	N/A	\$224.09	\$270.89	\$3,250.68
B/BR	1102	\$46.80	N/A	\$224.09	\$270.89	\$3,250.68
B/BR	1105	\$46.80	N/A	\$224.09	\$270.89	\$3,250.68
B/BR	1302	\$46.80	N/A	\$224.09	\$270.89	\$3,250.68
B/BR	1305	\$46.80	N/A	\$224.09	\$270.89	\$3,250.68
B/BR	1502	\$46.80	N/A	\$224.09	\$270.89	\$3,250.68
B/BR	1505	\$46.80	N/A	\$224.09	\$270.89	\$3,250.68
C	404	\$51.81	N/A	\$247.95	\$299.76	\$3,597.17
C	704	\$51.81	N/A	\$247.95	\$299.76	\$3,597.17
C	904	\$51.81	N/A	\$247.95	\$299.76	\$3,597.17
C	1104	\$51.81	N/A	\$247.95	\$299.76	\$3,597.17
C	1304	\$51.81	N/A	\$247.95	\$299.76	\$3,597.17
C	1504	\$51.81	N/A	\$247.95	\$299.76	\$3,597.17
D	403	\$46.89	N/A	\$224.41	\$271.31	\$3,255.67
D	703	\$46.89	N/A	\$224.41	\$271.31	\$3,255.67
D	903	\$46.89	N/A	\$224.41	\$271.31	\$3,255.67
D	1103	\$46.89	N/A	\$224.41	\$271.31	\$3,255.67
D	1303	\$46.89	N/A	\$224.41	\$271.31	\$3,255.67
D	1503	\$46.89	N/A	\$224.41	\$271.31	\$3,255.67
E1	501	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E1	503	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E1	601	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E1	603	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E1	801	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E1	803	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E1	1001	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E1	1003	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E1	1201	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E1	1203	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E1	1401	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E1	1403	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E2	505	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E2	507	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E2	605	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E2	607	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E2	805	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E2	807	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E2	1005	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E2	1007	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E2	1205	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E2	1207	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03

Unit Type	Unit Number	Shared Expenses Monthly Fee	Residences Additional Monthly Fee	Multifamily Homes Additional Monthly Fee	Total Monthly Fee	Annual Fee
E2	1405	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
E2	1407	\$35.19	N/A	\$168.31	\$203.50	\$2,442.03
F1	502	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F1	504	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F1	602	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F1	604	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F1	802	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F1	804	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F1	1002	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F1	1004	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F1	1202	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F1	1204	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F1	1402	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F1	1404	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F2	506	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F2	508	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F2	606	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F2	608	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F2	806	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F2	808	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F2	1006	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F2	1008	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F2	1206	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F2	1208	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F2	1406	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
F2	1408	\$43.92	N/A	\$210.23	\$254.15	\$3,049.77
G1/GR	103	\$63.05	N/A	\$301.80	\$364.85	\$4,378.16
G1/GR	104	\$63.05	N/A	\$301.80	\$364.85	\$4,378.16
G1/GR	203	\$63.05	N/A	\$301.80	\$364.85	\$4,378.16
G1/GR	204	\$63.05	N/A	\$301.80	\$364.85	\$4,378.16
G1/GR	303	\$63.05	N/A	\$301.80	\$364.85	\$4,378.16
G1/GR	304	\$63.05	N/A	\$301.80	\$364.85	\$4,378.16
G1/GR	1803	\$63.05	N/A	\$301.80	\$364.85	\$4,378.16
G1/GR	1804	\$63.05	N/A	\$301.80	\$364.85	\$4,378.16
G1/1V/G1-1VR	1604	\$63.05	N/A	\$301.80	\$364.85	\$4,378.16
G1/1V/G1-1VR	1605	\$63.05	N/A	\$301.80	\$364.85	\$4,378.16
G1/1V/G1-1VR	1607	\$63.05	N/A	\$301.80	\$364.85	\$4,378.16
G1/1V/G1-1VR	1704	\$63.05	N/A	\$301.80	\$364.85	\$4,378.16
G1/1V/G1-1VR	1705	\$63.05	N/A	\$301.80	\$364.85	\$4,378.16
G1/1V/G1-1VR	1707	\$63.05	N/A	\$301.80	\$364.85	\$4,378.16
G1/1V/G1-1VR	1904	\$63.05	N/A	\$301.80	\$364.85	\$4,378.16
G1/1V/G1-1VR	1905	\$63.05	N/A	\$301.80	\$364.85	\$4,378.16
G1/1V/G1-1VR	1907	\$63.05	N/A	\$301.80	\$364.85	\$4,378.16
G2	101	\$62.86	N/A	\$300.83	\$363.69	\$4,364.32
G2	201	\$62.86	N/A	\$300.83	\$363.69	\$4,364.32
G2	301	\$62.86	N/A	\$300.83	\$363.69	\$4,364.32
G2	1801	\$62.86	N/A	\$300.83	\$363.69	\$4,364.32
H1	106	\$66.58	N/A	\$318.56	\$385.14	\$4,621.70
H1	206	\$66.58	N/A	\$318.56	\$385.14	\$4,621.70

Unit Type	Unit Number	Shared Expenses Monthly Fee	Residences Additional Monthly Fee	Multifamily Homes Additional Monthly Fee	Total Monthly Fee	Annual Fee
H1	306	\$66.58	N/A	\$318.56	\$385.14	\$4,621.70
H1	1806	\$66.58	N/A	\$318.56	\$385.14	\$4,621.70
H2	1608	\$66.58	N/A	\$318.56	\$385.14	\$4,621.70
H2	1708	\$66.58	N/A	\$318.56	\$385.14	\$4,621.70
H2	1908	\$66.58	N/A	\$318.56	\$385.14	\$4,621.70
J/JR	102	\$64.26	N/A	\$307.60	\$371.86	\$4,462.29
J/JR	105	\$64.26	N/A	\$307.60	\$371.86	\$4,462.29
J/JR	202	\$64.26	N/A	\$307.60	\$371.86	\$4,462.29
J/JR	205	\$64.26	N/A	\$307.60	\$371.86	\$4,462.29
J/JR	302	\$64.26	N/A	\$307.60	\$371.86	\$4,462.29
J/JR	305	\$64.26	N/A	\$307.60	\$371.86	\$4,462.29
J/JR	1802	\$64.26	N/A	\$307.60	\$371.86	\$4,462.29
J/JR	1805	\$64.26	N/A	\$307.60	\$371.86	\$4,462.29
J-1V/J-1VR	1603	\$64.26	N/A	\$307.60	\$371.86	\$4,462.29
J-1V/J-1VR	1606	\$64.26	N/A	\$307.60	\$371.86	\$4,462.29
J-1V/J-1VR	1703	\$64.26	N/A	\$307.60	\$371.86	\$4,462.29
J-1V/J-1VR	1706	\$64.26	N/A	\$307.60	\$371.86	\$4,462.29
J-1V/J-1VR	1903	\$64.26	N/A	\$307.60	\$371.86	\$4,462.29
J-1V/J-1VR	1906	\$64.26	N/A	\$307.60	\$371.86	\$4,462.29
K	1602	\$70.85	N/A	\$334.69	\$405.53	\$4,866.41
K	1702	\$70.85	N/A	\$334.69	\$405.53	\$4,866.41
K	1902	\$70.85	N/A	\$334.69	\$405.53	\$4,866.41
L	1601	\$54.78	N/A	\$257.95	\$312.73	\$3,752.78
L	1701	\$54.78	N/A	\$257.95	\$312.73	\$3,752.78
L	1901	\$54.78	N/A	\$257.95	\$312.73	\$3,752.78
		\$9,285.55	\$4,000.00	\$32,243.33	\$45,528.88	\$546,346.56

The estimated initial monthly maintenance fee assessments do not include mandatory dues payable to the Mehana at Kapolei Community Association. The current anticipated fee is \$25.00 per unit per month, and the fee is expected to increase to at least \$45.00 per unit per month when certain Mehana common facilities are available to residents. Depending on the scope of the Mehana Association's responsibility for the maintenance of the Kapolei Regional Drainage Facilities, this cost may increase. Pending delivery of such facilities, Master Association fees may be increased at any time to \$30.00 per month or such other amount that the Master Association determines in accordance with the Master Association. The Association will collect this fee in addition to the Unit Owner's monthly maintenance fee and pay the same to the Master Association.

Additionally, the estimated initial monthly maintenance fee assessments do not include unit water and sewer usage. Unit water and sewer usage will be submetered (all Units will be submetered) and billed as a limited common element expense to each Unit Owner. The limited common element expense for water and sewer usage will appear as a separate line item on each Unit Owner's monthly maintenance fee bill. In addition to the water and sewer usage charges, a fee of \$10 per unit per month will be added to each Unit Owner's monthly bill to off-set the cost of meter reading and billings services for water and sewer. The Association will collect these fees in addition to the Unit Owner's monthly maintenance fee and pay the same to the Board of Water Supply.

Association will be responsible for common area Building perimeter termite treatment respecting the Multifamily Homes after warranty period expires.

EXHIBIT Q

Section 5.1 -- Summary of Pertinent Provisions of Sales Contract

The Fee Simple Unit Sales Agreement (the "**Sales Contract**" or "**Purchase Agreement**") contains the price and other terms and conditions under which a purchaser will agree to buy a Unit in the Community. Among other things, the Sales Contract states:

- (a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of a Unit.
- (b) That the purchaser acknowledges having received and read the public report for the Community prior to signing the Sales Contract.
- (c) That the Developer makes no representations concerning rental of a Unit, income or profit from a Unit, or any other economic benefit to be derived from the purchase of a Unit.
- (d) That the Sales Contract may be subordinate to the lien of a construction lender.
- (e) The Sales Contract provides that it shall not be construed as a present transfer of any rights or of any interest in the Unit, but rather states that it is an agreement to transfer in the future. By execution of the Sales Contract, the Purchaser agrees to waive, relinquish and subordinate the priority or superiority of any lien or other legal or equitable interest arising under the Sales Contract in favor of the lien or charge on the Community of the security interests of the Lender, including but not limited to any lien, mortgage or charge securing a loan made to finance the acquisition of the land and the costs of construction (if applicable) and any and all advances therefore until the filing of the Deed.
- (f) That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.
- (g) Requirements relating to the purchaser's financing of the purchase of a Unit.
- (h) The Sales Contract provides that Purchaser may purchase upgrades, including modifications or additions to, or upgrades of, the standard fixtures, appliances and/or layout of the Unit to be made by Seller, pursuant to an option addendum attached to the Sales Contract upon Purchaser's execution of the Sales Contract. Purchaser must make deposits for the upgrades as required by Seller.
- (i) That the Unit and the Community will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.
- (j) That, except to the extent of a limited warranty in form attached to this Public Report, the Developer makes no warranties regarding the Unit, the Community or anything installed or contained in the Unit or the Community.
- (k) That the Community will be subject to ongoing construction and sales activities which may result in certain annoyances to the purchaser.
- (l) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
- (m) That the Developer has reserved certain rights and powers relating to the Community and the purchaser acknowledges and consents to the exercise of such rights and powers.
- (n) That except under certain circumstances, as set forth in the Sales Contract, all interest on deposits toward the purchase price shall be the property of the Developer.

- (o) If the purchaser defaults, Developer may retain purchaser's deposits and bring an action against purchaser. If the Developer defaults, purchasers may bring an action against Developer. All actions are subject to the rules of the Dispute Prevention Resolution, Inc., as provided in the Sales Contract.
- (p) Buyer may not at any time assign its rights or obligations under the Purchase Agreement.
- (q) Any assignment of the Sales Contract is void and of no legal effect.
- (r) The Sales Contract provides that any dispute by or between Seller and Purchaser arising out of or incident to the Sales Contract, or the development or management of the Community, the sale of the Unit or the use or occupancy thereof, or any other aspect of the relationship between Seller and Purchaser regarding the Community which is raised or otherwise asserted before or after Closing shall be submitted to mediation and, if necessary, to arbitration in accordance with the terms, conditions and procedures set forth in the Sales Contract.

The Sales Contracts contains various other important provisions relating to the purchase of a Unit in the Community. Purchasers and prospective purchasers should carefully read the specimen Sales Contracts on file with the Real Estate Commission. Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings given them under the Purchase Agreement.

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

EXHIBIT R

Section 5.1 -- Summary of Pertinent Provisions of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits a purchaser makes pursuant to a Sales Contract will be held by a neutral party ("**Escrow**"). Under the Escrow Agreement, these things will or may happen:

- (a) Escrow will let the purchaser know when payments are due.
- (b) Escrow will arrange for the purchaser to sign all necessary documents.
- (c) Except under certain circumstances as set forth in the Sales Contract, all deposits toward the purchase price shall be the property of the Developer. Provided that the purchaser is not in default under the Sales Contract and the Sales Contract contains a financing provision, purchaser's deposits, less escrow cancellation fees and third party lender fees, is refundable to purchaser if purchaser fails to qualify for a mortgage loan. Otherwise, all deposits toward the purchase price shall be the property of the Developer. The purchaser will be entitled to a refund of his or her funds only under certain circumstances.
- (d) The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Contract.

The Escrow Agreement also establishes the procedures for the retention and disbursement of a purchaser's funds and says what will happen to the funds upon a default under the Sales Contract. The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. Purchasers and prospective purchasers should carefully read the signed Escrow Agreement on file with the Real Estate Commission. A copy is available at the Developer's sales office. The Escrow Agreement contains the following provisions (which may be modified or otherwise limited by provisions not set forth below):

1. As and when Seller enters into a Sales Contract, Seller will give Escrow a signed copy of the Sales Contract and Buyer's deposit towards the purchase price of a Unit. The Sales Contract will require Buyer to pay to Escrow all other payments of the purchase price required under the Sales Contract. If Buyer gets a mortgage loan, the money from the loan will be paid to Escrow, along with the lender's mortgage for recording, and Escrow shall follow the lender's instructions. The Sales Contract will show the correct name and address of each Buyer. If a Sales Contract is signed and the sale occurs in a state other than Hawaii, the Sales Contract will show the place where the sale occurs.

2. Escrow will put all of the money it gets from Buyer in one or more special accounts (the "**trust fund**"). The trust fund will be deposited only at a depository designated by Seller or in banks or savings and loan institutions in Hawaii that are insured by the federal government as directed by Seller. The place, or places, where the trust fund is set up will be chosen by Escrow, unless otherwise selected or directed by Seller. Unless any of the Sales Contracts show different instructions, Seller will get all of the interest earned on the trust fund. Escrow will deposit the payments it gets from Buyer into the trust fund one or more times each week, so that the funds may earn the maximum interest.

3. Notwithstanding anything in this Agreement to the contrary, if Seller has submitted to the Real Estate Commission a material house bond securing the construction of improvements in the Community, the following provisions shall apply:

(i) Buyer's money shall not be disbursed to pay for construction costs or other expenses of the Community until the Unit to be conveyed has been completed and the Deed to Buyer has been recorded; and

(ii) If closing is to occur prior to the expiration of the applicable mechanic's lien period, Seller shall provide Buyer with a mechanic's lien endorsement to Buyer's owner's title insurance policy that

protects Buyer against all future mechanic's and materialmen's liens. Further, Seller shall confirm to Escrow that Seller has provided the Real Estate Commission with a release by the general contractor of the contractor's lien rights.

4. The Sales Contract states when refunds of deposits may be made to Buyer. In the case where the Sales Contract is not yet binding and Buyer requests a refund, Escrow shall notify Seller of such request. Escrow may refund the deposit to Buyer, less any cancellation or other fees to which Escrow is entitled, only after receiving written approval from Seller. In all other cases, Escrow shall not make any refund to a Buyer who asks for it unless Escrow receives written approval from Seller or from a court of competent jurisdiction. The words "cancellation fees" mean Escrow's cancellation fees which are described in the Sales Contract and are described later in this Agreement. Fees for cancellation may also be charged by the lender who has agreed to lend Buyer money to buy the Unit. The Sales Contract states the instances when Escrow is to subtract cancellation fees from the amount to be refunded unless Seller tells Escrow not to charge the cancellation fees. Escrow shall give each Buyer who is to get a refund written notice of the refund. Escrow will send this notice by registered or certified mail to Buyer at the address shown on Buyer's Sales Contract or to the last address which Buyer may have given to Escrow.

5. Escrow will notify Seller and Buyer promptly if Buyer fails to make a payment or is otherwise in default under the Sales Contract (to the knowledge of Escrow). Seller will notify Escrow in writing if a Buyer has defaulted or not done something that Buyer promised to do in the Sales Contract. Seller will tell Escrow in the same letter that, because Buyer has defaulted, Seller is cancelling the Sales Contract and will give Escrow a copy of the letter that Seller delivered in person or sent by registered or certified mail to Buyer, telling Buyer of the default and cancellation. Seller will also give Escrow a copy of a receipt signed by Buyer or the registered or certified mail return receipt. Escrow will then send a letter to Buyer by registered or certified mail, informing Buyer that Seller has cancelled the Sales Contract because of the default. Escrow will wait for fifteen (15) days after the date which shows on the return receipt as the date when Buyer got Escrow's letter or the date which shows the last time that the post office tried to deliver the letter. If Escrow does not hear from Buyer during that time, Escrow may deduct its cancellation fee from Buyer's funds and treat Buyer's funds which are left as belonging to Seller. If Buyer tells Escrow that Buyer has not defaulted or tells Escrow not to do anything with Buyer's funds, then Escrow may proceed in accordance with Section 5.2 of the Escrow Agreement (to interplead funds) or deliver the funds to Seller.

6. Escrow will set the time (in accordance with Sales Contract and Seller's interest to pre-close) for taking in all money from each Buyer and for the signing of all of the documents that each Buyer must sign to complete the purchase, except for the mortgage documents, which may be signed at the lender's place of business. The conveyance tax certificates, preliminary closing statements, escrow instructions and final closing statements will be prepared by Escrow, and Escrow will do all of the escrow acts required under this Agreement or any other written agreements between Seller, Buyer and Escrow. Escrow will give Buyer and Seller copies of HARPTA and FIRPTA forms, or provide the online link to obtain copies of those forms, with a recommendation that the parties seek appropriate counsel to complete the forms. Escrow will coordinate with Buyer's lender, the title companies and all others who are a part of the purchase so that closing will occur at a suitable time. Escrow agrees to close all of the sales at the same time or individually from time to time, as directed by Seller. "Closing" is complete when all necessary conveyance and financing documents to complete a purchase are recorded in the appropriate Hawaii recording office. After all documents have been signed, Escrow will close on the closing date as agreed to in the Sales Contract only if:

- (i) The required money has been paid to Escrow;
- (ii) All necessary documents can be recorded, as appropriate;
- (iii) All mortgages having to do with the purchase can be recorded, following the lender's instructions; and

(iv) All necessary releases can be recorded so that the Unit is conveyed free and clear of all blanket liens in accordance with the Condominium Law.

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

EXHIBIT S
Section -- 5.2 Sales to Owner Occupants

**OLINO AT MEHANA
AFFIDAVIT OF INTENT TO PURCHASE AND RESIDE IN AN OWNER-OCCUPANT
DESIGNATED CONDOMINIUM UNIT**

[] Chronological System [] Lottery System

We, the undersigned "owner-occupants", on this _____ day of _____, 20____, do hereby declare that it is our intention to purchase and reside in a condominium unit designated for an "owner-occupant" in the Oline at Mehana condominium community ("Community") proposed by D.R. Horton – Schuler Homes, LLC, a Delaware limited liability company, dba D.R. Horton-Schuler Division ("Developer").

We understand, affirm, represent and agree by signing this Affidavit that:

1. It is our intent to reserve and purchase an owner-occupant designated residential unit ("designated residential unit") pursuant to Section 514B-96 of the Owner-Occupant Law, and upon closing escrow, to reside in the designated residential unit as our principal residence for 365 consecutive days.

2. The term "owner-occupant" as used herein is defined in section 514B-95 of the Owner-Occupant Law as:

"...any individual in whose name sole or joint legal title is held in a residential unit that, simultaneous to such ownership, serves as the individual's principal residence, as defined by the department of taxation, for a period of not less than three hundred and sixty-five consecutive days; provided that the individual shall retain complete possessory control of the premises of the residential unit during this period. An individual shall not be deemed to have complete possessory control of the premises if the individual rents, leases, or assigns the premises for any period of time to any other person in whose name legal title is not held; except that an individual shall be deemed to have complete possessory control even when the individual conveys or transfers the unit into a trust for estate planning purposes and continues in the use of the premises as the individual's principal residence during this period." (Emphasis added).

3. We understand that if two or more prospective owner-occupants intend to reside jointly in the same designated residential unit, only one owner-occupant's name shall be placed on the reservation list for either the chronological system or the lottery system.

4. Should we require financing from a financial institution to purchase the designated residential unit, the financing shall be an owner-occupant mortgage loan. The financial institution is required to take all reasonable steps necessary to determine whether the borrower intends to become an owner-occupant.

5. At any time after obtaining adequate financing or a commitment for adequate financing up until the expiration of this Affidavit (365 days after recordation of the instrument conveying the designated residential unit to us), we shall notify the Real Estate Commission immediately upon any decision to cease being an owner-occupant of the designated residential unit.

6. At closing of escrow, we shall file a claim for and secure an owner-occupant property tax exemption with the appropriate county office for the designated residential unit.

7. We have personally executed this Affidavit and we are all of the prospective owner-occupants for the designated residential unit. This Affidavit shall not be executed by an attorney-in-fact.

8. We shall not sell or offer to sell, lease or offer to lease, rent or offer to rent, assign or offer to assign, convey or otherwise transfer any interest in the designated residential unit until at least 365 consecutive days have elapsed since the recordation of the instrument conveying title to the designated residential unit to us. Furthermore, we understand that we have the burden of proving our compliance with the law. We affirm that we will notify the Real Estate Commission immediately upon any decision to cease being an owner occupant.

9. We understand that it is the affirmative duty of any developer, employee or agent of a developer, and real estate licensee, to report immediately to the Real Estate Commission any person who violates or attempts to violate the Owner-Occupant Law. No developer, employee or agent of a developer, or real estate licensee shall violate or aid any person in violating the Owner-Occupant Law.

10. The Real Estate Commission may require verification of our owner-occupant status and if we fail to submit such verification, we may be subject to a fine in an amount equal to the profit made from the sale, assignment or transfer of the designated residential unit.

11. Any false statement in this Affidavit or violation of the Owner-Occupant Law shall subject us to a misdemeanor charge with a fine not to exceed \$2,000, or by imprisonment of up to a year or both. We further understand that if we violate or fail to comply with the Owner-Occupant Law, we shall be subject to a civil penalty of up to \$10,000, or fifty per cent of the net proceeds received or to be received from the sale, lease, rental, assignment or other transfer of the designated residential unit, whichever is greater.

12. When required by context, each pronoun reference shall include all numbers (singular or plural) and each gender shall include all genders.

[REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

STATE OF HAWAII)
) SS.
CITY AND COUNTY OF HONOLULU)

On this _____ day of _____, 20_____, before me personally appeared _____, to me personally known, who, being by me duly sworn or affirmed, did say that such person(s) executed the foregoing instrument as the free act and deed of such person(s), and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.

Type or print name: _____
Notary Public, State of Hawaii
My commission expires: _____

Date of Doc: _____	# Pages: _____
Name of Notary: _____	Notes: _____
Doc. Description: _____	
	(stamp or seal)
Notary Signature _____	Date _____
First Circuit, State of Hawaii	
NOTARY CERTIFICATION	

EXHIBIT T
Section 5.4 -- Construction Warranties

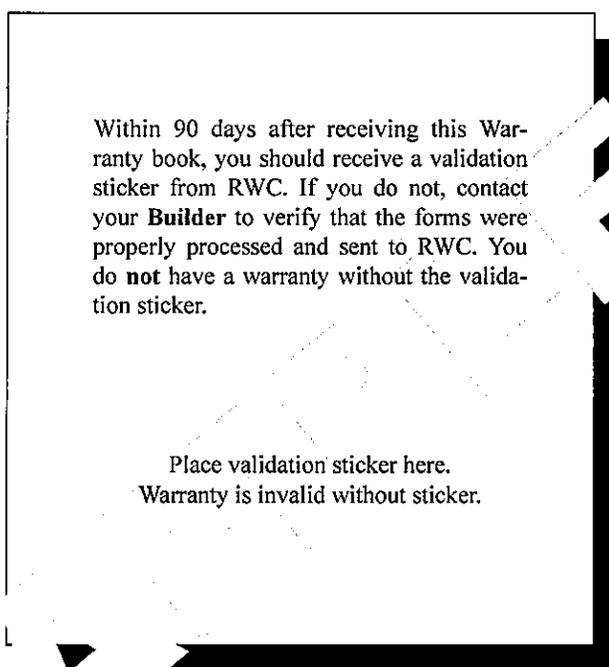


RESIDENTIAL WARRANTY COMPANY, LLC

PRESENTS

THE LIMITED WARRANTY

10 YEAR WRITTEN WARRANTY FOR NEW HOMES



The RWC Limited Warranty displayed on this page is a **SAMPLE** only. The RWC Limited Warranty applicable to your home may differ from the one displayed here. You must consult your validated RWC Limited Warranty book for the terms of coverage that apply to your home.

This Limited Warranty does not cover consequential or incidental damages. The Warrantor's total aggregate liability of this Limited Warranty is limited to the Final Sales Price listed on the Application For Warranty form.

The Builder makes no housing merchant implied warranty or any other warranties, express or implied, in connection with the attached sales contract or the warranted Home, and all such warranties are excluded, except as expressly provided in this Limited Warranty. There are no warranties which extend beyond the face of this Limited Warranty.

Some states do not allow the exclusion or limitation of incidental or consequential damages by the Builder so all of the limitations or exclusions of this Limited Warranty may not apply to you.

- For your Limited Warranty to be in effect, you should receive the following documentation:**
- Limited Warranty #319 • Application For Warranty form #316 (Refer to I.B.3. for applicability)•
 - Validation Sticker •

Insurer: Western Pacific Mutual Insurance Company, A Risk Retention Group



RESIDENTIAL WARRANTY COMPANY, LLC

5300 Derry Street, Harrisburg, PA 17111 (717) 561-4480

Dear Home Buyer,

Congratulations on the purchase of your new Home. This is probably one of the largest, most important investments you've ever made and we wish you many years of enjoyment. You've chosen a Home built by a leading Builder which includes the RWC Limited Warranty, assurance that your investment is well protected. This book explains the Limited Warranty in its entirety, and we encourage you to take time to READ IT CAREFULLY.

This Limited Warranty provides you with protection in accordance with this warranty book for ten full years of Home ownership. During the first two years, your Builder is responsible for specified warranty obligations. In the unlikely event your Builder is unable or unwilling to perform, the Warranty is provided subject to the conditions, terms and exclusions listed. For the remaining eight years, your Warranty applies to Major Structural Defects as defined in this book.

This is not a warranty service contract, but a written ten year limited warranty which your Builder has elected to provide with your Home.

Take time now to read this book. Familiarize yourself with the Warranty and its limitations. Contact your Builder regarding specific construction standards and how they apply to your Home.

Again, congratulations and enjoy your new Home!

*Very truly yours,
RESIDENTIAL
WARRANTY
COMPANY, LLC*

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Section
I.
Definitions

A. Introduction

To help you better understand your Limited Warranty, refer to the following list of definitions which apply in this book.

B. Definitions*

1. Administrator

Residential Warranty Company, LLC (RWC) is the Administrator of this Limited Warranty. RWC is neither Warrantor nor Insurer.

2. Appliances and Items of Equipment, including Attachments and Appurtenances

Water heaters, pumps, stoves, refrigerators, compactors, garbage disposals, ranges, dishwashers, washers and dryers, bathtubs, sinks, commodes, faucets, light fixtures, switches, outlets, thermostats, furnaces and oil tanks, humidifiers, oil purifiers, air conditioning materials, in-house sprinkler systems and similar items.

3. Application For Warranty

The form signed at closing by you, the Purchaser, and your Builder which identifies the location, the Effective Date Of Warranty and the Final Sales Price of the enrolled Home. If the Builder is participating in the RWC electronic enrollment process, the Application for Warranty form is eliminated.

4. Arbitrator

The person appointed by the independent arbitration service to resolve an Unresolved Warranty Issue.

5. Builder

The person, corporation, partnership or other entity which participates in the RWC Limited Warranty Program and has obtained this Limited Warranty for you.

6. Consequential Damages

All consequential damages including, but not limited to, damage to the Home that is caused by a warranted Defect but is not itself a warranted Defect and costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repairs.

7. Cooling, Ventilating and Heating Systems

All ductwork, refrigerant lines, steam and water pipes, registers, convectors and dampers.

8. Defect

A condition of any item warranted by this Limited Warranty which exceeds the allowable tolerance specified in this Limited Warranty. Failure to complete construction of the Home or any portion of the Home, in whole or in part, is not considered a Defect.

9. Effective Date Of Warranty

The date coverage begins as specified on the Application for Warranty form. If the Builder is participating in the electronic enrollment process, the effective date is date of closing or occupancy, whichever occurs first.*

10. Electrical Systems

All wiring, electrical boxes and connections up to the house side of the meter base.

11. Home

The single family dwelling, identified on the Application For Warranty form, which may be a townhome, condominium or duplex.

12. Insurer

Western Pacific Mutual Insurance Company, a Risk Retention Group (WPMIC). Located at 9265 Madras Ct, Littleton, CO 80130 Phone: 303-263-0311. (Refer to Section IV. for instructions on requesting warranty performance.)

13. Limited Warranty

The terms and conditions contained in this book including any applicable addenda.

14. Major Structural Defects (MSD)

All of the following conditions must be met to constitute a Major Structural Defect:*

- a. actual physical damage to one or more of the following specified load-bearing components of the Home;
- b. causing the failure of the specific major structural components; and
- c. which affects its load-bearing function to the degree that it materially affects the physical safety of the occupants of the Home.

Load-bearing components of the Home deemed to have MSD potential:

- (1) roof framing members (rafters and trusses);
- (2) floor framing members (joists and trusses);
- (3) bearing walls;
- (4) columns;
- (5) lintels (other than lintels supporting veneers);
- (6) girders;
- (7) load-bearing beams; and
- (8) foundation systems and footings.

Examples of non-load-bearing elements deemed not to have Major Structural Defect potential:

- (1) non-load-bearing partitions and walls;
- (2) wall tile or paper, etc.;
- (3) plaster, laths or drywall;

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*FHA/VA Homeowners, refer to HUD Addendum, Section V.D.

**Section
I.
Definitions
(continued)**

- (4) flooring and subflooring material;
 - (5) brick, stucco, stone, veneer, or exterior wall sheathing;
 - (6) any type of exterior siding;
 - (7) roof shingles, sheathing* and tar paper;
 - (8) Heating, Cooling, Ventilating, Plumbing, Electrical and mechanical systems;
 - (9) Appliances, fixtures or Items of Equipment; and
 - (10) doors, windows, trim, cabinets, hardware, insulation, paint and stains.
- 15. Owner**
See Purchaser.
- 16. Plumbing Systems**
All pipes located within the Home and their fittings, including gas supply lines and vent pipes.
- 17. Purchaser**
You. The Purchaser includes the first buyer of the warranted Home and any and all subsequent Owners who take title within the warranty period.
- 18. Residence**
See Home.
- 19. Sewage Disposal System (Private or Public)**
This system includes, but is not limited to, all waste, drainage, sewer pipes and lines, cleanouts, tanks, pumps, drainfields and seepage pits, outside and beyond the exterior wall of the Home.
- 20. Structurally Attached**
An integral part of the Home being structurally supported by footings, block walls or reinforced concrete and connected to the foundation of the Home.
- 21. Unresolved Warranty Issue**
All requests for warranty performance, demands, disputes, controversies and differences that may arise between the parties to this Limited Warranty that cannot be resolved among the parties. An Unresolved Warranty Issue may be a disagreement regarding:
- a. the coverages in this Limited Warranty;
 - b. an action performed or to be performed by any party pursuant to this Limited Warranty;
 - c. the cost to repair or replace any item covered by this Limited Warranty.
- 22. Warrantor**
Your Builder in Years 1 and 2; the Insurer in Years 3 through 10 and in Years 1 and 2 if your Builder defaults.
- 23. Water Supply System (Private or Public)**
This system includes, but is not limited to, all supply and distribution pipes, fittings, valves, pumps and wells, outside the exterior wall of the Home, which supply water to the Home.

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Section

II. The Limited Warranty

A. Introduction to the Limited Warranty

1. This book provides specific details, conditions and limitations of the Limited Warranty including procedures for requesting warranty performance and for binding arbitration, in accordance with the procedures of the Federal Arbitration Act. Additional information may be received by calling RWC at (717) 561-4480. Read this document in its entirety to understand the protection it affords, the exclusions applicable to it, the Warranty Standards which determine its interpretations and operation and your responsibilities.
2. This is NOT an insurance policy, a maintenance agreement or a service contract. It is an explanation of what you, the Purchaser, can expect from this Limited Warranty.
3. Appliances and Equipment included in the Home are not warranted under this Limited Warranty, but may be covered by separate warranties provided by the manufacturer or supplier. These warranties are passed on to you by your Builder at closing and are separate from this Limited Warranty.
4. You are responsible for maintenance of your new Home. General and preventative maintenance are required to prolong the life of your new Home.
5. This Limited Warranty is **automatically transferred** to subsequent Owners during the ten-year term of this Limited Warranty, except in the case of a foreclosure that voids the warranty as provided in Section II.A.6.*
6. This Limited Warranty becomes void and all obligations on the part of Warrantor cease as of the date an Owner vacates the Home due to foreclosure proceedings.*
7. This Limited Warranty is subject to changes required by various regulating bodies. FHA and VA, as well as some local agencies have mandated the additions noted in the Addenda Section of this Limited Warranty book. Notations throughout indicate where the Addenda apply.

B. The Limited Warranty

1. **Actions taken to cure Defects will NOT extend the periods of specified coverages in this Limited Warranty.**
2. Only warranted elements which are specifically designated in the Warranty Standards are covered by this Limited Warranty.
3. The Warrantor has the choice to repair, replace or pay the reasonable cost to repair or replace warranted items which do not meet Warranty Standards and are not excluded in the Limited Warranty.
4. If a warranted MSD occurs during the appropriate coverage period, and is reported as required in **Section IV.**, the Warrantor will repair, replace or pay you the reasonable cost to repair or replace the warranted MSD, limited to actions necessary to restore the MSD to its load-bearing capacity.

C. Warranty Coverage*

1. **ONE YEAR COVERAGE:** Your Builder warrants that for a period of one (1) year after the Effective Date Of Warranty, warranted items will function and operate as presented in the Warranty Standards of Year 1, **Section III.A.** Coverage is **ONLY** available where specific Standards and Actions are represented in this Limited Warranty.*
2. **TWO YEAR COVERAGE:** Your Builder warrants that for a period of two (2) years from the Effective Date Of Warranty, specified portions of the Heating, Cooling, Ventilating, Electrical and Plumbing Systems, as defined in this Limited Warranty, will function and operate as presented in the Warranty Standards of Years 1 and 2 only, **Section III.B.**‡
3. **TEN YEAR COVERAGE:** Major Structural Defects (MSD) are warranted for ten (10) years from the Effective Date Of Warranty.
Your Builder is the Warrantor during Years 1 and 2 of this Limited Warranty and the Insurer is the Warrantor in Years 3 through 10.
4. **CONDOMINIUM COVERAGE:** This Limited Warranty shall only apply to warranted common elements. Warranted common elements are those portions of the defined Electrical, Heating, Ventilating, Cooling, Plumbing and structural Systems which serve two (2) or more residential units, and are contained wholly within a residential structure. Warranty coverage for common elements shall be for the same periods and to the same extent as similar or comparable items in individual residential units. Examples of common elements which are covered by this Limited Warranty are hallways, meeting rooms and other spaces wholly within the residential structure designated for the use of two (2) or more units. Examples of common elements which are not covered under this Limited Warranty are club houses, recreational buildings and facilities, exterior structures,

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*FHA/VA Homeowners, refer to HUD Addendum, Section V.D.

‡Homeowners in Indiana, refer to State of Indiana Addendum, Section V.C.

**Section
II.
The
Limited
Warranty
(continued)**

exterior walkways, decks, balconies, arches or any other non-residential structure which is part of the condominium.*

D. Conditions*

1. This Limited Warranty provides coverage only in excess of coverage provided by other warranties or insurance, whether collectible or not.
2. This Limited Warranty is binding on the Builder and you and your heirs, executors, administrators, successors and assigns.
3. This Limited Warranty shall be interpreted and enforced in accordance with the laws of the state in which the Home is located.
4. This Limited Warranty is separate and apart from your contract and/or other sales agreements with your Builder. It cannot be affected, altered or amended in any way by any other agreement which you may have.
5. This Limited Warranty cannot be modified, altered or amended in any way except by a formal written instrument signed by you, your Builder and the Administrator.
6. If any provision of this Limited Warranty is determined by a court of competent jurisdiction to be unenforceable, that determination will not affect the validity of the remaining provisions.
7. All notices required under this Limited Warranty must be in writing and sent by certified mail, return receipt requested, postage prepaid, to the recipient's address shown on the Application For Warranty form, or to whatever address the recipient may designate in writing.
8. If actions by the Warrantor on any obligations under this Limited Warranty are delayed by an event beyond its control, such performance will be excused until the delaying effects of the event are remedied. Such events include, but are not limited to, acts of God, acts of the common enemy, war, riot, civil commotion or sovereign conduct, or acts or omissions by you or any other person not a party of this Limited Warranty.
9. If your Builder fails to complete any part of the Home that is reasonably foreseeable to cause damage to the Home, then it is your responsibility to complete such parts of the Home to avoid the damage. If you fail to complete the work, then any resulting damage is not covered under this Limited Warranty. The warranty period for any item completed after the Effective Date of Warranty shall be deemed to have commenced on the Effective Date of Warranty.*
10. Costs incurred for unauthorized repairs to warranted items are not reimbursable. Written authorization prior to incurring expenses must be obtained from the Administrator.*
11. Whenever appropriate, the use of one gender includes all genders and the use of the singular includes the plural.

12. Under this Limited Warranty, the Warrantor is not responsible for exact color, texture or finish matches in situations where materials are replaced or repaired, or for areas repainted or when original materials are discontinued.
13. Your Builder must assign to you all manufacturers' warranties on products included in the Final Sales Price of your Home. Neither the Insurer nor the Administrator shall be liable for your Builder's failure to do so.
14. You are responsible for establishing a written, final walk-through inspection list of items in need of service prior to occupancy or closing, whichever is first. This list must be signed and dated by you and your Builder. Keep a copy for your records.

E. Exclusions

The following are NOT covered under this Limited Warranty:

1. Loss or damage:
 - a. to land.
 - b. to the Home, persons or property directly or indirectly caused by insects, birds, vermin, rodents, or wild or domestic animals.
 - c. which arises while the Home is used primarily for non-residential purposes.
 - d. which is covered by any other insurance or for which compensation is granted by legislation.*
 - e. resulting directly or indirectly from flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these (whether or not driven by wind), water which backs up from sewers or drains, changes in the water table which were not reasonably foreseeable, water below the surface of the ground (including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool, or other structure), wetlands, springs or aquifers.*
 - f. from normal deterioration or wear and tear.
 - g. caused by material or work supplied by anyone other than your Builder or its employees, agents or subcontractors.
 - h. from your or the condominium association's

*FHA/VA Homeowners, refer to HUD Addendum, Section V.D.

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**Section
II.
The
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(continued)**

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- failure to perform routine maintenance on the Home, common areas, common elements or your or the condominium association's grounds.
- i. after Year 1, to, resulting from, or made worse by all components of structurally attached decks, balconies, patios, porches, stoops, porch roofs and porticos.
 - j. after Year 1, to, resulting from, or made worse by elements of the Home which are constructed separate from foundation walls or other structural elements of the Home such as, but not limited to, chimneys and concrete floors of basements and attached garages.
 - k. to wiring, to and between communication devices from the source of power, whether or not connected to the interior wiring system of the Home. Such devices shall include, but not be limited to, telephone systems, television cable systems, intercom systems, computer systems and security systems. Sources of power shall include, but not be limited to, service entrance conductors, switches, outlets, receptacles and junction boxes.
 - l. to, or caused by, recreational facilities; driveways; walkways; patios, porches and stoops not structurally attached; decks and balconies which are not bolted to or cantilevered from the main structure of the Home; boundary and/or retaining walls; bulkheads; fences; landscaping, sodding, seeding, shrubs, trees and plantings; subsurface drainage systems (other than footer drains); lawn sprinkler systems; off-site improvements, including streets, sidewalks, adjacent property and the like; or any other improvements not part of the Home itself.
 - m. caused by any item listed as an additional exclusion on the Application for Warranty form.
2. Loss or damage resulting from, or made worse by:
 - a. changes in the grading of the property surrounding the Home by anyone except your Builder or its employees, agents or subcontractors.
 - b. changes in grading caused by erosion.
 - c. modifications or additions to the Home, or property under or around the Home, made after the Effective Date Of Warranty (other than changes made in order to meet the obligations of this Limited Warranty).
 - d. intrusion of water into crawl spaces.*
 - e. the weight and/or performance of any type of waterbed or any other furnishing which exceeds the load-bearing design of the Home.
 - f. the presence or consequence of unacceptable levels of radon, formaldehyde, carcinogenic substances or other pollutants and contaminants; or the presence of hazardous or toxic materials resulting in uninhabitability or health risk within the Home.
 - g. acts or omissions by you, your agents, employees, licensees, invitees; accidents, riots, civil commotion, nuclear hazards, acts of God or nature, fire, explosion, blasting, smoke, water escape, windstorms, tropical storms, hurricanes, hail, lightning, ice, snow, falling trees, aircraft, vehicles, flood, mud slides, sinkholes, mine subsidence, faults, crevices, earthquake, land shock, waves or tremors occurring before, during or after a volcanic eruption, or manmade events such as war, terrorism or vandalism.
 - h. your failure to perform routine maintenance.
 - i. your failure to minimize or prevent such loss or damage in a timely manner.
 - j. defects in, but not limited to: recreational facilities; driveways; walkways; patios, porches and stoops not structurally attached; decks and balconies which are not bolted to or cantilevered from the main structure of the Home; boundary and/or retaining walls; bulkheads; fences; landscaping, sodding, seeding, shrubs, trees and plantings; subsurface drainage systems (other than footer drains); lawn sprinkler systems; off-site improvements, including streets, sidewalks, adjacent property and the like; or any other improvements not part of the Home itself.
 - k. defects in detached garages or outbuildings (except those which contain Plumbing, Electrical, Heating, Cooling or Ventilating Systems serving the Home, and then only to the extent where Defects would affect these systems). A detached garage is one which is constructed on its own foundation, separate and apart from the foundation of the Home. A breezeway, fence, utility line or similar union shall not cause a garage or outbuilding to be considered attached.
 - l. negligent maintenance or operation of the Home and its systems by anyone other than your Builder or its agents, employees or subcontractors.
 - m. any portion of a Water Supply System, private or public, including volume and pressure of water flow.*
 - n. quality and potability of water.
 - o. any portion of a Sewage Disposal System, private or public, including design.*
 - p. dampness, condensation or heat build-up caused

**Section
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(continued)**

- by your failure to maintain proper ventilation.*
3. Failure of your Builder to complete construction of the Home or any part of the Home on or before the Effective Date Of Warranty or damages arising from such failure. An incomplete item is not considered a Defect, although your Builder may be obligated to complete such items under separate agreements between you and your Builder.
 4. Any deficiency which does not result in actual physical damage or loss to the Home.
 5. Any Consequential Damages.*
 6. Personal property damage or bodily injury.
 7. Violation of applicable Building Codes or ordinances unless such violation results in a Defect which is otherwise covered under this Limited Warranty. Under such circumstances, the obligation of the Warrantor under this Limited Warranty shall only be to repair the defective warranted portion of the Home, but not to restore or bring the Home to conform to code.
 8. Any request for warranty performance submitted to the Administrator after an unreasonable delay or later than 30 days after the expiration of the applicable warranty period.
 9. Warranted Defects that you repair without prior written authorization of the Administrator.*
 10. Any damages to, or resulting from a swimming pool whether located within or outside the Home, as a result of its construction, placement, use, equipment, maintenance, etc.
 11. The removal and/or replacement of items specifically excluded from coverage under this Limited

Warranty, such as landscaping or personal property, items not originally installed by your Builder, such as wallpaper, where removal and replacement are required to execute a repair.

12. Any Defect consisting of, caused by, contributed to, or aggravated by moisture, wet or dry rot, mold, mildew, fungus or rust.
13. Sound transmission and sound proofing between rooms or floor levels.
14. Appliances and Equipment included in the Home are not warranted under this Limited Warranty, but may be covered by separate warranties provided by the manufacturer or supplier. These warranties are passed on to you by your Builder at closing and are separate from this Limited Warranty. Damage caused by improper maintenance or operation, negligence, or improper service of these items by you or your agent will not be covered under this Limited Warranty. †

F. Limitation of Liability

1. The Warrantor's liability and obligations are limited to the repair, replacement or the payment of the reasonable cost of repair or replacement of warranted items not to exceed an aggregate equal to the Final Sales Price of the Home as listed on the Application for Warranty form or in the absence of an Application for Warranty form, as otherwise provided to the Administrator by the Builder. The choice to repair, replace or make payment is the Warrantor's.
2. All other warranties, express or implied, including, but not limited to, all implied warranties of fitness, merchantability or habitability, are disclaimed and excluded to the extent allowed by law.

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The following Warranty Standards are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.†

**SECTION III.
WARRANTY STANDARDS
A. YEAR 1
COVERAGE ONLY**

CATEGORY	OBSERVATION	ACTION REQUIRED	COMMENTS
1. FOUNDATIONS			
BASEMENT	1.1 Cracks appear in control joints.	No action required.	The expansion/contraction joint is placed to control cracking. This is not a deficiency.
	1.2 Uneven concrete floors in finished areas of a basement.	Builder will correct those areas in which Defect exceeds 3/8 in. within a 32 in. measurement.	In rooms not initially finished as living areas or where a floor or a portion of a floor surface has been designed for specific drainage purposes, a slope which exceeds 3/8 in. within a 32 in. measurement is not a deficiency.
	1.3 Cracks in poured concrete foundation walls.	Builder will correct any crack which exceeds 1/4 in. in width.	Shrinkage cracks are common and should be expected. Surface patching and epoxy injections are examples of acceptable repair methods.
	1.4 Cracks in block or veneer wall.	Builder will correct cracks which exceed 1/4 in. in width.	Some cracks are common through masonry and mortar joints. Cracks 1/4 in. or less are considered routine Owner maintenance.
	1.5 Leaks resulting in actual flow or trickling of water through wall or floor, causing an accumulation.	Builder will correct.	A one-time occurrence may not indicate a Defect. Owner must maintain proper grading around the Home and maintain any surface water control systems installed by Builder. Dampness and condensation are normal conditions and are not covered by this Limited Warranty.
	1.6 Disintegration of the concrete floor surface.	Builder will correct disintegrated surfaces caused by improper placement of concrete.	Disintegration caused by erosion due to salt, chemicals, implements used and other factors beyond Builder's control is not a warranted deficiency.
	1.7 Cracks in concrete floor which rupture or significantly impair performance of floor covering.	Builder will correct so Defect is not readily noticeable when floor covering is in place.	Minor impressions in floor covering are not considered significant imperfections.
	1.8 Cracks in concrete floor of unfinished area (no floor covering) or in areas not designed for living.	Builder will correct cracks which exceed 1/4 in. in width or vertical displacement.	Surface patching and epoxy injections are examples of acceptable repair methods. Shrinkage cracks are common and should be expected.
	1.9 Condensation on walls, joists, support columns and other components of basement area.	No action required.	Maintaining adequate ventilation and moisture control is considered Owner maintenance.
CRAWL SPACE	1.10 Cracks in poured concrete foundation walls.	Builder will correct any crack which exceeds 1/4 in. in width.	Surface patching and epoxy injections are examples of acceptable repair methods. Shrinkage cracks of 1/4 in. or less are common and should be expected.
	1.11 Cracks in block or veneer wall.	Builder will correct cracks greater than 1/4 in. in width.	Surface patching and epoxy injections are examples of acceptable repair methods. Shrinkage cracks of 1/4 in. or less are common and should be expected.
	1.12 Inadequate ventilation.	Builder will install properly sized louvers or vents.	Maintaining adequate ventilation and moisture control, including seasonal adjustment of vent openings, is considered Owner maintenance.

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† Homeowners in the State of New York, refer to State of New York Addendum, Section V.B.

**SECTION III.
WARRANTY STANDARDS
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COVERAGE ONLY**

The following Warranty Standards are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.

CATEGORY	OBSERVATION	ACTION REQUIRED	COMMENTS
1. FOUNDATIONS (CONTINUED)			
CRAWL SPACE (CONTINUED)	1.13 Condensation on walls, joists, support columns and other components of the crawl space area.	No action required.	Maintaining adequate ventilation and moisture control, including seasonal adjustment of vent openings, is considered Owner maintenance.
SLAB ON GRADE	1.14 Cracks appear at control joints.	No action required.	Expansion/contraction joint is placed to control cracking. This is not a deficiency.
	1.15 Uneven concrete floors in finished areas.	Builder will correct areas in which Defect exceeds 3/8 in. within a 32 in. measurement.	In rooms not initially finished as living areas or where a floor or a portion of a floor surface has been designed for specific drainage purposes, a slope which exceeds 3/8 in. within a 32 in. measurement is acceptable.
	1.16 Disintegration of concrete floor surface.	Builder will correct disintegrated surfaces caused by improper placement of concrete.	Disintegration caused by erosion due to salt, chemicals, implements used and other factors beyond Builder's control is not a warranted deficiency.
	1.17 Crack in concrete floor which ruptures or significantly impairs performance of floor covering.	Builder will correct so Defect is not readily noticeable when floor covering is in place.	Minor impressions in floor covering are not considered significant imperfections.
	1.18 Cracks in attached garage slab.	Builder will correct cracks which exceed 1/4 in. in width or vertical displacement.	Surface patching and epoxy injections are examples of acceptable repair methods. Shrinkage cracks are common and should be expected.
	1.19 Cracks in concrete floor of unfinished area (no floor covering) or in areas not designed for living.	Builder will correct cracks which exceed 1/4 in. in width or vertical displacement.	Surface patching and epoxy injections are examples of acceptable repair methods. Shrinkage cracks are common and should be expected.
	1.20 Cracks in visible face of foundation.	Builder will correct cracks in excess of 1/4 in. in width.	Surface patching and epoxy injections are examples of acceptable repair methods. Shrinkage cracks are common and should be expected.
2. FRAMING			
CEILING	2.1 Uneven ceiling.	Builder will correct if unevenness exceeds 1/4 in. within a 32 in. measurement.	Some minor framing imperfections should be expected.
FLOOR	2.2 High and low areas.	Builder will correct if high or low areas exceed 1/4 in. within a 32 in. measurement.	Some minor framing imperfections should be expected.
	2.3 Floor squeaks.	Builder will correct if caused by a defective joist or improperly installed subfloor. The Builder will take corrective action to reduce squeaking to the extent possible within reasonable repair capability without removing floor or ceiling finishes.	A large area of floor squeaks which is noticeable, loud and objectionable is a Defect. A squeak-proof floor cannot be guaranteed. Lumber shrinkage as well as temperature and humidity changes may cause squeaks.
ROOF	2.4 Split or warped rafters or trusses.	No action required.	Some splitting and warping is normal and is caused by high temperature effects on lumber.
WALL	2.5 Bow or bulge.	Builder will correct if bow or bulge exceeds 1/2 in. within 32 in. horizontal or vertical measurement.	Minor framing imperfections should be expected.

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**SECTION III.
WARRANTY STANDARDS
A. YEAR 1
COVERAGE ONLY**

CATEGORY	OBSERVATION	ACTION REQUIRED	COMMENTS
2. FRAMING (CONTINUED)			
WALL (CONTINUED)	2.6 Out-of-plumb.	Builder will correct where out-of-plumb condition exceeds 3/4 in. within 8 ft. vertical measurement.	Minor framing imperfections should be expected.
	2.7 Wall is out-of-square.	No action required.	A wall out-of-square is not a Defect.
3. EXTERIOR			
STRUCTURALLY ATTACHED WOOD OR COMPOSITE DECKS	3.1 Wood twisting, warping or splitting.	Builder will correct only if due to improper installation.	Twisting, warping or splitting of wood deck material is normal due to exposure to the elements. Owner maintenance is required.
	3.2 Settlement.	Builder will correct slope of deck which exceeds a ratio of 2 in. in a 10 ft. measurement.	Some slope is often provided to allow for water drainage.
	3.3 Loose railing or post.	Builder will correct if due to improper installation.	Owner maintenance is required.
DOORS	3.4 Binds, sticks or does not latch.	Builder will correct if caused by faulty workmanship or materials.	Seasonal changes may cause doors to expand and contract, and are usually temporary conditions.
	3.5 Wood door panel shrinks.	No action required.	Panels will shrink and expand and may expose unfinished surfaces.
	3.6 Warping.	Builder will correct warping which exceeds 1/4 in., measured vertically, horizontally or diagonally.	Seasonal changes may cause doors to expand and contract, and are usually temporary conditions.
	3.7 Split in panel.	Builder will correct if split allows the entrance of elements.	Splits which do not allow the entrance of elements are considered normal. Owner maintenance is required.
	3.8 Separation between door and weather-stripping.	Builder will correct if daylight is visible or if entrance of elements occurs under normal conditions.	Even with properly installed weather stripping, some movement of the door, when closed, may be expected. Owner maintenance is required for minor alterations to adjustable thresholds and other parts of the door.
	3.9 Screen mesh is torn or damaged.	Builder will correct only if damage is documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
	3.10 Overhead garage door fails to operate or allows rain or snow to leak through.	Builder will correct garage doors which do not fit or operate properly.	Some entrance of elements can be expected and is not considered a deficiency. If Owner installs a garage door opener, Builder is not responsible for operation of door.
ROOFING	3.11 Roof and roof flashing leaks.	Builder will correct active and current leaks that occur under normal conditions.	No action is required if leak is due to snow or ice buildup, high winds or driving rains. Prevention of snow or ice buildup is the Owner's responsibility. Substantiation of an active and current leak is the Owner's responsibility.
	3.12 Lifted, torn, curled, or cupped shingles.	No action required.	Owner maintenance is required. Cupping in excess of 1/2 in. should be reported to the manufacturer.

**SECTION III.
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CATEGORY	OBSERVATION	ACTION REQUIRED	COMMENTS
3. EXTERIOR (CONTINUED)			
ROOFING (CONTINUED)	3.13 Shingles that have blown off.	Builder will correct affected area if due to poor installation.	Shingles shall not blow off in winds less than the manufacturer's specifications.
	3.14 Inadequate ventilation.	Builder will provide adequate ventilation.	Moisture accumulation in attics which are not adequately vented is a deficiency. Owner is responsible to keep vents clear of obstructions to promote air flow.
	3.15 Water stays in gutters.	Builder will correct to limit standing water depth at 1 in.	Owner is responsible for keeping gutters and downspouts clean.
	3.16 Gutter or downspout leaks.	Builder will correct leaks at connections.	Owner is responsible for keeping gutters and downspouts clean. Gutters may overflow during heavy rains.
SITE WORK	3.17 Standing water within 10 ft. of the foundation.	Builder will correct water which stands for more than 24 hours, or more than 48 hours in swales.	Standing water beyond the 10 ft. perimeter of the foundation is not covered by this Limited Warranty. Owner is responsible for establishing and maintaining adequate ground cover.
	3.18 Settling of ground around foundation walls, utility trenches or other filled areas on property where there has been excavation and backfill which affected foundation drainage.	If final grading was performed by Builder, he will replace fill in excessively settled areas only once.*	If settlement does not exceed 6 in., it is Owner's responsibility to fill affected areas. The party responsible for establishing the final grade shall provide for positive drainage away from foundation. Owner is responsible for establishing and maintaining adequate ground cover.
STRUCTURALLY ATTACHED STOOP, PORCH & PATIO	3.19 Settlement, heaving or movement.	Builder will correct if movement exceeds 1 in. from the Home for stoops, porches and patios which are structurally attached.	Stoops, porches and patios which are poured separately and simply abut the house are not covered by this Limited Warranty.
	3.20 Concrete splatters on adjacent surfaces.	Builder will correct only if damage is documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
WALL COVERING	3.21 Entrance of elements through separations of wood, hardboard or fiber cement siding or trim joints, or separation between trim and surfaces of masonry or siding.	Builder will correct entrance of elements or separations exceeding 3/8 in. by caulking or other methods.	Any separations 3/8 in. or less are considered routine Owner maintenance.
	3.22 Cracks in stucco or similar synthetic based finishes.	Builder will correct cracks which exceed 1/8 in. in width.	Caulking and touch-up painting are examples of acceptable repair methods. Builder is not responsible for exact color, texture or finish matches. Hairline cracks are common.
	3.23 Siding materials become detached from the Home.	Builder will correct affected area if due to improper workmanship or materials.	Separated, loose or delaminated siding can be due to improper maintenance and is not considered a Defect.
	3.24 Aluminum or vinyl siding is bowed or wavy.	Builder is responsible only if installed improperly and waves or bowing exceed 1/2 in. within a 32 in. measurement.	Check your manufacturer's warranty on this product for coverage regarding dents, holes, wind specifications, etc.

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**SECTION III.
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CATEGORY	OBSERVATION	ACTION REQUIRED	COMMENTS
3. EXTERIOR (CONTINUED)			
WALL COVERING (CONTINUED)	3.25 Paint or stain peels or deteriorates.	Builder will correct. If 75% of a particular wall is affected, entire wall will be corrected.	Some fading is normal due to weathering. Mildew and fungus on exterior surfaces are caused by climatic conditions and is considered routine maintenance. Varnish or lacquer deteriorates quickly and is not covered by this Limited Warranty.
	3.26 Paint splatters and smears on other surfaces.	Builder will correct only if damage is documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
	3.27 Faulty application of paint on wall and trim surfaces.	Builder will correct affected area. If greater than 75% of wall or trim piece is affected, entire surface will be corrected.	Some minor imperfections such as over-spray, brushmarks, etc., are common and should be expected.
	3.28 Knot holes bleed through paint or stain.	Builder will correct affected areas where excessive bleeding of knots appear.	Knot holes will be apparent depending on the quality of material used.
	3.29 Vent or louver leaks.	Builder will correct if caused by improper installation.	Properly installed louvers or vents may at times allow rain or snow to enter under strong wind conditions and is not a deficiency.
	3.30 Cracks in masonry, veneer, stone, etc.	Builder will correct cracks which exceed 1/4 in. in width.	Some cracks are common through masonry and mortar joints. Cracks 1/4 in. or less are considered routine Owner maintenance.
WINDOWS	3.31 Condensation or frost on interior window surface.	No action required.	Condensation is relative to the quality and type of windows. Temperature differences in high levels of humidity along with individual living habits will cause condensation.
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	3.33 Glass breakage.	Builder will correct only if damage is documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
	3.34 Excessive drafts and leaks.	Builder will correct poorly fitted windows.	Relative to the quality and type of windows, drafts are sometimes noticeable around windows, especially during high winds. It may be necessary for the Owner to have storm windows installed to provide a satisfactory solution in high wind areas. All caulking materials expand and contract due to temperature variation and dissimilar materials. Maintenance of weather-stripping is Owner's responsibility.
	3.35 Difficult to open, close or lock.	Builder will correct.	Windows should open, close and lock with reasonable pressure.
	4. INTERIOR		
DOORS	4.1 Latch is loose or rattles.	No action required.	Some minor movement should be expected.
	4.2 Binds, sticks or does not latch.	Builder will correct if due to faulty workmanship and materials.	Seasonal changes may cause doors to expand and contract, and are usually temporary conditions.

**SECTION III.
WARRANTY STANDARDS
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The following Warranty Standards are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.

CATEGORY	OBSERVATION	ACTION REQUIRED	COMMENTS
4. INTERIOR (CONTINUED)			
DOORS (CONTINUED)	4.3 Warping.	Builder will correct warping which exceeds 1/4 in., measured vertically, horizontally or diagonally.	Seasonal changes may cause doors to expand and contract, and are usually temporary conditions.
	4.4 Excessive opening at bottom.	Builder will correct gaps in excess of 1-1/2 in. between bottom of passage door and finished floor or 2 in. between bottom of closet door and finished floor.	Gaps under doors are intended for air flow.
	4.5 Rubs on carpet.	Builder will correct.	Builder is not responsible if Owner installs carpet.
WALLS, CEILINGS, SURFACES, FINISHES & TRIM	4.6 Cracks and separations in drywall, lath or plaster; nail pops.	Builder will correct cracks in excess of 1/8 in. in width. Builder will correct nail pops which have broken finished surface. Repair cracks and/or nail pops and touch up paint to match as close as possible, one time only. Such conditions should be reported near the end of Year 1 of the warranty period to allow for normal movement of the Home.	Minor seam separations and cracks, and other slight imperfections, are common and should be expected. Minor depressions and slight mounds at nail heads are not Defects.
	4.7 Peeling of wallpaper.	Builder will correct if not due to Owner neglect or abuses.	Builder is not responsible for wallpaper installed by Purchaser. Owner is responsible for maintaining adequate ventilation in areas of high humidity, such as kitchens and bathrooms.
	4.8 Separated seams in wallpaper.	Builder will correct if wall surface is readily visible.	Minor imperfections can be expected.
	4.9 Lumps, ridges and nail pops in wallboard which appear after Owner has wall covering installed by himself or others.	No action required.	Owner should insure that surface to be covered is suitable for installation of wall covering.
	4.10 Surface deficiencies in finished woodwork.	Builder will correct readily apparent splits, cracks, hammer marks and exposed nail heads, only if documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
	4.11 Gaps between trim and adjacent surfaces, and gaps at trim joints.	Builder will correct gaps in excess of 1/8 in. at trim joints and 1/4 in. between trim and adjacent surfaces.	Some separation due to lumber shrinkage is normal and should be expected.
	4.12 Cracks in ceramic grout joints.	Builder will correct cracks in excess of 1/8 in. one time only.	Cracking of grout joints is common and is considered routine Owner maintenance unless excessive.
	4.13 Ceramic tile cracks or becomes loose.	Builder will correct only if documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
	4.14 Cracking or deterioration of caulking.	No action required.	All interior caulking shrinks and deteriorates. Owner maintenance is required.

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**SECTION III.
WARRANTY STANDARDS
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CATEGORY	OBSERVATION	ACTION REQUIRED	COMMENTS
4. INTERIOR (CONTINUED)			
WALLS, CEILINGS, SURFACES, FINISHES & TRIM (CONTINUED)	4.15 Wall or trim surfaces visible through paint.	Builder will correct affected area. If greater than 75% of wall, trim piece, or ceiling is affected, entire surface will be corrected. The surface being painted shall not show through new paint when viewed from a distance of 6 feet under normal lighting conditions.	Some minor imperfections such as over-spray, brushmarks, etc., are common and should be expected.
FLOOR COVERING*	4.16 Resilient flooring comes loose at edge.	Builder will correct.	Owner maintenance is required.
	4.17 Gaps at seams of resilient flooring.	Builder will correct gaps of similar materials in excess of 1/8 in., and 3/16 in. where dissimilar materials abut.	Minor gaps should be expected.
	4.18 Fastener pops through resilient flooring.	Builder will correct affected area where fastener has broken through floor covering.	Sharp objects such as high heels, table and chair legs, can cause similar problems, and are not covered by this Limited Warranty.
	4.19 Depressions or ridges in resilient flooring at seams of sub-flooring.	Builder will correct depressions or ridges which exceed 1/8 in. in height or depth.	This is determined by placing a 6 in. straight edge over ridge or depression, with 3 in. on either side, and measuring height or depth at sub-flooring seam.
	4.20 Cuts and gouges in any floor covering.	Builder will correct only if documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
	4.21 Hollow sounding marble or tile.	No action required.	Hollow sounding marble or tile is not a deficiency of construction and is not covered under this warranty.
	4.22 Fades, stains or discolors.	Builder will correct stains or spots only if documented prior to occupancy.	Fading is not a deficiency. Owner is responsible for establishing a pre-closing walk-through inspection list.
	4.23 Premature wearing of carpet.	No action required.	Excessive wear in high-traffic areas such as entryways and hallways is normal. Wearability is directly related to quality of carpet.
	4.24 Visible gaps at carpet seams.	Builder will correct gaps.	Seams will be apparent. Owner maintenance is required.
	4.25 Carpet becomes loose or buckles.	Builder will correct one time only.	Some stretching is normal. Owner should exercise care in moving furniture.

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*FHA/VA Homeowners, refer to HUD Addendum, Section V.D.

**SECTION III.
WARRANTY STANDARDS
A. YEAR 1
COVERAGE ONLY**

The following Warranty Standards are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.

CATEGORY	OBSERVATION	ACTION REQUIRED	COMMENTS
5. MECHANICAL			
ELECTRICAL	5.1 Circuit breakers trip excessively.	Builder will correct if tripping occurs under normal usage.	Ground Fault Circuit Interrupters (GFCI) are intended to trip as a safety factor. Tripping that occurs under normal use is not covered by this Limited Warranty.
	5.2 Outlets, switches or fixtures malfunction.	Builder will correct if caused by defective workmanship or materials.	Owner should exercise routine care and maintenance. Replacement of light bulbs is Owner's responsibility.
HEATING & COOLING	5.3 Condensation lines clog under normal use.	No action required.	Condensation lines will clog under normal conditions. Continued operation of drain line requires Owner maintenance.
	5.4 Noisy duct work.	Builder will correct oil canning noise if caused by improper installation.	When metal heats and cools, ticking and cracking may occur and are not covered by this Limited Warranty.
	5.5 Insufficient heating.	Builder will correct if Heating System cannot maintain a 70 degree Fahrenheit temperature, under normal operating and weather conditions. Temperature shall be measured at a point 5 ft. above center of floor in affected area. All rooms may vary in temperature by as much as 4 degrees.	Orientation of the Home, location of rooms and location of vents will also provide a temperature differential. There may be periods when outdoor temperature falls below design temperature thereby lowering temperature in the Home. Certain aspects of the Home including, but not limited to, expansive stairways, open foyers, sunrooms or cathedral ceilings may cause abnormal variation from these Standards and are not covered by this Limited Warranty.
	5.6 Insufficient cooling.	Builder will correct if Cooling System cannot maintain a 78 degree Fahrenheit temperature, under normal operating and weather conditions. Temperature shall be measured at a point 5 ft. above center of the floor in the affected room. On excessively hot days, where outside temperature exceeds 95 degrees Fahrenheit, a difference of 17 degrees from outside temperature will be difficult to maintain. All rooms may vary in temperature by as much as 4 degrees.	Orientation of the Home, location of rooms and location of vents will also provide a temperature differential. There may be periods when outdoor temperature rises above design temperature thereby raising temperature in the Home. Certain aspects of the Home including, but not limited to, expansive stairways, open foyers, sunrooms or cathedral ceilings may cause abnormal variation from these Standards and are not covered by this Limited Warranty.
	5.7 Refrigerant line leaks.	Builder will correct.	Owner maintenance is required on the system.
PLUMBING	5.8 Pipe freezes and bursts.	Builder will correct if due to faulty workmanship or materials.	Proper winterization of pipes is considered routine maintenance and Owner should maintain suitable temperatures inside the Home.
	5.9 Noisy water pipe.	Builder will correct hammering noise if caused by improper installation.	Some noise can be expected due to flow of water and pipe expansion. This is not a Defect.
	5.10 Plumbing fixtures and trim fittings leak or malfunction.	Builder will correct if due to faulty workmanship and materials.	Owner maintenance is required. Scratches, tarnishing or marring must be noted on a pre-closing walk-through inspection list.
	5.11 Damaged or defective plumbing fixtures and trim fittings.	Builder will correct only if documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list. Defective trim fittings and plumbing fixtures are covered under the manufacturer's warranty.

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The following Warranty Standards are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.

**SECTION III.
WARRANTY STANDARDS
A. YEAR 1
COVERAGE ONLY**

CATEGORY	OBSERVATION	ACTION REQUIRED	COMMENTS
6. SPECIALTIES			
BATHROOM & KITCHEN	6.1 Cabinet separates from wall or ceiling.	Builder will correct separation in excess of 1/4 in.	Some separation is normal. Caulking is an acceptable method of repair.
	6.2 Crack in door panel.	Builder will correct only if documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
	6.3 Warping of cabinet door or drawer front.	Builder will correct if warp exceeds 3/8 in. as measured from cabinet frame.	Seasonal changes may cause warping and may be a temporary condition.
	6.4 Doors or drawers do not operate.	Builder will correct.	Owner maintenance is required.
	6.5 Chips, cracks, scratches on countertop, cabinet, fixture or fitting.	Builder will correct only if documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
	6.6 Delamination of countertop or cabinet.	Builder will correct only if documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
	6.7 Cracks or chips in fixture.	Builder will correct only if documented prior to occupancy.	Owner is responsible for establishing a pre-closing walk-through inspection list.
CHIMNEY & FIREPLACE	6.8 Exterior and interior masonry veneer cracks.	Builder will correct cracks in excess of 1/4 in. in width.	Some cracks are common in masonry and mortar joints. Cracks 1/4 in. in width or less are considered Owner maintenance.
	6.9 Firebox color is changed; accumulation of residue in chimney or flue.	No action required.	Owner maintenance is required.
	6.10 Chimney separates from the Home.	Builder will correct separation in excess of 1/2 in. within 10 ft.	Newly built chimneys will often incur slight amounts of separation.
	6.11 Smoke in living area.	Builder will correct if caused by improper construction or inadequate clearance.	Temporary negative draft situations can be caused by high winds; obstructions such as tree branches too close to the chimney; the geographic location of the fireplace; or its relationship to adjoining walls and roof. In some cases, it may be necessary to open a window to create an effective draft. Since negative draft conditions could be temporary, it is necessary that Owner substantiate problem to Builder by constructing a fire so the condition can be observed.
	6.12 Water infiltration into firebox from flue.	No action required.	A certain amount of rainwater can be expected under certain conditions.
	6.13 Firebrick or mortar joint cracks.	No action required.	Intense heat may cause cracking.
INSULATION	6.14 Air infiltration around electrical receptacles.	No action required.	Air flow around electrical boxes is normal and is not a deficiency.

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**SECTION III.
WARRANTY STANDARDS
B. YEARS 1 AND 2
COVERAGE ONLY**

The following Warranty Standards are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.

CATEGORY	OBSERVATION	ACTION REQUIRED	COMMENTS
B. SYSTEMS — YEARS 1 AND 2			
ELECTRICAL	B.1 Wiring fails to carry specified load.	Builder will correct if failure is due to improper installation or materials.	Switches, outlets and fixtures are applicable to Year 1 Coverage Only .
HEATING & COOLING	B.2 Duct work separates.	Builder will correct.	Owner maintenance is required.
PLUMBING*	B.3 Pipe leaks.	Builder will correct.	Condensation on pipes does not constitute leakage. Faulty faucets, valves, joints and fittings are applicable to Year 1 Coverage Only .
	B.4 Water supply stops.	Builder will correct if due to faulty workmanship or materials inside the Home.	Drought or causes other than faulty workmanship and materials will not be covered under this Limited Warranty.
	B.5 Clogged drain or sewer.	Builder will correct clog within structure caused by faulty workmanship or materials.	Clogs and stoppages beyond the exterior wall are not covered by this Limited Warranty. Routine Owner maintenance and proper use is required.

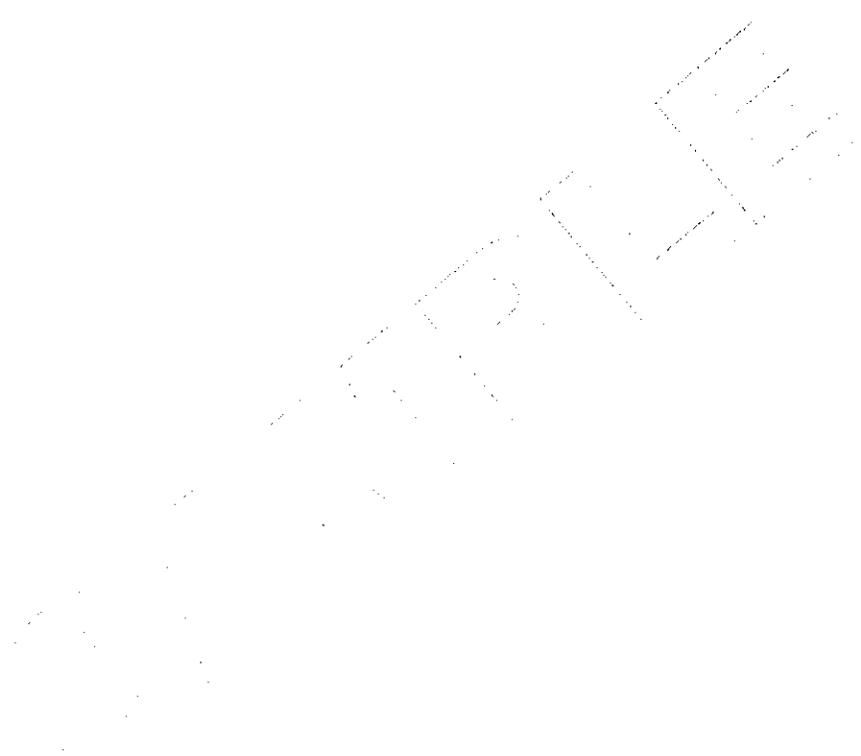
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The following Warranty Standards are applicable only to warranted items stated in Section II of this Limited Warranty. Read Section II to determine if the following Warranty Standards apply.

**SECTION III.
WARRANTY STANDARDS
C. TEN YEAR MSD
COVERAGE ONLY**

CATEGORY	OBSERVATION	ACTION REQUIRED	COMMENTS
C. TEN YEAR MSD COVERAGE			

MAJOR STRUCTURAL DEFECTS	C.1 Major Structural Defects.	The criteria for establishing the existence of a Major Structural Defect is set forth in Section I.B.14 of this Limited Warranty Agreement.	The Warrantor will correct Major Structural Defects, limited to such actions as are necessary to restore the load-bearing capability of the component(s) affected by a Major Structural Defect.
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Section IV. Requesting Warranty Performance

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A. Notice to Warrantor in Years 1 & 2

1. If a Defect occurs in Years 1 and 2, you must notify your Builder in writing. Your request for warranty performance should clearly describe the Defect(s) in reasonable detail.
2. Request for warranty performance to your Builder does not constitute notice to the Administrator, and it will not extend applicable coverage periods.
3. If a request for warranty performance to your Builder does not result in satisfactory action within a reasonable time, written notice must be given to RWC, Administrator, 5300 Derry Street, Harrisburg, Pennsylvania 17111, Attn: Warranty Resolution Department. This notice should describe each item in reasonable detail and should be forwarded by certified mail, return receipt requested.
4. *Please note that a written request for warranty performance must be mailed to RWC and postmarked no later than thirty (30) days after the expiration of the applicable warranty period. For example, if the item is one which is warranted by your Builder during your second year of coverage, a request for warranty performance must be mailed to RWC and postmarked no later than thirty (30) days after the end of the second year to be valid.*
5. You must provide the Warrantor with reasonable weekday access during normal business hours in order to perform its obligations. Failure by your to provide such access to the Warrantor may relieve the Warrantor of its obligations under this Limited Warranty.
6. If your Builder does not fulfill its obligations under this Limited Warranty, the Administrator will process the request for warranty performance as described in the Limited Warranty and subject to the provisions of IV.F.

B. Notice to Warrantor in Years 3–10

If a Defect related to a warranted MSD occurs in Years 3 through 10 of this Limited Warranty, you must notify the Administrator to review the item. All such notices must be presented in writing to RWC, Administrator, 5300 Derry Street, Harrisburg, Pennsylvania 17111, Attn: Warranty Resolution Department, by certified mail, return receipt requested, within a reasonable time after the situation arises. Any such notice should describe the condition of the MSD in reasonable detail. Requests for warranty performance postmarked more than thirty (30) days after the expiration of the term of this Limited Warranty will not be honored.

C. Purchaser's Obligations

1. **Your notice to the Administrator must contain the following information:**
 - a. Validation # and Effective Date Of Warranty;
 - b. Your Builder's name and address;
 - c. Your name, address and phone number (including home and work numbers);
 - d. Reasonably specific description of the warranty item(s) to be reviewed;
 - e. A copy of any written notice to your Builder;
 - f. Photograph(s) may be required; and
 - g. A copy of each and every report you have ob-

tained from any inspector or engineer.

2. You have an obligation to cooperate with the Administrator's mediation, inspection and investigation of your warranty request. From time to time, the Administrator may request information from you regarding an alleged Defect. Failure by you or your appointed representative to respond with the requested information within thirty (30) days of the date of the Administrator's request can result in the closing of your warranty file.

D. Mediation and Inspection

Within thirty (30) days following the Administrator's receipt of proper notice of request for warranty performance, the Administrator may review and mediate your request by communicating with you, your Builder and any other individuals or entities who the Administrator believes possess relevant information. If, after thirty (30) days, the Administrator has not been able to successfully mediate your request, or at any earlier time when the Administrator believes that your Builder and you are at an impasse, then the Administrator will notify you that your request has become an Unresolved Warranty Issue. At any time following the receipt of proper notice of your request for warranty performance, the Administrator may schedule an inspection of the item. You must provide the Administrator reasonable access for any such inspection as discussed in Section IV.A.5. The Administrator, at its discretion, may schedule a subsequent inspection to determine Builder compliance.

When a request for warranty performance is filed and the deficiency cannot be observed under normal conditions, it is your responsibility to substantiate that the need for warranty performance exists including any cost involved. If properly substantiated, you will be reimbursed by the Warrantor.

E. Arbitration*

You begin the arbitration process by giving the Administrator written notice of your request for arbitration of an Unresolved Warranty Issue. The written notice of your request for arbitration must be received by the Administrator no later than thirty (30) days following the expiration of the ten year warranty period. However, if you receive notification of an Unresolved Warranty Issue from the Administrator following the expiration of the ten year warranty period, then this period is extended and written notice of your request for arbitration must be received by the Administrator no later than thirty (30) days from the date of your receipt of notification of the Unresolved Warranty Issue. Within twenty (20) days after the Administrator's receipt of your notice of request for arbitration, any Unresolved Warranty Issue that you have with the Warrantor shall be submitted to an independent arbitration service experienced in arbitrating residential construction matters upon which you and the Administrator agree. This binding arbitration is governed by the procedures of the Federal Arbitration Act, 9 U.S.C. §§ 1 *et. seq.* If you submit a request for arbitration, you must pay the arbitration fees before the matter is submitted to the arbitration service. After arbitration, the Arbitrator shall have the power to award the cost of this fee to any party or to split it among the parties to the arbitration. The arbitration shall be conducted in accordance with this Limited Warranty and the arbitration rules and regulations to the extent that they are not in conflict with the Federal Arbitration Act.

*FHA/VA Homeowners, refer to HUD Addendum, Section V.D.

**Section
IV.
Requesting
Warranty
Performance
(continued)**

Within one (1) year after an arbitration award, either party may apply to the U.S. District Court where the Home is situated to confirm the award. The Administrator's receipt of a written request for arbitration in appropriate form shall stop the running of any statute of limitations applicable to the matter to be arbitrated until the Arbitrator renders a decision. The decision of the Arbitrator shall be final and binding upon all parties.†

Since this Limited Warranty provides for mandatory binding arbitration of Unresolved Warranty Issues, if any party commences litigation in violation of this Limited Warranty, such party shall reimburse the other parties to the litigation for their costs and expenses, including attorney fees, incurred in seeking dismissal of such litigation.*

In Years 1 & 2, the Builder shall have sixty (60) days from the date the Administrator sends the Arbitrator's award to the Builder to comply with the Arbitrator's decision. In Years 3-10, the Warrantor shall have sixty (60) days from the date the Administrator receives the Arbitrator's award to comply with the Arbitrator's decision. Warranty compliance will begin as soon as possible and will be completed within the sixty-day compliance period with the exception of any repair that would reasonably take more than sixty (60) days to complete, including, but not limited to, repair delayed or prolonged by inclement weather. The Warrantor will complete such repair or replacement as soon as possible without incurring overtime or weekend expenses.

You may request a compliance arbitration within twenty (20) days after the sixty-day compliance period has expired by giving the Administrator written notice of your request. You must pay the fees for the compliance arbitration prior to the matter being submitted to the arbitration service.

F. Conditions of Warranty Performance

1. When your request for warranty performance is determined to be a warranted issue, the Warrantor reserves the right to repair or replace the warranted item, or to pay you the reasonable cost of repair or replacement.
2. In Years 1 and 2, if your Builder defaults in its warranty obligations, the Administrator will process the request for warranty performance provided you pay a warranty service fee of \$250 for each request prior to repair or replacement.**◆
3. In Years 3 through 10 you must pay the Administrator a warranty service fee of \$500 for each request.**◆
4. If the Administrator elects to award you cash rather than repair or replace a warranted item, the warranty service fee will be subtracted from the cash payment.
5. If the Warrantor pays the reasonable cost of repairing a warranted item, the payment shall be made to you and to any mortgagee or mortgagee's successor as each of your interests may appear; provided that the mortgagee has notified the Administrator in writing of its security interest in the Home prior to such payment. Warrantor shall not have any obligation to make payment jointly to the Purchaser and mortgagee where the mortgagee has not notified your Builder or the Administrator in writing of

its security interest in the Home prior to such payment. Any mortgagee shall be completely bound by any mediation or arbitration relating to a request for warranty performance between you and the Warrantor.*

6. Prior to payment for the reasonable cost of repair or replacement of warranted items, you must sign and deliver to the Builder or the Administrator, as applicable, a full and unconditional release, in recordable form, of all legal obligations with respect to the warranted Defects and any conditions arising from the warranted items.
7. Upon completion of repair or replacement of a warranted Defect, you must sign and deliver to the Builder or the Administrator, as applicable, a full and unconditional release, in recordable form, of all legal obligations with respect to the Defect and any conditions arising from the situation. The repaired or replaced warranted item will continue to be warranted by this Limited Warranty for the remainder of the applicable period of coverage.
8. If the Warrantor repairs, replaces or pays you the reasonable cost to repair or replace a warranted item, the Warrantor shall be subrogated to all your rights of recovery against any person or entity. You must execute and deliver any and all instruments and papers and take any and all other actions necessary to secure such rights, including, but not limited to, assignment of proceeds of any insurance or other warranties to the Warrantor. You shall do nothing to prejudice these rights of subrogation.
9. Any Warrantor obligation is conditioned upon your proper maintenance of the Home, common elements and grounds to prevent damage due to neglect, abnormal use or improper maintenance.
10. **Condominium Procedures:**
 - a. In the case of common elements of a condominium, at all times, owner(s) of each unit affected by the common elements in need of warranty performance shall each be responsible to pay the warranty service fee (\$250 in Years 1 and 2, \$500 in Years 3 through 10) for each request for warranty performance.**
 - b. If a request for warranty performance under this Limited Warranty involves a common element in a condominium, the request may be made only by an authorized representative of the condominium association. If the Builder retains a voting interest in the association of more than 50%, the request may be made by unit owners representing 10% of the voting interests in the association.
 - c. If a request for warranty performance under this Limited Warranty involves a common element affecting multiple units, and all affected units are not warranted by the RWC Warranty Program, the Insurer's liability shall be limited to only those units warranted by the RWC Warranty. The limit of liability shall be prorated based upon the number of units warranted by this Limited Warranty.

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*FHA/VA Homeowners, refer to HUD Addendum, Section V.D.

◆Homeowners in Maryland, refer to Maryland Addendum, Section V.E.

*Homeowners in Newark, Delaware, refer to Newark, Delaware, Addendum, Section V.A.

† Homeowners in the State of New York, refer to State of New York Addendum, Section V.B.

**Section
V.
Addenda**

A. Newark, Delaware, Addendum

The warranty service fee as described in **Sections IV.F.2., IV.F.3. and IV.F.10.a.** will be waived for homes built in the city of Newark, Delaware.

B. State of New York Addendum

Except as expressly provided in this Addendum, the warranties and rights listed herein are in addition to, and are not exclusive of, any warranties or rights listed in this Limited Warranty.

1. **Appliances and Items of Equipment** — Subject to other terms and conditions listed in this Limited Warranty, the exclusion concerning deficiencies in Appliances and Items of Equipment described in **Section II.E.14.** of this Limited Warranty shall not apply during the first two (2) years of the warranty term wherever (i) such Appliances and Items of Equipment are components of the Cooling, Ventilating, Heating, Electrical or Plumbing Systems; and (ii) the deficiencies in such fixtures, Appliances or Items of Equipment are the result of defective installation by your Builder.
2. **Standards** — **Section III.** — If the statutes of the State of New York provide greater coverage than the provisions of this Limited Warranty, those provisions shall modify the warranty to allow for the greater coverage.
3. **Alternative Dispute Resolution** — When making a request for warranty performance pursuant to **Section IV.E.** of this Limited Warranty, you have no obligation to submit to binding arbitration, nor do you have to pay any fee or charge for participation in non-binding arbitration or any mediation process concerning your request. However, any Unresolved Warranty Issues must be submitted to arbitration before a legal proceeding may be commenced. Further, if an Owner resorts to litigation, the rights and obligations imposed by **Section IV.E.** shall apply to such litigation.

C. State of Indiana Addendum

The warranties and rights listed above are in addition to, and are not exclusive of, any warranties listed in this book.

Notwithstanding anything contained in the attached printed form of the RWC Limited Warranty, this Limited Warranty shall include the following protection per **Section II.C.**, and is amended to read as follows:

1. **TWO YEAR COVERAGE** — Commencing on the Effective Date of this Limited Warranty as specified on the Application For Warranty form, and subject to the terms and conditions listed herein, your Builder warrants that for a period of two (2) years your Home will be free from Defects due to non-conformity with the Warranty Standards set forth in **Section III.** of this Limited Warranty. With respect to fixtures, Appliances and Items of Equipment, the Warranty is for one (1) year or the manufacturer's

written warranty, whichever is less. For Year Two Coverage for Indiana Homes with VA/FHA Financing, the following provisions of the HUD Addendum **Section V.D.** are not applicable in Year 2: **Section V.D.5, Section V.D.13, Section V.D.16, and Section V.D.19.**

2. **YEARS 3 AND 4 COVERAGE ONLY** — During the third and fourth year following the Effective Date Of Warranty as specified on the Application For Warranty form, and subject to the terms and conditions listed in this Limited Warranty, your Home will be free from Defects caused by poor workmanship and materials in its roof and roof systems.

D. HUD Addendum (Applicable to VA/FHA Financed Homes only)

1. **Section I.B.** — The following definition is added: Emergency Condition is an event or situation that presents an imminent threat of damage to the Home or common elements and results in an unsafe living condition due to Defects or Major Structural Defect failures that manifest themselves outside of the Warrantor's normal business hours and precludes you from obtaining prior written approval to initiate repairs to stabilize the condition and prevent further damage.
2. **Section I.B.9. Effective Date Of Warranty** — The following language is substituted: The Effective Date Of Warranty will be the date on which closing or settlement occurs in connection with the initial sale of the Home. In no event will the Effective Date Of Warranty be later than the date of FHA endorsement of your Mortgage on the Home.
3. **Section I.B.14. Major Structural Defects** — The following language is substituted for a-c.: A Major Structural Defect is actual physical damage to the designated load-bearing portions of a Home caused by failure of such load-bearing functions to the extent that the Home becomes unsafe, unsanitary, or otherwise unlivable. The following language is added: Delamination or rupture of roof sheathing shall be deemed a Major Structural Defect in need of warranty performance.
4. **Sections II.A.5 and II.A.6** — Foreclosure does not void the Limited Warranty for VA/FHA Financed Homes only.
5. **Section II.C.1. One Year Coverage** — The following language is added: Notwithstanding anything to the contrary contained in this Limited Warranty, during the first year of coverage, your Builder will repair or restore the reliable function of Appliances and Equipment damaged during installation or improperly installed by your Builder. In addition, your Builder will correct Construction Deficiencies in workmanship and materials resulting from the failure of the Home to comply with standards of quality as measured by acceptable trade practices. Construction Deficiencies are Defects (not of a structural nature) in the Home that are attributable

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**Section
V.
Addenda
(continued)**

to poor workmanship or to the use of inferior materials which result in the impaired functioning of the Home or some part of the Home. Defects resulting from your abuse or from normal wear and tear are not considered Construction Deficiencies.

6. **Section II.C.4. Condominium Coverage**—The following language is substituted: The Limited Warranty shall only apply to warranted common elements which are those portions of the defined Electrical, Heating, Ventilating, Cooling, Plumbing and structural Systems which serve two (2) or more residential units; and are contained wholly within a residential structure that, if defective, would constitute a health or safety condition for the occupants. Examples of common elements which are covered by this Limited Warranty are hallways, meeting rooms, stairwells and other spaces wholly within the residential structure serving two (2) or more units; and structurally attached balconies, arches and decks. Examples of common elements which are not covered under this Limited Warranty are club houses, recreational buildings and facilities, walkways, exterior structures, or any other non-residential structure which is part of the condominium.
7. **Section II.C.** — The following coverage is added for the **State of Colorado ONLY**: The Builder's warranty for basement slabs in the State of Colorado is extended from the first through the fourth year.
8. **Section II.D.** — The following statement is added: This agreement is non-cancelable by the Warrantor.
9. **Section II.D.9.** is deleted.
10. **Section II.D.10.** — The following language is added: Repairs to the Home may be made without the prior written authorization of the Warrantor only in the event an Emergency Condition arises that necessitates repairs be made for the sole purpose of protecting the Home from further damage. You must notify the Warrantor as soon as possible, but in no event, later than five (5) days after the repairs have been made in order to qualify for reimbursement. An accurate, written record of the repair cost must accompany your notification.
11. **Section II.E.1.d.** — The following language is substituted: Loss or damage which is covered by any other insurance or for which compensation is granted by state legislation.
12. **Section II.E.1.e.** — The following language is substituted: resulting directly or indirectly from flood, waves, tidal water, overflow of a body of water, or spray from any of these (whether or not driven by wind), water which backs up from sewers or drains, changes in the water table which were not reasonably foreseeable, wetlands, springs or aquifers. Surface water and underground water which cause an unforeseeable hydrostatic condition with resultant damage to the structure are covered.
13. **Section II.E.2.d.** is deleted.
14. **Section II.E.2.m.** — The following language is substituted: any portion of a public Water Supply

System, including volume and pressure of water flow.

15. **Section II.E.2.o.** — The following language is substituted: any portion of a public Sewage Disposal System, including design.
16. **Section II.E.2.p.** — exclusion is deleted.
17. **Section II.E.5.** — The following language is substituted: Consequential Damages to personal property are excluded. Consequential Damages to real property as a result of a Defect or repair of a Defect are covered.
18. **Section II.E.9.** — The following language is added: Warranted Defects repaired as a result of emergency property protection measures as described and defined in this addendum are covered.
19. **Section III.A.**
 - a. **Site Work** — The following language is substituted:
 - (1) **3.18 (Action Required)** If final grading was performed by the Builder, he will replace fill in excessively settled areas.
 - b. **FLOOR COVERING** — The following language is added:
 - (1) **4.26 (Observation)** Gaps or cracks between finished floor boards. **(Action Required)** Builder will correct gaps or cracks which exceed 1/8 in. in width. **(Comments)** Finished wood floors expand and contract due to humidity changes in your Home. Cracks and gaps which shrink and disappear in non-heating seasons are considered normal.
 - (2) **4.27 (Observation)** Cupping, crowning or loose finished floor boards. **(Action Required)** Builder will correct only if caused by a Defect in installation. **(Comments)** Finished wood flooring cups from gaining or losing moisture on one side faster than the other. Some cupping and crowning should be considered normal due to growth rings in the tree and the part of the tree used. The Builder is not responsible for natural properties of the product, or for climatic conditions and personal living habits which can affect moisture content of floor boards. Cupping or crowning action may have loosened nails or adhesive. Owner is responsible if condition is caused by conditions beyond Builder's control.
 - (3) **4.28 (Observation)** Ceramic tile cracks or loosens. **(Action Required)** Builder will correct only if documented prior to occupancy. **(Comments)** Owner is responsible for establishing a pre-closing walk-through inspection list.
20. **Section III.B.6.** — The following language is added: **(Observation)** Septic system fails. **(Action Required)** Builder will correct if damage is due to poor workmanship or materials, which are not in

The RWC Limited Warranty displayed on this page is a SAMPLE only. The RWC Limited Warranty applicable to your home may differ from the one displayed here. You must consult your valid dated RWC Limited Warranty book for the terms of coverage that apply to your home.

**Section
V.
Addenda
(continued)**

conformance with Sewage Enforcement Officer's instructions as per design and installation only. **(Comments)** Builder is required to abide by state or local requirements for the installation of on-site sewage disposal system. Any deficiency or failure which occurs or is caused by a condition other than faulty workmanship or materials, such as design, is not covered by this Limited Warranty. Owner is responsible for routine maintenance of system, which may include, but not be limited to: pumping the septic tank; adding chlorine to a chlorinator; and refraining from driving of parking vehicles or equipment on the system. Damages caused by freezing, soil saturation, underground springs, water run-off, excessive use and an increase in level of water table are among causes not covered by this Limited Warranty.

21. **Section IV.E. Arbitration** — The following language is added: The judicial resolution of disputes is not precluded by this warranty and may be pursued by the homeowner at any time during the dispute resolution process.
22. **Section IV.E. Arbitration** — Because HUD does not require mandatory arbitration, the following is deleted: Since this Limited Warranty provides for mandatory binding arbitration of disputes, if any party commences litigation in violation of this Limited Warranty, such party shall reimburse the other parties to the litigation for their costs and expenses, including attorney fees, incurred in seeking dismissal of such litigation.
23. **Section IV.F.2., F.3. and F.10.a.** — The following language is substituted: In the first two (2) years, if your Builder does not fulfill its obligations under this Limited Warranty, the Insurer will be responsible for your Builder's obligations, subject to a one-time warranty service fee of \$250. The

Insurer's liability in Years 3 through 10 under this Limited Warranty is subject to a warranty service fee of \$250 per request for warranty performance. In each instance, you must pay the fee prior to the Insurer's repair or replacement. In the event of payment, the fee will be subtracted from the cash payment. In the case of the common elements of a condominium, the warranty service fee shall be \$250 per Home affected by each common element in need of service, limited to a maximum of \$5,000 per free standing structure.

24. **Section IV.F.5.** — The following language is added: Where a warranted Defect is determined to exist and where the Warrantor elects to pay the reasonable cost of repair or replacement in lieu of performing such repair or replacement, the cash offer must be in writing. You will be given two (2) weeks to respond. Cash offers over \$5,000 are subject to an on-site review by a HUD approved fee inspector (inspection costs will be paid by the Warrantor) unless:
 - a. the cash offer is made pursuant to a binding bid by an independent third party contractor, which will accept an award of a contract from you pursuant to such bid;
 - b. payment is being made in settlement of legal action;
 - c. you are represented by legal counsel.

E. Maryland Addendum

You should contact the Administrator personally to verify the existence of your Warranty. Further, you should report any Warranty problems, which are not promptly resolved by your Builder, to the Administrator.

1. **Section IV.F.2. and IV.F.3.** are not applicable for the state of Maryland.

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RESIDENTIAL WARRANTY COMPANY, LLC

EXHIBIT U

Section 6 -- Miscellaneous Information Not Covered Elsewhere in this Report

1. All prospective purchasers should also be aware that Olino at Mehana is within and a part of the master planned community known as the Mehana at Kapolei, and is subject to certain conditions and restrictions contained in various documents that affect the Community, including the covenants, conditions, restrictions, reservations, agreements, obligations and other provisions contained in the Master Declaration of Covenants, Conditions, Restrictions and Easements for Mehana at Kapolei, as the same may be amended and/or supplemented.
2. All prospective purchasers should also be aware that the Private Yard Areas, if any are available to Units in the Community, are not subdivided lots, but are exclusive use areas appurtenant to the Unit(s).
3. Developer may revise the specimen deed and sales contract for the Community to conform with any future amendments that may be made to the Declaration and the Community.
4. Each prospective purchaser should review the Condominium Map Site Plan so that they may identify easement areas benefiting the community, which easements may affect the use of the Private Yard Area, if any.
5. Buyer may landscape the easement area(s) within a Private Yard Area, if any, as long as you do not interfere with the use of the easement area(s) affecting your unit. The grantee of the easement area, whether it is HECO, the Community Association, the Master Association or an agency of the County, will have the right to trim and keep trimmed any plants within the easement area that may be in the way. Also, you may not be permitted to construct other structures in the area depending on the nature of the easement. Such structures may require the grantee's approval. Additionally, should the grantee determine that it must remove any plants or foliage within the easement area, it may NOT be obligated to replace them, but rather will only be obligated to restore the surface of the ground within the easement area as much as the grantee determines is reasonably possible.
6. Exterior elevations, door and window locations and types may be modified from that reflected on the Condominium Map.
7. HRS 672E contains important requirements you must follow before you file a lawsuit or other action for defective construction against the contractor who designed, repaired, or constructed your unit or facility. Ninety days before you file your lawsuit or other action, you must serve on the contractor a written notice of any construction conditions you allege are defective. Under the law, a contractor has the opportunity to make an offer to repair and/or pay for the defects. You are not obligated to accept any offer made by a contractor. There are strict deadlines and procedures under the law and failure to follow them may negatively affect your ability to file a lawsuit or other action.
8. Certain portions of the Community may be used as a sales office. Buyer is aware that noise and traffic from these areas may cause a disturbance. The buyer is responsible for investigating noise levels in and around the Community to determine if the buyer is satisfied with the acoustics and noise levels within the unit and within the Community as a whole. Developer makes no guaranty as to these matters now or in the future.
9. Buyers should be aware that the Community may be periodically affected by certain environmental conditions due to historical, existing and prospective surrounding conditions and uses. Those uses include, without limitation, industrial, commercial, recreational, and other non-residential uses, animal husbandry and pasture uses, and a railroad easement. Overhead and underground radio transmission wires and high voltage electric lines and facilities may be located within and around the Community. Such facilities purportedly may emit electric and magnetic emissions. Aircraft may fly in the proximity of or over or close to the Community. Buyers should also be aware that ongoing construction, commercial and industrial uses, plantation harvesting and farming may temporarily generate heavy dust

and/or other nuisances. Pesticides and fertilizers were or may be used in the plantation harvesting and farming and may have long term effects on the land, water and environment.

10. Buyers are encouraged to find out which parking stalls are available for their use and the location of the parking stalls.

11. Buyers should be aware that the Community and/or the Unit may be affected by traffic, aircraft noise, and other adverse effects from the Kalaeloa Community Development District and that an expansion of military uses and associated adverse impacts may occur within Kalaeloa.

12. Buyer should be aware that the Community is located within the contours of the Honolulu International Airport 1987 Noise Contour Map.

13. Buyers should be aware that the Community is located near the OR&L Historic Railway and the operation of trains on the railway may result in noise and other impacts associated with the operation of trains.

14. Buyers should be aware that the Honolulu High Capacity Transit Corridor Project ("HHCTCP") plans to extend along Wakea Street. The Community may be subject to noise from future construction, operation, and maintenance of the HHCTCP. In addition, there may be dust, noxious odors, and adverse effects from the HHCTCP;

15. Buyers should be aware that the Dog Park Area shall be available for use by persons from outside the Community over whom Declarant has no control and an easement thereover may be granted to the Master Association. Use of the Dog Park Area may cause noise, odors, vibrations and other disturbances that are objectionable by some people, and may adversely affect an Owner's use and enjoyment of their Unit.

16. Buyers should be aware that the Road Easements over certain portions of the Community Access Roads shall be available for use for access purposes by the general public and other persons from outside the Community over whom Declarant has no control, shall be available for maintenance purposes by the County and the Master Association and easements thereover may be granted to the County and/or the Master Association. As a result, the Community may be affected by noise from future construction, operation, traffic, maintenance, dust, noxious odors and other adverse impacts resulting from use of the Road Easements. Owners understand and acknowledge that, although the Master Association may bear responsibility for the maintenance, repair and replacement of the surface of the Road Easements, the Association shall retain responsibility for the maintenance, repair and replacement of the utilities within the Road Easements.

17. Buyers shall comply with the County approved Solid Waste Management Plan attached to this report as Exhibit W and are encouraged to recycle waste materials accordingly.

18. Developer has the reserved right to control the Association in accordance with Section 514B-106(d) of the Act, during which time Developer, or persons designated by Developer, may appoint and remove the officers and members of the Board of Directors. Such period of control of the Association by Developer (the "**Control Period**") shall terminate no later than the earlier of:

(a) Sixty (60) days after conveyance of seventy-five percent (75%) of the common interest appurtenant to Units to Owners other than Developer or an affiliate of Developer;

(b) Two (2) years after Developer has ceased to offer Units for sale in the ordinary course of business;

(c) Two (2) years after any right to add new Units was last exercised; or

(d) The day Developer, after giving written notice to Unit Owners, Records an instrument voluntarily surrendering all rights to control activities of the Association.

Developer may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of the Control Period, but in such event Developer may require, for the duration of the period of Developer control, that specified actions of the Association or Board, as described in a Recorded instrument executed by Developer, be approved by Developer before they become effective, provided, however, that during the Control Period (i) Developer must provide a copy of all amendments to the Department of Veterans Administration (the "VA"), and (ii) the Association may not make any material amendments or take any extraordinary actions as described in VA Pamphlet 26-7 revised, as may be applicable, without the approval of VA.

Until such time as the Declarant has turned over administration of the Community to the Association, Declarant shall have the right to amend the Bylaws.

19. Certain Units in the Community have been preliminarily designated as affordable housing for owner-occupants who meet the income qualification eligibility requirements of the City and County of Honolulu Department of Planning and Permitting and have otherwise qualified per DPP affordable housing buyer eligibility requirements, and only in accordance with and to satisfy certain affordable housing conditions mandated by the City and County of Honolulu Department of Planning and Permitting ("**County Affordable Housing Conditions**"). Affordable Units shall be marketed for sale to persons with household incomes not exceeding one hundred twenty percent (120%) of the Oahu Median Income Level, as determined by DPP. Depending on the income level of the Buyer, each designated Affordable Home, if any, will be conveyed subject to either a four (4) year or eight (8) year buy-back restriction benefitting the City and County of Honolulu that limits the lease, rental, or resale of the Home during the restriction period.

20. Developer, D.R. Horton-Schuler Homes, LLC, is the Community real estate broker. The developer's manager, Vertical Construction Corporation, is the general contractor for the Community.

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT CONTAINED IN THE DECLARATION, BY LAWS, CONDOMINIUM MAP, COMMUNITY RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL. CAPITALIZED TERMS USED HEREIN, UNLESS OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE DECLARATION.

EXHIBIT V
(Unilateral Agreement and Declaration for Conditional Zoning
recorded as Document No. 3195643)

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84CC



L-731 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED
NOV 19, 2004 10:00 AM
Doc No(s) 3195643
on Cert(s) 493,720



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/s/ CARL T. WATANABE
ASSISTANT REGISTRAR

KM

LAND COURT

REGULAR SYSTEM

After recordation, return by mail (x) pick up () to:

D.R. Horton - Schuler Division
828 Fort Street Mall, 4th Floor
Honolulu, Hawaii 96813

Title of Document:

Unilateral Agreement And Declaration For Conditional Zoning

Party To Document:

C.R. CHURCHILL, D.A. HEENAN, RICHARD W. GUSHMAN, II and RONALD J. ZLATOPER, the duly appointed, qualified and acting TRUSTEES UNDER THE WILL AND OF THE ESTATE OF JAMES CAMPBELL, DECEASED, acting in their fiduciary and not in their individual capacities- Declarant

Property Description:

THOSE certain portions of parcels of land situate at Honouliuli, Ewa, City and County of Honolulu, State of Hawaii, containing 149.5 acres more or less, being a portion of Lot 13880 of Land Court Application 1069 (Map 1055); a portion of Lot 15685 of Land Court Application 1069 (Map 1208);

and all of Lot 13883 of Land Court Application No. 1069 (Map 1055), further described as Tax Map Key: 9-1-16: 1 (por.), 122 (por.), 123 (por.) and 124 , as more particularly shown on Exhibit "A-1" attached hereto and made a part hereof.

UNILATERAL AGREEMENT & DECLARATION FOR CONDITIONAL ZONING

THIS INDENTURE (hereinafter referred to as this "Unilateral Agreement" or this "Declaration"), made this 17th day of November, 2004, by C.R. CHURCHILL, D.A. HEENAN, RICHARD W. GUSHMAN, II and RONALD J. ZLATOPER, the duly appointed, qualified and acting TRUSTEES UNDER THE WILL AND OF THE ESTATE OF JAMES CAMPBELL, DECEASED, acting in their fiduciary and not in their individual capacities, whose business address is 1001 Kamokila Boulevard, Kapolei, Hawaii 96707 (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner in fee simple of certain portions of parcels of land situate at Honouliuli, Ewa, City and County of Honolulu, State of Hawaii, containing 149.5 acres more or less, being a portion of Lot 13880 of Land Court Application 1069 (Map 1055); a portion of Lot 15685 of Land Court Application 1069 (Map 1208); and Lot 13883 of Land Court Application No. 1069 (Map 1055), further described as Tax Map Key: 9-1-16: 1 (por.), 122 (por.), 123 (por.) and 124 , as more particularly shown on Exhibit "A-1" attached hereto and made a part hereof, more particularly described by metes and bounds in Exhibit "A-2" attached hereto and made a part hereof, and also described by Land Court lot in Exhibit "A-3" attached hereto and made a part hereof (the "Land"), and desires to make the Land subject to this Unilateral Agreement; and

WHEREAS, Declarant plans to develop a commercial-residential mixed use project known as Mehana at Kapolei on the Land (the "Project"); and

WHEREAS, the City Council (the "Council") of the City & County of Honolulu (the "City"), pursuant to the provisions of the Land Use Ordinance ("LUO"), Revised Ordinances of Honolulu 1990 ("ROH") Section

21-2.80, as amended, relating to conditional zoning, is considering a change in zoning under the LUO of the Land from AG-1 Restricted Agricultural District to BMX-3 Community Business Mixed Use District with a 45-foot height limit, AMX-2 Medium Density Apartment Mixed Use District with a 45-foot height limit, AMX-2 Medium Density Apartment Mixed Use District with a 60-foot height limit, A-1 Low Density Apartment District with a 30-foot height limit, R-5 Residential District, and P-2 General Preservation District ("the zone change"); and

WHEREAS, a public hearing regarding the change in zoning, Bill 73 (2004), was held by the Council on November 10, 2004; and

WHEREAS, the Council recommended by its Zoning Committee Report No. 483 that the said zone change be approved, subject to the following conditions contained in this Declaration to be made pursuant to the provisions of ROH Section 21-2.80, as amended, relating to conditional zoning, and to become effective on the effective date of the zoning ordinance approving the change of zoning (the "Rezoning Ordinance").

NOW, THEREFORE, Declarant, for itself and its successors and assigns, hereby covenants and declares as follows:

1. Declarant shall develop the Land in substantial compliance with the City of Kapolei Urban Design Plan, except where modified below, and plans shown in Exhibits B-1, B-2, B-3, and B-4 attached hereto and made a part hereof:
 - a. Residential
 - i. The building heights within the AMX-2 District will vary and building massing will be "tiered" up to the maximum heights indicated on the zoning map, incorporating sloped roofs and covered lanais.
 - ii. Single-family dwellings are permitted provided multi-family dwellings, defined as those with 3 or more dwellings within a single structure, shall be no less than 51 percent of the total number of dwellings in the Project.

Single-family and two-family dwelling units shall not be permitted within the AMX-2 and BMX-3 Districts.

- iii. Minimum setback requirements shall be in accordance with the Land Use Ordinance. The required front yard will vary according to a "front yard averaging", thereby creating an articulated building front.
 - iv. An approximate two-acre site for BMX-3 zoning is permitted on the Land.
 - v. Front-loaded single-family housing products are permitted. Rear-loaded homes will be the predominate single-family home featured along the two main collector roads as shown on Exhibit B-1, the Updated Preliminary Land Use Plan dated August 19, 2004.
 - vi. With regards to block sizing, the Declarant is required to substantially conform to the roadway grid as reflected in the Updated Preliminary Land Use Plan dated August 19, 2004 (Exhibit B-1).
- b. Parks and Open Space
- i. Kapolei Green shall be dedicated to the City and shall include the amenities and features as contemplated pursuant to D.R. Horton's letter dated August 26, 2004, attached hereto (Exhibit C-1) and made a part hereof, to the Department of Parks and Recreation (DPR) and DPR's written reply to D.R. Horton dated September 13, 2004, attached hereto (Exhibit C-2) and made a part hereof, in which D.R. Horton agreed to provide a clean, graded, grassed and irrigated central park with a total area of approximately 4.5 acres. DPR agreed to recommend the proposed park as planned for dedication to the City once constructed. Additional improvements, if provided by the Declarant at the request and/or agreement of the City, would qualify as excess Park Dedication Credits for the Declarant. Final

terms of such an arrangement shall be subject to a formal agreement, between the Declarant and the City when such improvements are sought.

- ii. The Declarant shall establish parks and pedestrian and bike paths as shown on the Updated Preliminary Land Use Plan dated August 19, 2004 (Exhibit B-1), including the connection of the parks and the elementary school fields and playground (which also could serve as an active open space) by a landscaped linear path.
- iii. The "Village Walk", as originally planned to be within the approximate center of the Mehana at Kapolei site, is now being relocated along the Project's mauka boundary. The Declarant shall construct Village Walk improvements such as an 8-foot walkway, landscaping and street furniture, up to their property line, as shown in Exhibit B-2, Village Walk Concept Plan A dated August 19, 2004, attached hereto and made a part hereof. These improvements shall supplement the adjoining improvements to be provided by The Estate of James Campbell or its successor entities, as shown on the Village Walk Concept Plan A dated August 19, 2004 (Exhibit B-2).
- iv. A reserve area for a possible roadway in proximity to the makai edge of the school site shall be provided by the Declarant for connection within the area to Ft. Barrette Road. This future connection point and eventual road alignment could be different from that represented on the Updated Preliminary Land Use Plan dated August 19, 2004 (Exhibit B-1), as negotiations between Declarant and various governmental agencies are finalized. The reserve area shall remain in effect unless the State Department of Transportation or other governmental agencies, as appropriate, determine that a roadway connection to Ft. Barrette Road is not permitted. In that event, the reserve shall terminate and the area shall be available for residential development.

c. Roadways

- i. Employing Subdivision Street Standards as adopted by the Department of Planning and Permitting of the City and County of Honolulu (DPP) is permitted.
- ii. Eliminate from the Kapolei Urban Design Plan any references to the collector road that borders the mauka edge of the property, subject to the relocation of the Village Walk as discussed above, and Renton Road Extension, which is an unconnected remnant along the makai boundary of Mehana.

d. Regional Drainage

- i. The regional drainage corridor abutting the mauka side of the OR&L right-of-way, shall be developed as a grass-lined drainage system with trees along a bicycle path, open for public use, within or abutting the drainage system, as shown in concept in the Drainage Corridor Concept Plan dated August 27, 2004, attached hereto as Exhibit "B-3" and made a part hereof. The final plans for the drainage system shall be subject to the approval of the Director of DPP. The Declarant shall improve the drainage system as described and dedicate the drainage system subject to a schedule approved by the Director of DPP. Hardscaping within the drainage facility will be permitted for easements for electrical transmission, fuel and sewerage, bike and pedestrian paths and vehicular crossings.
- ii. The Declarant shall provide public pedestrian and vehicular connections to the regional drainage corridor as shown in the Updated Preliminary Land Use Plan dated August 19, 2004 (Exhibit B-1).

2. Prior to the approval of the first building permit by DPP, the Declarant shall submit "Mehana Design Guidelines" for the Project (except for the school site) illustrating site planning guidelines and

building design features, including a variety of elevations, fencing, roofing elements, landscaping, lanais, etc. for approval by the City of Kapolei Design Advisory Board ("DAB") and DPP. The Mehana Design Guidelines shall be consistent with the City of Kapolei Urban Design Plan ("Kapolei UDP") in effect. Thereafter, individual site plans and front elevations for all project phases shall be submitted to DPP for approval and shall evidence general conformance with the design concepts of the Mehana Design Guidelines. Modifications to the Mehana Design Guidelines shall be subject to approval by the Director of DPP. Said site plans for all project phases shall be deemed approved by the Director of DPP if no comments are received by Declarant within 45 days of submittal to DPP.

The Mehana Design Guidelines are intended to serve as interim guidelines until amendments to the Kapolei UDP are approved by the Council. As such, conformance with the Mehana Design Guidelines shall no longer be required upon approval by the Council of appropriate amendments to the Kapolei UDP incorporating these or other design guidelines that the Council deems appropriate.

Any development that is inconsistent with the Mehana Design Guidelines and the then-effective Kapolei UDP shall not be permitted until appropriate amendments to the Kapolei UDP are approved by the Council.

3. Prior to approval of subdivision applications (except those for bulk lot purposes), the Declarant shall submit, in coordination with the State Department of Transportation (DOT) and the City Department of Transportation Services (DTS), a roadway master plan for roadways within and adjacent to the Project consistent with the roadway layout provided in the Updated Preliminary Land Use Plan, dated August 19, 2004 (Exhibit B-1), to DPP for review and approval. The roadway master plan shall include road cross-sections and associated land uses. An analysis of auxiliary left and right turn lane lengths shall also be provided as may be required by DPP. The plan shall also take into account the need to provide enhanced pedestrian and bicycle facilities, as presented in the Declarant's zone change application, as well as future transit stop locations. An identification of which intersections may warrant future traffic signal

installation shall also be included. The development of the Land shall conform to the approved roadway master plan, provided that the plan may be amended from time to time with the prior written approval of the Director of DPP.

4. Transportation. The Declarant shall carry out the following requirements related to traffic and transportation improvements:
 - a. Prior to applying for building permits for any additional dwelling unit beyond 400 dwelling units, the Declarant shall consult with the State DOT, DTS and DPP, and submit for approval to the Director of DPP a supplemental update to the Traffic Impact Assessment Report (Declarant's Traffic Impact Study dated May 5, 2004, hereinafter called the "TIAR"), or provide supplemental information to the Traffic Impact Assessment Report updates required by the conditions relating to traffic and transportation improvements attached to the enactment of Bill 72 (2004), as amended. The Declarant's submittal, hereinafter called the "Supplemental Traffic Impact Assessment Report (TIAR)", shall include a Traffic Management Plan (TMP) identifying Traffic Demand Management (TDM) strategies to reduce area wide traffic congestion. The Supplemental TIAR area shall generally be that area described in Exhibit D, attached hereto and made a part hereof. Prior to applying for building permits for any additional dwelling unit beyond 800 dwelling units, the Declarant shall submit an update to the Supplemental TIAR, identifying roadway infrastructure improvements that are or will be needed to support the Project during its various stages including an analysis of traffic signal warrants.
 - b. Fund and/or construct its share of roadway improvements, described in the TIAR and supplemental updates, as may be required by State and City transportation agencies, within the Project area or directly attributable to the Project .
 - c. On an annual basis, Declarant shall participate in a meeting to be organized by DPP and to include State DOT and DTS to discuss the coordination and implementation of traffic improvements in and around the City of Kapolei and the need

for additional studies. This condition for participation in an annual meeting shall be deemed satisfied and shall be fully released upon the approval of the last building permit of the last phase of the Project. In its annual report to the City required by Condition 14, the Declarant shall report on the status and scheduling of its implementation of traffic improvements related to the Project.

5. The Declarant shall develop the necessary potable and non-potable water system improvements to serve the Project, including the school site and the drainage corridor discussed in Condition 1.d. herein, as may be required by the Board of Water Supply, prior to any subdivision or building permit approval, whichever comes first.
6. Prior to subdivision, residential cluster or residential building permit approval, the Declarant shall execute an agreement to participate in an affordable housing plan acceptable to DPP in accordance with adopted rules. The agreement shall provide for no less than 30% of the total residential units of the Project to be delivered to households with incomes up to and including 120 percent of median income or less, including no less than 10 percent of the total units to be delivered to households with incomes up to and including 80 percent of median income or less. "Median income" means the median income for Honolulu, adjusted for family size, as determined by the United States Secretary of Housing and Urban Development.
7. The Declarant shall contribute to the development, funding, and/or construction of school facilities, on a fair-share basis, as determined by and to the satisfaction of the State Department of Education (also referred to as "DOE"). Terms of the contribution agreement shall be agreed upon in writing by the Declarant and the DOE, prior to obtaining building permits.
8. Prior to building permit approval, the Declarant shall submit to the Department of Health (DOH) and DPP, a solid waste management plan as may be required by the DOH. The Declarant shall comply with the approved solid waste management plan.

9. Prior to grading permit approval, the Declarant shall prepare and submit a dust control plan to DPP and DOH, as may be required by DOH. The Declarant shall comply with the approved dust control plan.
10. The Declarant shall inform all prospective purchasers or lessees of single- and multi-family dwellings in the Project of all of the following:
 - a. The potential impacts, including but not limited to traffic, aircraft noise, and adverse effects from the Kalaeloa Community Development District and that an expansion of military uses and associated adverse impacts may occur within Kalaeloa;
 - b. The development is located within the contours of the Honolulu International Airport 1987 Noise Contour Map; and
 - c. The development is located near the OR& L Historic Railway and the operation of trains on the railway may result in noise and other impacts associated with the operation of the trains.

The disclosure shall be made through a Disclosure Document acceptable in form and content to the DPP and the Corporation Counsel. The Disclosure Document shall be signed by the purchaser or lessee as an affirmative acknowledgment of the potential impacts. All disclosures shall be included in any deed or lease of residential property and any applicable Declaration of Covenants, Conditions and Restrictions, and shall be recorded so as to run with the land of the affected property. The form, content, and manner of recordation of the disclosures shall be approved by the DPP and the Corporation Counsel prior to any subdivision approval (except those for bulk lot purposes) or building permit approval, whichever occurs first.

11. The Declarant shall submit a revised drainage master plan and implementing schedule for the drainage improvements required for the development of the Project. The master plan shall be approved by the Director of DPP prior to any subdivision approval (except those for bulk lot purposes). The Declarant shall comply with the revised drainage master plan and implementing schedule.

12. If, during construction, any previously unidentified archaeological site or remains (such as artifacts, shell, bone, or charcoal deposits, human burials, rock or coral alignments, paving, or walls) are encountered, the Declarant shall stop work and contact the State Historic Preservation Division (SHPD) immediately. Work in the immediate area shall be stopped until the SHPD is able to assess the impact and make further recommendations for mitigative activity.
13. The Declarant acknowledges that approval of this zone change does not constitute compliance with other Land Use Ordinance or governmental agencies' requirements. They are subject to separate review and approval. The Declarant shall be responsible for ensuring that the final plans for the Project comply with all applicable Land Use Ordinance and other governmental agencies' provisions and requirements.
14. On an annual basis, the Declarant shall submit a written status report to DPP documenting its satisfaction of and/or describing its progress toward complying with each condition of approval for this zone change. The status report shall be submitted to DPP by December 31 of each year until such time as DPP has determined that all conditions of approval have been satisfied. If a status report is not submitted within the time specified, the DPP may defer the processing of permits until a status report is submitted.
15. In the event of noncompliance with any of the conditions set forth herein, the Director of Planning and Permitting shall inform the Council and may initiate action to rezone the Land, seek civil enforcement, or take appropriate action to terminate or stop the Project until applicable conditions are met.
16. Failure to fulfill any conditions to the zone change may be grounds for revocation of the permits issued under this zoning and grounds for the enactment of ordinances making further zone changes, including revocation of the underlying zoning, upon initiation by the proper parties in accordance with the Revised City Charter.

17. Declarant expressly acknowledges and agrees that its obligations hereunder shall survive the termination of the Estate of James Campbell and shall be binding upon its successors and assigns.

NOW, THEREFORE, Declarant hereby makes the following additional Declarations:

For purposes of this document, any references to a specific City department or agency shall be deemed to include a reference to any successor department or agency.

That the conditions imposed herein are reasonably conceived to fulfill public service demands created by the requested change in zoning and are rationally related to the objective of preserving the public health, safety and general welfare and the further implementation of the General Plan of the City and County of Honolulu.

The development of the Land shall conform to the aforesaid conditions with the understanding that, at the request of the Declarant and upon the satisfaction of the conditions set forth in this Unilateral Agreement, the Department of Planning and Permitting may fully or partially release, as applicable, any of the foregoing conditions that have been fulfilled.

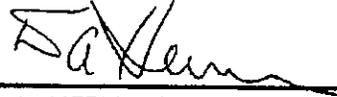
That if there are any conflicts between this Unilateral Agreement and any previous unilateral agreement(s) applicable to the Land, the terms and conditions of this Unilateral Agreement shall apply.

AND IT IS EXPRESSLY UNDERSTOOD AND AGREED that the conditions imposed in this Declaration shall run with the Land and shall bind and constitute notice to all the parties hereto and subsequent lessees, grantees, assignees, mortgagees, lienors, successors, and any other persons who have or claim to have an interest in the Land, and the City and County of Honolulu shall have the right to enforce this Declaration by rezoning, appropriate action at law or suit in equity against all such persons, provided that the Declarant or its successors and assigns may file a petition with the Department of Planning and Permitting for amendment or removal of any conditions or termination of this Declaration, such petition to be processed in the same manner as petitions for zone changes.

DECLARANT: TRUSTEES UNDER THE WILL AND OF
THE ESTATE OF JAMES CAMPBELL,
DECEASED, acting in their fiduciary
and not in their individual
capacities



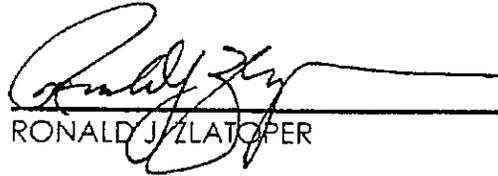
C.R. CHURCHILL



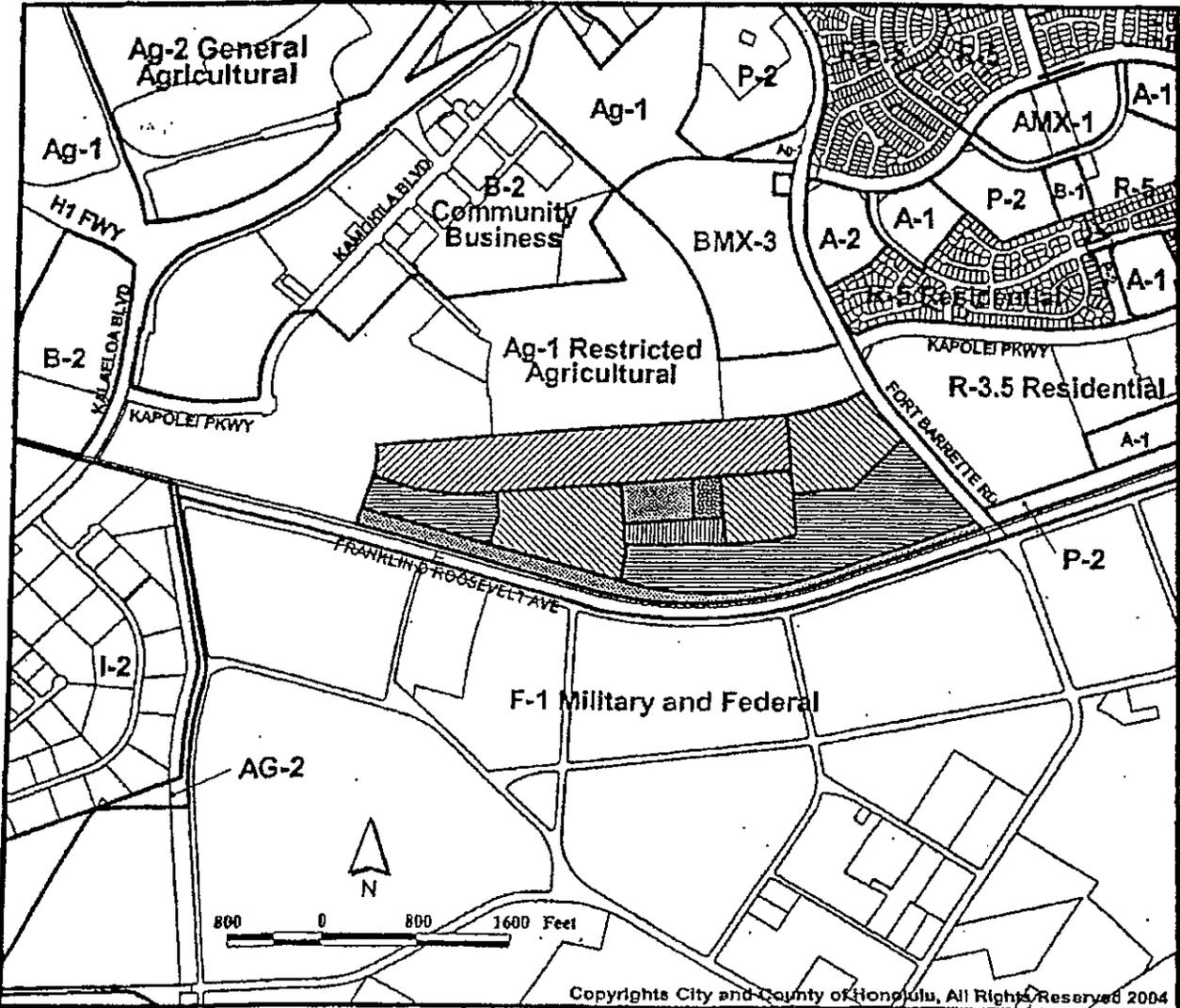
D.A. HEENAN



RICHARD W. GUSHMAN, II



RONALD J. ZLATOPER



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Zone Change Legend

-  From AG-1 to AMX-2 with 60-ft. height limit
-  From AG-1 to BMX-3 with 45-ft. height limit
-  From AG-1 to AMX-2 with 45-ft. height limit
-  From AG-1 to A-1 with 30-ft. height limit
-  From AG-1 to R-5
-  From AG-1 to P-2



PORTION OF ZONING MAP NO. 12
(EWA BEACH-IROQUOIS POINT)

APPLICANT: D. R. Horton, Schuler Division
TAX MAP KEY(S): 9-1-16: Portion 1, Portion 122, Portion 123, and 124
FOLDER NO.: 2004/Z-5
LAND AREA: Approximately 149.5 Acres
PREPARED BY: Department of Planning and Permitting City and County of Honolulu
PUBLIC HEARING: Planning Commission City Council

ORD. NO.
EFF. DATE

EXHIBIT A-1

BILL

2004/Z-5

EXHIBIT A-2

Being all of Lot 13883 and portions of Lots 13880 and 13881 as shown on Map 1055 and a portion of Lot 13884 as shown on Map 1056 of Land Court Application 1069.

Situate at Honouliuli, Ewa, Oahu, Hawaii.

Beginning at the Southeast corner of this parcel of land, on the West side of Barbers Point NAS Access Road (Project No. D-AD-1(2)), the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAPUAI NEW" being 18,663.16 feet South and 1,377.40 feet East and running by azimuths measured clockwise from true South:

1. 70° 00' 1,390.31 feet along Exclusion 2 of Land Court Application 1069;
2. Thence along same, on a curve to the right with a radius of 3,418.00 feet, the chord azimuth and distance being:
87° 41' 30" 2,077.42 feet;
3. 105° 23' 2,049.83 feet along same;
4. 195° 23' 530.00 feet along the remainder of Lot 13880 (Map 1055) of Land Court Application 1069;
5. Thence along same, on a curve to the left with a radius of 430.00 feet, the chord azimuth and distance being:
185° 26' 30" 148.48 feet;
6. 175° 30' 84.32 feet along same;
7. 265° 30' 3,562.61 feet along the remainders of Lots 13880 and 13831 (Map 1055) and Lot 13884 (Map 1056) of Land Court Application 1069;
8. Thence along the remainder of Lot 13884 (Map 1056) of Land Court Application 1069, on a curve to the left with a radius of 1,409.00 feet, the chord azimuth and distance being:
251° 50' 24" 665.50 feet;

9. Thence along the West side of Barbers Point NAS Access Road (Project No. D-AD-1(2)), on a curve to the left with a radius of 2,077.19 feet, the chord azimuth and distance being:
323° 50' 02" 386.19 feet;
10. 318° 30' 1,205.19 feet along same to the point of beginning and containing an area of 151.009 acres.



November 12, 2004
Honolulu, Hawaii

Wilfred Y.K. Chin
Wilfred Y.K. Chin
Licensed Professional Land Surveyor
Certificate Number 3499
License Expires 4/06

EXHIBIT A-2

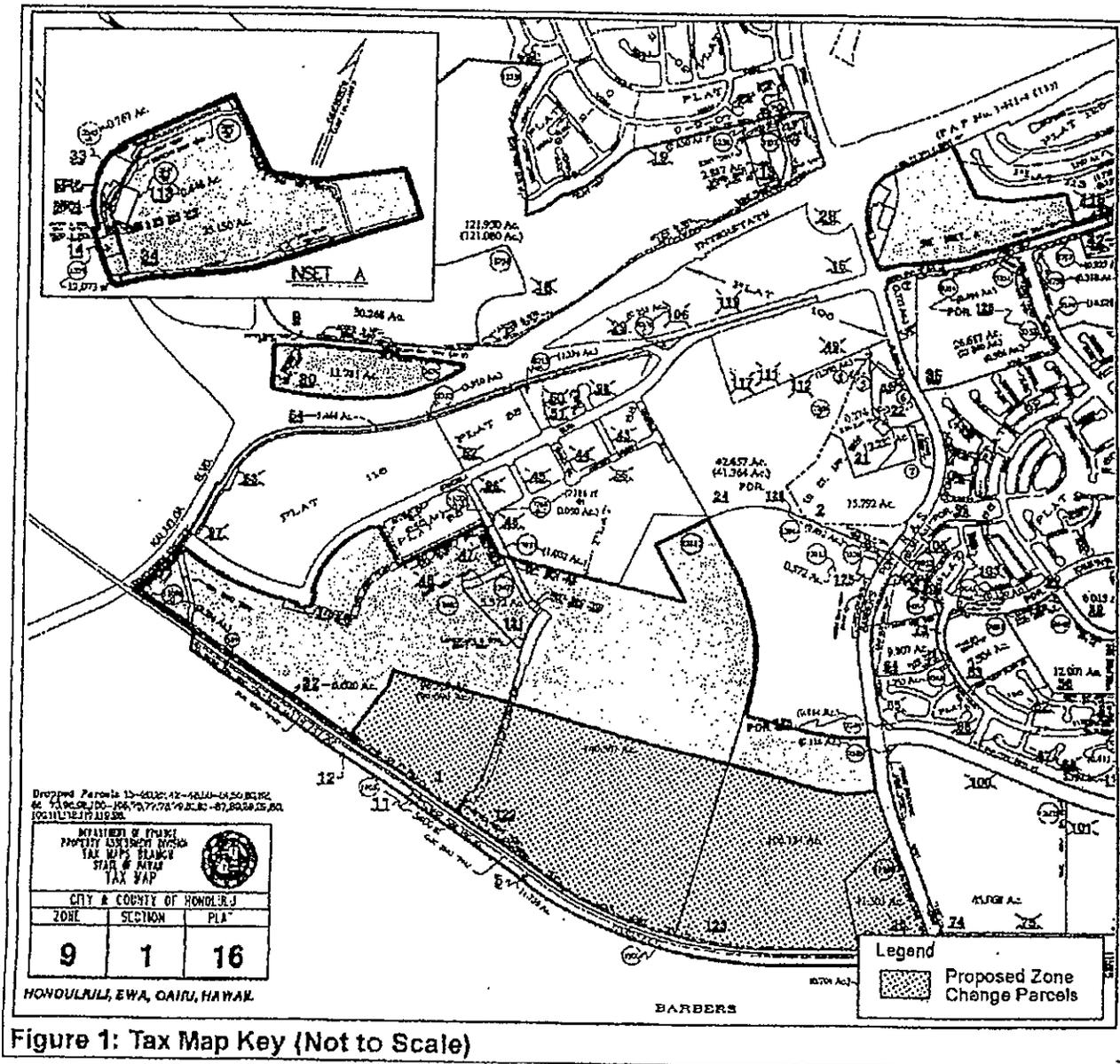


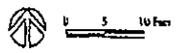
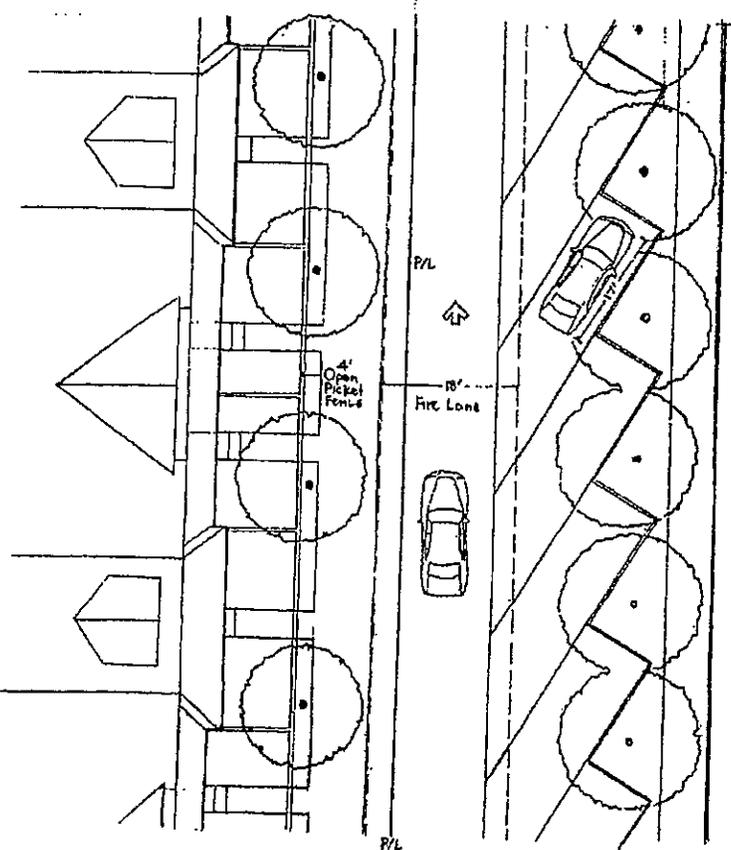
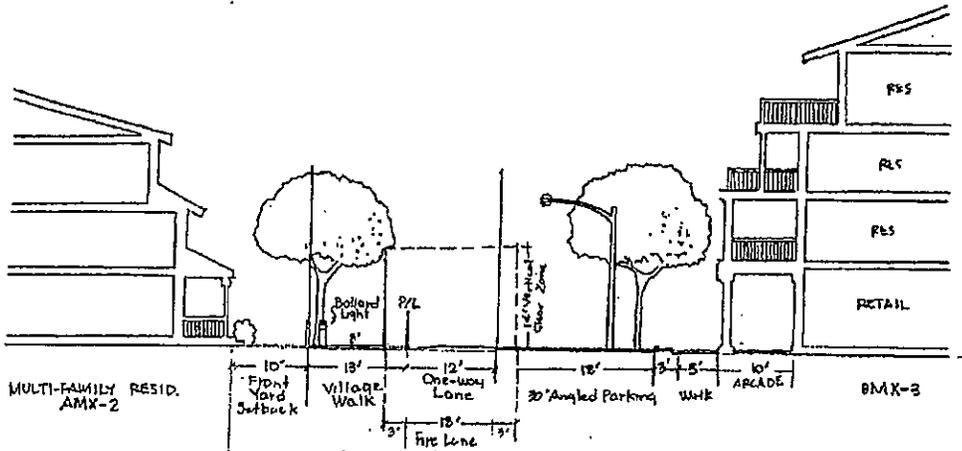
Figure 1: Tax Map Key (Not to Scale)

EXHIBIT A-3

All of those certain parcels of land situate at Honouliuli, City and County of Honolulu, Island of Oahu, State of Hawaii, more particularly described as follows:

Lot	Map	Certificate of Title	Owner
Lot 13880 (portion)	Map 1055	493,720	Trustees under the Will and of the Estate of James Campbell, Deceased
Lot 13883	Map 1055	493,720	Trustees under the Will and of the Estate of James Campbell, Deceased
Lot 15685 (portion)	Map 1208	493,720	Trustees under the Will and of the Estate of James Campbell, Deceased

End of Exhibit A-3

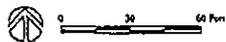
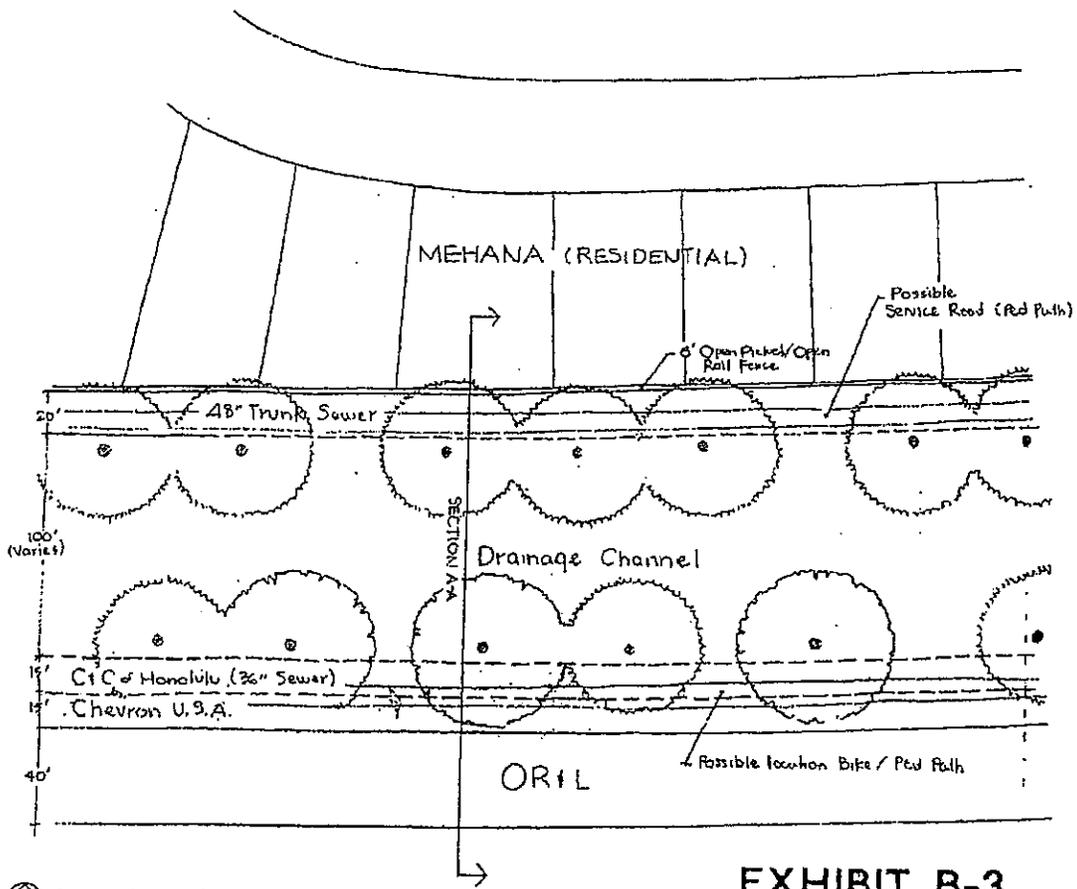
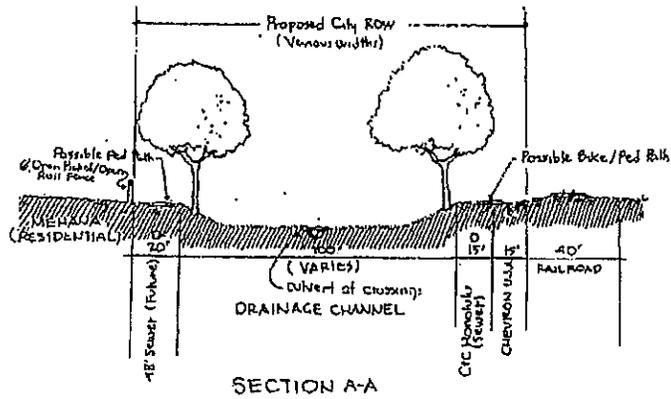


August 19, 2004
 Helber Hastert & Fee, Planners
 Honolulu, Hawaii

EXHIBIT B-2

VILLAGE WALK CONCEPT PLAN A
 MEHANA AT KAPOLEI
 D.R. HORTON - SCHULER DIVISION

*Plan is conceptual; Building forms and landscape details are subject to change



Revised August 27, 2004

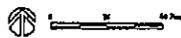
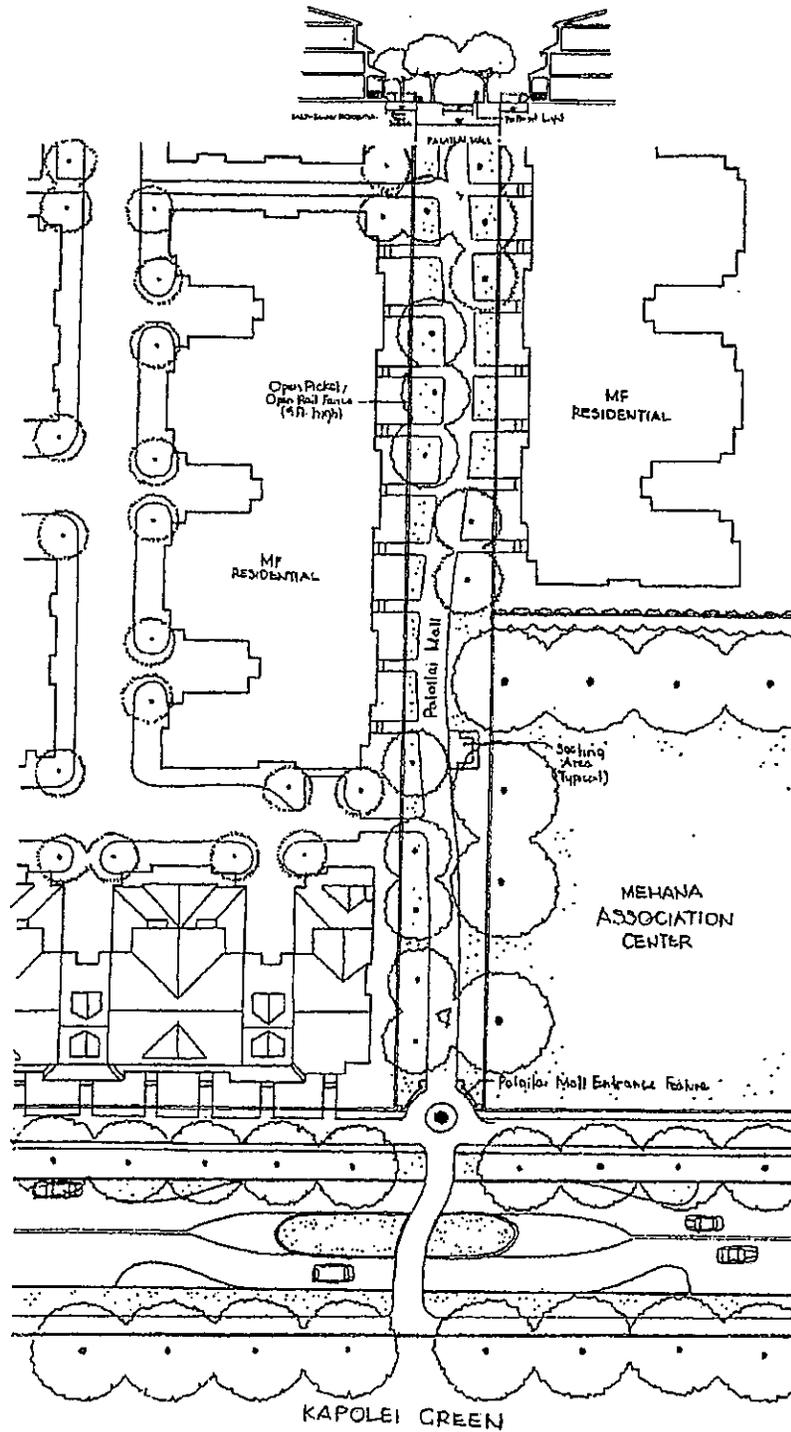
August 19, 2004

Helber Hastert & Fee, Planners
Honolulu, Hawaii

EXHIBIT B-3

DRAINAGE CORRIDOR CONCEPT PLAN
MEHANA AT KAPOLEI
D.R. HORTON - SCHULER DIVISION

*Plan is conceptual; Building forms and landscape details are subject to change



August 19, 2004
 Helber Hastert & Fee, Planners
 Honolulu, Hawaii

EXHIBIT B-4

PALAILAI MALL CONCEPT PLAN
 MEHANA AT KAPOLEI
 D.R. HORTON - SCHÜLER DIVISION

*Plan is conceptual. Building forms and landscape details are subject to change.

D·R·HORTON PHI
NYSE
America's Builder
SCHULER DIVISION

MICHAEL T. JONES
PRESIDENT

August 26, 2004

Mr. Bill Balfour, Director
Department of Parks and Recreation
City and County of Honolulu
Kapolei Hale
1000 Uluohia Street #309
Kapolei, Hawai'i 96707

Mehana at Kapolei
Neighborhood Park Dedication Recommendation

Dear Mr. Balfour,

Thank you very much for your time and advice at our August 12, 2004 meeting, to discuss Mehana's proposed neighborhood park. It will play a vital role in establishing Mehana as a desirable place to live and we look forward to working with the City and County to create a first class park for the community.

I have enclosed a copy of the conceptual park plan we reviewed with you and your staff, for your records. Based on our representations at the meeting, you indicated that your department would recommend that the approximately 4.5-acre park area be accepted by the City and County for park dedication purposes. We request your acknowledgment of this recommendation be forwarded to the Department of Planning and Permitting relative to the pending Mehana Zone Change application (DPP File No. 2004/Z-5).

It is our intention to grade, grass and irrigate the 4.5 acre park site and dedicate the park to the City. The other improvements, such as the parking lot, restrooms, children's play structure and basketball/volleyball courts will be constructed by the City & County.

As discussed at the meeting, we are considering the possibility of constructing some or all of the park improvements—according to a mutually acceptable plan. It is our understanding that these improvements could be credited towards any outstanding or future on- or off-site park dedication requirements.

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828 Fort Street Mall • 4th Floor • Honolulu, Hawaii 96813 • (808) 527-5661 • Fax: (808) 538-1476
www.drhortonhawaii.com

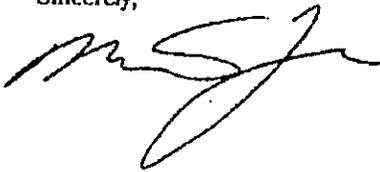
EXHIBIT C-1

Page 2

Mr. Bill Balfour
August 26, 2004
Page 2

Please call me or Harvey Goth with any questions or concerns.

Sincerely,



Enclosure: Neighborhood Park Conceptual Plan (August 19, 2004)

cc: Tom Fec
Keith Kurahashi
Bob Bruhl
Eric Crispin/Director of DPP

EXHIBIT C-2

DEPARTMENT OF PARKS AND RECREATION
CITY AND COUNTY OF HONOLULU

KAPOLEI HALL, 1000 ULUKOHA STREET, STE. 500 • KAPOLEI, HAWAII 96707
PHONE: (808) 808-3881 • FAX: 808-3131 • INTERNET: WWW.DO.HONOLULU.HI

JEREMY HARRIS
MAYOR



WILLIAM D. BALFOUR, JR.
DIRECTOR

EDWARD Y. "BOPIA" DIAZ
DEPUTY DIRECTOR

September 13, 2004

Mr. Michael T. Jones, President
DR Horton
828 Fort Street Mall, 4th Floor
Honolulu, Hawaii 96813

Dear Mr. Jones:

Thank you for your letter of August 26, 2004, confirming what was discussed at our August 12, 2004, meeting on the proposed Mehana Neighborhood Park.

By copy of this letter, we are recommending to the Department of Planning and Permitting, to accept the 4.5 acre park for park dedication purposes relative to the Mehana Zone Change application (DPP File No. 2004/Z-5).

Should you need further assistance, please contact Mr. Dexter Liu, Leeward Oahu District Manager, at 675-6030.

Sincerely,

W. D. Balfour, Jr.
WILLIAM D. BALFOUR, JR.
Director

WDB:kt
(74602)

cc: Department of Planning and Permitting

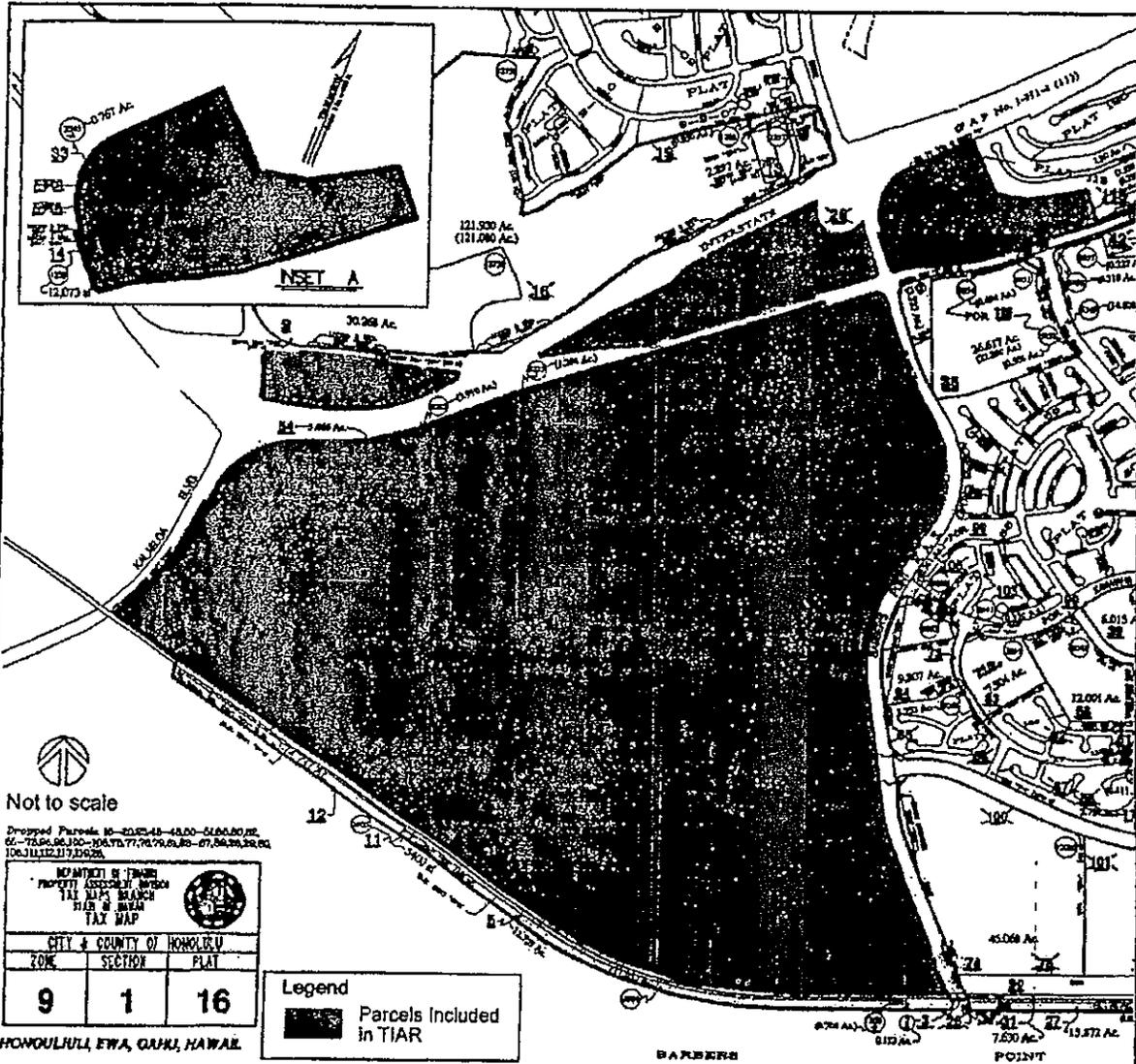


Exhibit D: TIAR Area

Kapolei Property Development, LLC

November 10, 2004
 Helber Hastert & Fee, Planners, Inc.

EXHIBIT W
(Solid Waste Management Plan Mehana at Kapolei)

EXHIBIT W

SOLID WASTE MANAGEMENT PLAN MEHANA AT KAPOLEI

(As developed in consultation with the State of Hawaii, Department of Health,
Solid Waste Management Branch, December 2006)

Recycling of materials (construction and established development on going use) is the primary goal of the Mehana at Kapolei Solid Waste Management Plan. To that end the following recommendations are being provided to contractors, homeowners and AOAO's for the project:

1. Gypsum and plaster are not subject to recycling since there are no current facilities to permitted to accept gypsum board. Should recycling facilities be available in the future, recycling is encouraged.
2. Treated wood wastes are not subject to recycling and should be disposed of at an approved Landfill. PVT is a currently approved landfill. Should recycling facilities be available in the future, recycling is encouraged.
3. Non-reusable glass shall be properly disposed. PVT is a currently approved disposable location.
4. Reuse of glass in a reusable form is encouraged. Currently (on Oahu) glass bottles are only accepted for recycling.
5. Non-ferrous metals including uncontaminated brass, copper or aluminum should be recycled. Current facilities recovering non-ferrous metals are: C. M. Recycling, LLC; Hans Metals; Okuda Metals; Reynolds Recycling and Island Recycling.
6. Paper products including white or colored paper, newsprint and cardboard should be recycled. Current facilities recycling paper products are Honolulu Recovery and Island Recycling.
7. Green waste products generated during construction and ongoing maintenance should be delivered to composting materials when feasible. Current facilities accommodating composting include Hawaiian Earth Products.
8. Provide opportunities for residents to recycle. This will be primarily accommodated by encouraging/endorsing property owners to participate with City and County recycling programs that become available. Association newsletters can be used to inform residents.

(Note: This Solid Waste Management Policy has been developed in consultation with the State of Hawaii Department of Health Solid Waste Management Branch based on December 27, 2006 correspondence. Materials subject to recycling and approved recyclers identified above are subject to change. This plan is not intended to be in conflict with any other solid waste management policies including those of the City and County of Honolulu with respect to construction and or City and County of Honolulu existing or future residential or commercial recycling plans)

EXHIBIT X
(Olino at Mehana Affordable Housing Information Circular)



OLINO AT MEHANA AFFORDABLE HOUSING INFORMATION

Thank you for your interest in Olino at Mehana. We at D.R. Horton-Schuler Homes, LLC (“**D.R. Horton**”) are pleased to introduce one of the newest housing communities on Oahu containing affordable units. The designated affordable units have been constructed and marketed in cooperation with the City and County of Honolulu (the “**City**”) and sales of affordable units in the community will be administered by the City’s Department of Permitting and Planning (“**DPP**”). Sales of affordable units will be by either a lottery or chronological offering as described in this information circular.

GENERAL ELIGIBILITY REQUIREMENTS

1. Applicants must meet all of the eligibility requirements of Section 3-2 of DPP’s Affordable Housing Rules adopted in February 2010 (the “**Affordable Housing Rules**”). A copy of this Section of the Rules is attached as Exhibit 1. The eligibility requirements are generally summarized below.
2. Applicants must not own any real estate suitable for residential use, prior to closing of a unit in Olino at Mehana or for the year prior to the date of the Applicant’s housing application.
3. Applicants must be at least 18 years old and a citizen of the U.S. or a resident alien living in the State of Hawaii with a bona-fide intent to reside in the unit purchased.
4. Designated affordable units in the community will be offered for sales to eligible purchasers earning up to 120% of the City and County of Honolulu’s “Median Household Income”.
5. Applicants must abide by the applicable Buy-back Restriction attached as Exhibit 2 to this information circular (four (4) or eight (8) years) regarding sales of affordable units at Olino as mandated in Unilateral Agreement and Declaration for Conditional Zoning, recorded as Document No. 3195643 (the “**UA**”), and the Affordable Housing Agreement applicable to the community. Renting, selling, leasing, offering to rent, sell, or lease, or changing title of an affordable housing unit are restricted under the City’s affordable housing rules. The UA and the Affordable Housing Agreement applicable to the community give the City an option to purchase the affordable unit sold to an eligible purchaser if the eligible purchaser seeks to rent, lease or sell the designated affordable unit, among other items, during the buy-back restriction period. If circumstances require you take one of these types of actions you must first notify the City’s Department of Budget and Fiscal Services (“**BFS**”) at 808-768-8652 and D.R. Horton in writing of your circumstances, and provide the City the option to purchase your unit as provided in the buy-back restriction. If the BFS does not wish to repurchase your unit, the City may require you to rent, lease, or sell the unit to individuals who qualify as affordable unit purchasers/renters under the City’s affordable housing rules. D.R. Horton has the right to enforce your promise to reside in your unit for the restriction period and the right to enforce any condition imposed by the City in connection with any approved rental, lease or sale of your unit. This means you can be prevented (and that D.R. Horton can go to court to prevent you) from renting, leasing or selling your unit during the applicable restriction period. It also means that you may be able only to rent, lease or sell your unit to individuals who have first qualified as affordable unit purchasers/renters with the City.
6. The duration of the buy-back restriction period varies depending on the income qualification level of the affordable unit purchaser, provided, however, sales of units may be limited to those eligible buyers earning up to eighty percent (80%) of the median household income. The restrictions on transfer, use and sale of the designated affordable unit currently being offered at Olino at Mehana are (i) eight (8) years for buyers earning up to eighty percent (80%) of the median household income, and (ii) four (4) years for buyers earning between eighty-one percent (81%) and one hundred twenty percent (120%) of the median household income. Applicants must be owner-occupants at all times during the applicable buy-back restriction period.

7. Applicants must have the ability to finance the purchase with their own resources, including cash requirements and qualifying for the mortgage loan.
8. Applicants must not have previously received assistance from a State or County agency to purchase an affordable unit, except in circumstances specifically permitted by the Director of DPP. Special application needs to be made for relief from this requirement.
9. The affordable units being offered include 2 bedroom, 2 bath units, 2 bedroom, 2.5 bath units, 3 bedroom, 2 bath units and 3 bedroom, 2.5 bath units. The Affordable Housing Rules specify a minimum and maximum occupancy for 2 bedroom units of 2 to 5 persons and a minimum and maximum occupancy for 3 bedroom units of 3 to 7 persons. Following an initial minimum marketing period of 90 days, DPP may consider, on a case by case basis, single member income qualified households as to 2 bedroom units.
10. Applicant's Annual Gross Household Income must not exceed 80% or 120% of the City and County of Honolulu's Median Household Income, depending on the applicable buyer category. The maximum qualifying income based on family size is listed on Exhibit 3 attached hereto.

As defined in Section 1.2 of the Affordable Housing Rules: "Gross Household Income" and means generally the total annual income of the applicant or co-applicant/spouse and any other household member over 18 years of age not claimed as a dependent, from all sources before deductions. Among other items, Social Security and pension benefits, COLA, BAQ, AND VHA are considered income; AND "Household" means (1) a single person; (2) two or more persons regularly living together related by blood, marriage, adoption, or by operation of law; (3) a live-in aide, as recognized by the Director, who is essential to the care and well-being of a household member; or (4) no more than five unrelated persons who have lived together for at least a year, who execute an affidavit, and provide proof acceptable to the Director of DPP. Applicants claiming family size by reason of pregnancy must present a doctor's certificate at the time of the interview, which may be accepted by DPP.

11. Applicants are advised that the making of any false statements knowingly, in connection with this application is a crime punishable by a fine of up to \$2,000.00 or imprisonment for up to one (1) year or both as applicable under the provisions of the Hawaii Penal Code, Part V, Section 710-1063.
12. During the applicable buy-back restriction period, should buyer intend to rent, lease, sell or change title to their unit, they must first give notice to the City's Department of Budget and Fiscal Services ("BFS"), and BFS has first option to purchase the unit or require buyer to sell the unit to a "qualified resident" as defined in §201H-112, HRS, at the price and upon terms that preserve the intent of §§201H-127, 129, and 130, HRS, and who is in the same income category as the original buyer at the time of the original sale, approved by BFS.

REQUIRED DOCUMENTS

The following buyer information forms are required by D.R. Horton and DPP and must be filled out completely by all parties before they may participate in the lottery or select a unit if a chronological offering system (first come first served) is used. Applicants submitting incomplete forms will be disqualified from the lottery or not be allowed to select a unit if a chronological system is used. **These forms must be mailed or delivered in person to D.R. Horton's sales office at 478 Kunehi Street Unit 101, Honolulu, Hawaii 96707, Attention BJ Nagata or Mary Pat Larsen; Telephone (808) 693-8004. As to sales of affordable units by lottery, the forms must be received by D.R. Horton at least 7 days prior to the scheduled date of the lottery or an applicant will not be permitted to participate in the lottery.**

1. Owner-Occupant Affidavit and Affidavit as to Family Members
Read and complete the necessary information. This form must be signed by all parties in front of a Notary Public. Do not sign this form without a Notary Public present.
2. Housing Application Form
This four page form must be completely filled out. *It must be returned together with all the specified personal data required on the basis of answers to the application.* All information will be kept confidential and will be submitted to the DPP and a Lender for their review and approval.

3. Tax Returns or Other Income Verification forms approved by DPP
Submit two (2) years of signed FEDERAL tax returns with all schedules attached to your application. Income eligibility can be based on tax return information, the household's current payroll information or other DPP approved income verification forms. TAX RETURNS MUST BE SIGNED BY ALL PARTIES.
4. Proof of Residency
Provide valid proof that you are domiciled in the State of Hawaii such as a Driver's License, State ID, or other approved documentation.
5. Pre-Qualification Letter
A Pre-Qualification Letter from DHI Mortgage or other approved lender is required. You are not required to use DHI Mortgage and may use a lender of your choice.
6. Lottery Registration Form.
This Lottery Registration Form is available from the sales office and must be completed to participate in the lottery.

SALES PROCESS

1. All designated affordable units will be offered initially by either a lottery or chronological system for sale to pre-qualified applicants.
2. Applicants wanting to participate in either the lottery or chronological offering must complete and submit to D.R. Horton ALL OF THE REQUIRED DOCUMENTS itemized above (i) at least 7 days prior to the scheduled date of the lottery or (ii) if by chronological offering, prior to selection of a unit. If an applicant does not fully complete the forms and return all of them, together with specified personal data required on the basis of answers to the Housing Application Form, they may not participate in either the lottery or chronological offering. In other words, if you do not return these forms to D.R. Horton within the time noted or return them with blanks, you may not participate in the lottery or chronological offering. D.R. Horton, in consultation with an applicant's lender, will make a preliminary determination of an applicant's qualification to participate in the lottery or chronological offering, provided, however, D.R. Horton's determination that an applicant is qualified is not binding on DPP.
3. If selected at the lottery or purchasing a unit by chronological system, an applicant may select an affordable unit to buy, sign a reservation to purchase that unit, and make a reservation deposit of \$1,000 on the unit. D.R. Horton will assist applicants in the selection of their units. Applicant's deposit will be refundable pending DPP certification of the applicant's qualification to purchase an affordable unit.
4. All of applicant's completed forms will be submitted to DPP for its review and certification of an applicant's eligibility and qualification to purchase an affordable unit. The completed forms will also be reviewed by D.R. Horton and the applicant's lender to determine eligibility. In the event the applicant's gross income or family size is obviously outside the qualifying ranges, or the Lender otherwise determines in its sole discretion the applicant is not eligible or qualified, such applicant's completed forms will not be submitted to DPP and the applicant's reservation will be cancelled and their deposit refunded. If DPP fails to certify an applicant's eligibility and qualification within a reasonable time, the applicant's reservation will be cancelled and the deposit refunded. In that case, the affordable unit selected by applicant will (i) be offered to the next lottery participant or if by chronological system, the next person on the wait list, in each case, who has not been able to reserve an affordable unit, or (ii) be offered on a first come, first served basis to the next applicant or the next applicant who has a registered interest if an interest list is utilized.
5. Once DPP has certified an applicant's qualification and eligibility to purchase an affordable unit, applicant will be given 5 days to enter into a sales contract provided applicant's loan pre-qualification remains effective. In that regard, it is each applicant's responsibility to stay in touch with their lender to assure any Loan Pre-Qualification Letter remains valid. Copies of the sales contract entered into by an applicant will be provided to DPP. If the applicant's Loan Pre-Qualification Letter expires or applicant does not enter a sales contract within the time permitted and make the required deposit under the sales contract, the applicant's reservation may be cancelled and the selected unit will be offered to the next applicant as stated above.

IMPORTANT NOTES

- 1. Before submitting a form, every blank must be filled in. If blanks do not apply to you, write the word "none" in the blank. Applicants submitting incomplete forms will be disqualified.**
- 2. At all stages of the application process buyer is responsible for notifying D.R. Horton of any changes in mailing addresses and telephone numbers.**

If you have any questions, please call, D.R. Horton's sales office at **(808) 693-8004** (Oahu). If there are any questions that D.R. Horton is not able to answer, please call DPP's Development Plans and Zoning Change Branch at **(808) 768-8054**.

EXHIBIT 1
Chapter 3 Applicant Qualification
Affordable Housing Rules

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU
STATE OF HAWAII

AMENDMENT OF THE AFFORDABLE HOUSING RULES
FOR UNILATERAL AGREEMENTS
Adopted February 12, 2010

CHAPTER 3

APPLICANT QUALIFICATION

§3-1 Eligibility Requirements: Application. A prospective purchaser or renter of an affordable housing unit in a project shall submit an application to the developer on a form and in the manner prescribed by DPP.

(Eff: FEB 23 2010) (Auth: RCH §6-1504) (Imp: ROH §21-2.80)

§3-2 Eligibility Requirements: Criteria. To qualify, an applicant must meet the following eligibility requirements on the date the application is submitted:

- (1) Be a citizen of the United States or a resident alien.
- (2) Be at least eighteen years of age.
- (3) Be domiciled in the State of Hawaii and have a bona-fide intent to reside in the affordable housing unit.
- (4) Have sufficient gross household income to qualify for the loan to finance the purchase; or in the case of a rental, demonstrate an ability to pay rent as determined by the City and meet any additional criteria established by the City for the respective rental housing development for which the applicant is applying.
- (5) The total household income shall not exceed the allowed annual household income for the target group as adjusted for size.
- (6) Be a person who, either oneself or together with a household member, does not own or has not owned, for the one year preceding the date of application, and from date of application to escrow closing, a majority interest in fee simple or leasehold lands suitable for dwelling purposes, or majority interest in lands under any trust agreement or other fiduciary arrangement in which another person holds the legal title to such land.

- (7) Be a household member who does not own and has not owned, for the one year preceding the date of application and from date of application to escrow closing, a majority interest in fee simple or leasehold lands suitable for dwelling purposes or a majority interest in lands under any trust agreement or other fiduciary arrangement in which another person holds the legal title to such land, except when husband and wife are living apart under a decree of separation from bed and board issued by the family court pursuant to section 580-71, HRS.
- (8) Not be a person who previously has received assistance under a program designed and implemented by any State or county agency to assist persons to purchase affordable housing units.

Provided, however, that the Director may determine on a case by case basis that an applicant who currently owns a dwelling unit purchased with or without the assistance of such program is eligible to apply for assistance if there has been either:

- (A) A significant change in household size as stated in §3-5; or
- (B) An extreme hardship, such as divorce, death in the household, change in place of employment to Oahu from any other island in the State of Hawaii; and

Provided further, that the applicant sells the dwelling unit before escrow closing for the new affordable housing unit.

- (9) If renting a unit under the Program, be a person who does not own, for the duration of the rental period, a majority interest in fee simple or leasehold lands suitable for dwelling purposes or a majority interest in lands under any trust agreement or other fiduciary arrangement in which another person holds the legal title to such land, except when husband and wife are living apart under a decree of separation from bed and board issued by the family court pursuant to section 580-71, HRS.

- (10) If renting a unit under the Program, be a household member who does not own, for the duration of the rental period a majority interest in fee simple or leasehold lands suitable for dwelling purposes or a majority interest in lands under any trust agreement or other fiduciary arrangement in which another person holds the legal title to such land, except when husband and wife are living apart under a decree of separation from bed and board issued by the family court pursuant to section 580-71, HRS.
- (11) Be an owner-occupant of the affordable housing unit during the restriction period and cannot rent out the unit during that time, except in unforeseen hardship circumstances (e.g. active military deployment, serious illness) which prevents the continued occupancy of the affordable housing unit. Hardship circumstances waivers would require the approval by the Director.

(Eff: FEB 28 2010) 2010) (Auth: RCH §6-1504) (Imp: ROH §21-2.80)

§3-3 Eligibility Requirements: Sole Application. The name of any applicant, co-applicant/spouse or any member of the household may only appear on one application for the project. The appearance of any one name on more than one application will be sufficient reason for DPP to disqualify all applications containing that name. However, if a large project is offered in several smaller phases, an applicant may apply for each phase of the project.

(Eff: FEB 28 2010) 2010) (Auth: RCH §6-1504) (Imp: ROH §21-2.80)

§3-4 Eligibility Requirements: Falsification. An applicant who has made an application for assistance and willfully submitted false information, made misstatements, or withheld necessary information, may be determined by DPP to be ineligible to purchase or to rent an affordable housing unit developed under the Program. The City shall not waive its right to recover any money wrongfully gained by the applicant or to any other recourse provided by law from an applicant determined to be ineligible pursuant to §3-1 through §3-4.

(Eff: FEB 28 2010) 2010) (Auth: RCH §6-1504) (Imp: ROH §21-2.80)

§3-5 Occupancy Requirements. For the purpose of maximizing the number of persons to be benefited by the Program by matching household size with the affordable housing unit type, based on the

number of bedrooms in the affordable housing unit, the occupancy requirement for each type of affordable housing unit is as follows:

<u>Dwelling Unit Type</u>	<u>Occupancy Requirements</u>
Studio	1-2 Persons
1 Bedroom	1-3 Persons
2 Bedroom	2-5 Persons
3 Bedroom	3-7 Persons
4 Bedroom	4-9 Persons

DPP may modify the occupancy requirements stated above in this Section if affordable housing units are unsold, unrented, or involves a live-in aide approved by the Director.

(Eff: FEB 28 2010) (Auth: RCH §6-1504) (Imp: ROH §21-2.80)

§3-6 Income Limits. The income limits for a purchaser or a renter to qualify to apply for assistance under the Program shall be based upon the income levels determined and adjusted from time to time for the City and County of Honolulu by the United States Department of Housing and Urban Development, which income levels the City Council determines are applicable to the project and are stated in the unilateral agreement.

Income qualification of an applicant will be based on the applicant's gross household income, defined above in §1-2.

(Eff: FEB 28 2010) (Auth: RCH §6-1504) (Imp: ROH §21-2.80)

§3-7 Income Verification. (a) The Gross Household Income of an applicant for benefits under the Program shall be certified by DPP or DPP's authorized agent prior to the transfer of title.

(b) DPP or DPP's authorized agent will determine the Gross Household Income and compliance with certain other eligibility requirements based on the households' current payroll information, latest income tax return(s), or other DPP approved income verification form(s) as required by DPP.

(c) In the case of rental units, a copy of the verification shall be retained in the developer's file for future review by DPP or DPP's authorized agent. Annual verification shall be made by reference to the

households' current payroll information, latest tax return(s), or other DPP approved income verification form(s). The documentation shall be retained by the developer and the developer shall provide access to such documentation to DPP or DPP's authorized agent at all reasonable times for later review.

(d) An eligible household may continue renting the affordable housing unit under continued occupancy when the household's income exceeds the maximum of the target group for the unit, provided, that the affordable rental unit is required to remain affordable for a rent restricted term under the unilateral agreement or affordable housing agreement.

A household may continue to occupy the affordable unit, provided, that the rent may be adjusted to a rate not to exceed the greater of the affordable rent or 30% of the household's income, adjusted by household's size, and number of bedrooms/baths. If the rental unit is vacated during the affordable housing agreement period, it must be rented to an eligible household to continue to be counted as an affordable housing unit.

(e) Live-in aide income may be excluded in qualifying eligible affordable housing recipients, based on HUD or other government guidelines. The exclusion of income would need to be approved by the Director.

(Eff. FEB 28 2010) (Auth: RCH §6-1504) (Imp: ROH §21-2.80)

§3-8 Eligibility Determination by DPP. In addition to fulfilling the requirements stated in §3-7, the developer shall submit to DPP or DPP's authorized agent the following supporting documents, in a form satisfactory to DPP, for the certification of the applicant's eligibility:

- (1) Application for benefits under the Program pertaining to the project.
- (2) Income and Income Limit Summary Sheet.
- (3) Owner-Occupant Affidavit.
- (4) If required by DPP, Real Property Disclosure Form and documents indicating applicant's interest.

- (5) Deposit, Receipt, Offer and Acceptance Agreement, sales agreement, or agreement to rent.

DPP or DPP's authorized agent's determination of an applicant's eligibility shall be made as expeditiously as possible.

(Eff: FEB 28 2010 2010) (Auth: RCH §6-1504) (Imp: ROH §21-2.80)

§3-9 Non-Discrimination. There shall be no discrimination against any applicant.

(Eff: FEB 28 2010 2010) (Auth: RCH §6-1504) (Imp: ROH §21-2.80)

EXHIBIT 2
FOUR (4) YEAR BUY-BACK RESTRICTION

1. For a period of four (4) years after the purchase, whether by lease, assignment of lease, deed, or agreement of sale, if the purchaser wishes to transfer title to the unit, the City and County of Honolulu ("City") shall have the first option to purchase the real property. The City may purchase the unit outright, free and clear of all liens and encumbrances, and may require that all existing mortgages, liens, and encumbrances are satisfactorily paid by the purchaser, or the City may purchase the unit subject to an existing mortgage.

In any purchase proposed by the City to be made by transfer subject to an existing mortgage, the purchaser may refuse to sell to the City unless the City shall agree to assume and pay the balance on any first mortgage created for the purpose of enabling the purchaser to obtain funds for the purchase of the affordable housing unit and any other mortgages which were created with the approval and consent of the City. In such cases, the purchaser shall offer to sell the unit to the City at a price which shall be the difference between the Purchase Price and the principal balance of all mortgages outstanding and assumed by the City upon transfer of title to the City.

2. The purchaser shall notify the City of purchaser's intent to sell the unit (the "Notice of Intent") by sending a letter to the City at the following address:

City and County of Honolulu
Department of Budget and Fiscal Services
530 S. King Street, 2nd Floor
Honolulu, Hawaii 96813

The Purchaser shall be responsible for establishing the fair market value of the unit, and may do so by submitting along with the Notice of Intent an appraisal of the unit not more than 60 days old.

3. The City shall respond to the Notice of Intent within forty-five (45) days of receipt as to whether the City will exercise its first option to purchase the unit. In the event the City elects to purchase the unit, the purchase price shall not be less than the following:

- (a) The original cost to the purchaser;
- (b) The cost of any improvements added by the purchaser; and
- (c) 50% of the appreciation in value of the unit.

As used herein, the term "original cost to purchaser" shall mean the original purchase price, sales commission, original escrow costs and any negative amortization if the property was financed with a graduated-payment mortgage.

As used herein, the term "appreciation in value" shall mean the difference between the fair market value and the original cost to the purchaser.

4. The City may decline to purchase the unit and instead require that the purchaser sell the unit to another qualified buyer, as defined by the City's then applicable rules, with any remaining balance of the time period of this Four (4) Year Buy-Back Restriction applied to the transferee. In such event the purchaser may retain 100% of the appreciation in value of the unit, if any.

5. During the buy-back restriction period, only liens and mortgages consented to in advance by the City and created for the purpose of financing, refinancing, purchase of the fee, repayment of subsidy, maintenance and repair of the affordable housing unit or essential improvements, or other household expenditures of an emergency or life-threatening nature may be placed on the property.

6. After the end of the 4th year from the date of purchase, the purchaser may sell, lease or transfer the affordable housing unit to any person free from the buy-back restrictions;

7. The transfer restrictions prescribed in this Four (4) Year Buy-Back Restriction may be held in abeyance by the City, with any remaining balance of the time period applied to the transferee if:

(a) The purchaser wishes to transfer title to the real property by devise or through the laws of descent to a family member who would otherwise qualify under the provisions of this condition; or

(b) The City determines that the sale or transfer of an affordable housing unit would be at a price and upon terms that preserve the intent of this section without the necessity of the City to repurchase the unit.

8. This Four (4) Year Buy-Back Restriction shall not apply in the case of the purchase of affordable housing units under a federally subsidized mortgage program that precludes making loans on homes that are subject to buy-back provisions, in general, or the buy-back provision provided herein, in particular.

9. The restrictions set forth herein shall be automatically extinguished and shall not attach in subsequent transfers of title when a mortgage holder or other party becomes the owner of an affordable housing unit pursuant to a mortgage foreclosure, foreclosure under power of sale, a conveyance in lieu of foreclosure following a default in the mortgage, or if the mortgage is assigned to the Secretary of the Department of Housing and Urban Development.

EXHIBIT 2
EIGHT (8) YEAR BUY-BACK RESTRICTION

1. For a period of eight (8) years after the purchase, whether by lease, assignment of lease, deed, or agreement of sale, if the purchaser wishes to transfer title to the unit, the City and County of Honolulu ("City") shall have the first option to purchase the real property. The City may purchase the unit outright, free and clear of all liens and encumbrances, and may require that all existing mortgages, liens, and encumbrances are satisfactorily paid by the purchaser, or the City may purchase the unit subject to an existing mortgage.

In any purchase proposed by the City to be made by transfer subject to an existing mortgage, the purchaser may refuse to sell to the City unless the City shall agree to assume and pay the balance on any first mortgage created for the purpose of enabling the purchaser to obtain funds for the purchase of the affordable housing unit and any other mortgages which were created with the approval and consent of the City. In such cases, the purchaser shall offer to sell the unit to the City at a price which shall be the difference between the Purchase Price and the principal balance of all mortgages outstanding and assumed by the City upon transfer of title to the City.

2. The purchaser shall notify the City of purchaser's intent to sell the unit (the "Notice of Intent") by sending a letter to the City at the following address:

City and County of Honolulu
Department of Budget and Fiscal Services
530 S. King Street, 2nd Floor
Honolulu, Hawaii 96813

The Purchaser shall be responsible for establishing the fair market value of the unit, and may do so by submitting along with the Notice of Intent an appraisal of the unit not more than 60 days old.

3. The City shall respond to the Notice of Intent within forty-five (45) days of receipt as to whether the City will exercise its first option to purchase the unit. In the event the City elects to purchase the unit, the purchase price shall not be less than the following:

- (a) The original cost to the purchaser;
- (b) The cost of any improvements added by the purchaser; and
- (c) 50% of the appreciation in value of the unit.

As used herein, the term "original cost to purchaser" shall mean the original purchase price, sales commission, original escrow costs and any negative amortization if the property was financed with a graduated-payment mortgage.

As used herein, the term "appreciation in value" shall mean the difference between the fair market value and the original cost to the purchaser.

4. The City may decline to purchase the unit and instead require that the purchaser sell the unit to another qualified buyer, as defined by the City's then applicable rules, with any remaining balance of the time period of this Eight (8) Year Buy-Back Restriction applied to the transferee. In such event the purchaser may retain 100% of the appreciation in value of the unit, if any.

5. During the buy-back restriction period, only liens and mortgages consented to in advance by the City and created for the purpose of financing, refinancing, purchase of the fee, repayment of subsidy, maintenance and repair of the affordable housing unit or essential improvements, or other household expenditures of an emergency or life-threatening nature may be placed on the property.

6. After the end of the 8th year from the date of purchase, the purchaser may sell, lease or transfer the affordable housing unit to any person free from the buy-back restrictions;

7. The transfer restrictions prescribed in this Eight (8) Year Buy-Back Restriction may be held in abeyance by the City, with any remaining balance of the time period applied to the transferee if:

(a) The purchaser wishes to transfer title to the real property by devise or through the laws of descent to a family member who would otherwise qualify under the provisions of this condition; or

(b) The City determines that the sale or transfer of an affordable housing unit would be at a price and upon terms that preserve the intent of this section without the necessity of the City to repurchase the unit.

8. This Eight (8) Year Buy-Back Restriction shall not apply in the case of the purchase of affordable housing units under a federally subsidized mortgage program that precludes making loans on homes that are subject to buy-back provisions, in general, or the buy-back provision provided herein, in particular.

9. The restrictions set forth herein shall be automatically extinguished and shall not attach in subsequent transfers of title when a mortgage holder or other party becomes the owner of an affordable housing unit pursuant to a mortgage foreclosure, foreclosure under power of sale, a conveyance in lieu of foreclosure following a default in the mortgage, or if the mortgage is assigned to the Secretary of the Department of Housing and Urban Development.

EXHIBIT 3
Affordable Housing Income Limit Table
80% and 120% of
Median Household Income

80% of Median Household Income

Maximum qualifying income (80% of the City and County of Honolulu's Median Household Income) based on family size as of June 2, 2014:

Family Size	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
Income Range	\$61,350	\$69,000	\$76,500	\$82,800	\$88,950	\$95,050
	(2 bdrm)	(2-3 bdrm)	(2-3 bdrm)	(2-3 bdrm)	(3 bdrm)	(3 bdrm)

NOTE: The current maximum qualifying income (80% of the City and County of Honolulu's Median Household Income) as of June 2, 2014, for a single member income household is \$53,700 (studio and 1 bedroom). Following an initial marketing period of 90 days, DPP may consider, on a case by case basis, single income qualified households for the purchase of a 2 bedroom unit.

120% of Median Household Income

Maximum qualifying income (120% of the City and County of Honolulu's Median Household Income) based on family size as of June 2, 2014:

Family Size	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
Income Range	\$92,020	\$103,550	\$114,980	\$124,200	\$133,420	\$142,580
	(2 bdrm)	(2-3 bdrm)	(2-3 bdrm)	(2-3 bdrm)	(3 bdrm)	(3 bdrm)

NOTE: The current maximum qualifying income (120% of the City and County of Honolulu's Median Household Income) as of June 2, 2014, for a single member income household is \$80,560 (studio and 1 bedroom). Following an initial marketing period of 90 days, DPP may consider, on a case by case basis, single income qualified households for the purchase of a 2 bedroom unit.