

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

CONDOMINIUM PROJECT NAME	THE TOWN HOMES AT FAIRWAY'S EDGE, INCREMENT 2
Address	Off Keone'ula Boulevard and Kapolei Parkway Ewa Beach, Hawaii 96706
Registration Number	6118
Effective Date of Report	September 27, 2006
Developer	Fairway's Edge Development, LLC

Preparation of this Report

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

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

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

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

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

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

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

SPECIAL ATTENTION

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

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

- (1) The Town Homes at Fairway's Edge. The Town Homes at Fairway's Edge development is located on the corner of Keone'ula Boulevard and Kapolei Parkway. It is located immediately west of the Spinnaker Place Townhomes development, all of which are part of the master-planned Ocean Pointe community in Ewa, Hawaii. The Town Homes at Fairway's Edge is planned to be constructed incrementally and may be developed to include approximately 216 multi-family homes and a private recreation area. Sales and construction of Increment 1, which consists of 59 units, commenced in late 2005. Increment 2 is the second of several increments that are planned to be developed. The recreation area may be constructed during a later increment of the development. Current plans for the recreation area generally include a swimming pool, spa, restroom facilities, kitchenette, picnic areas, a manager's office, and associated parking stalls. The recreation area will be an amenity of the overall development that unit owners, guests, visitors, and invitees of the development will have the right to use. Because the recreation area is partially being utilized by the Developer to fulfill certain park and open space requirements imposed by the City and County of Honolulu ("City"), the Developer has reserved the right, to the extent required by the City or any other governmental entity, agency or department, to record against the development lands a Declaration of Restrictive Covenants (Private Park) or similar document obligating the association of unit owners to, among other things, ensure the continued use of the recreation area and open space, and be responsible for the maintenance of such recreation area. A portion of the development will be located near the edge of a golf course being developed by the master developer of Ocean Pointe. Therefore, as set forth herein and elsewhere, there are several disclosures, restrictions, covenants, and conditions which may apply to a purchaser.
- (2) Ocean Pointe. The Town Homes at Fairway's Edge is also a part of the approximately 1,100-acre master-planned mixed-use community of Ocean Pointe. Ocean Pointe is a long-range project with development expected to take place over the next 10 to 20 years. Approximately 4,850 residential units (some of which will be considered "affordable" under county standards) are envisioned at Ocean Pointe. Development of the first residential phase of Ocean Pointe (Ke 'Āina Kai and Mariners Place) was completed with 810 residential units. Development of the second residential phase of Ocean Pointe (Ke Noho Kai) was completed with 667 residential units. Spinnaker Place, a townhome development located across from The Town Homes at Fairway's Edge commenced development in late 2004 and was completed in 2006 with approximately 304 units. Construction and sales for the third major residential phase of Ocean Pointe (Ke'alohi Kai) commenced in early 2005. This project area, which will be comprised of up to 940 residential units to be developed over several phases, is located south of The Town Homes at Fairway's Edge and Spinnaker Place Townhomes developments. The master developer of the remaining areas of Ocean Pointe is HASEKO (Ewa), Inc. In each of these developments, residences will be separated into various distinct, yet integrated neighborhood communities, some of which may be located adjacent to or in the vicinity of The Town Homes at Fairway's Edge development, with tree-lined streets, landscaping, and parks for use by the residents of Ocean Pointe. Although these neighborhood communities are incorporated into the master plan for Ocean Pointe, no specific development timetable has

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

been established, and neither Seller nor any of its affiliates make any representation or warranty with respect to the timing or the sequencing for the development of such neighborhood communities, or that such neighborhood communities will even be developed.

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

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

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

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

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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 attached as exhibits to this report. These documents contain important information on the use and occupancy of the units and the common elements of the project, as well as the rules and regulations of conduct for unit owners, tenants and guests.

Operation of the Condominium Project

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

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

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

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project		x	Fee Simple		Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner		x	Yes		No
Fee Owner's Name if Developer is not the Fee Owner	N/A				
Fee Owner's Address	N/A				
Address of Project	Off Keone'ula Boulevard and Kapoley Parkway Ewa Beach, Hawaii 96706				
Address of Project is expected to change because	Developer anticipates the City will be issuing new addresses in the near future				
Tax Map Key (TMK)	(1) 9-1-012: 058 (por.)				
Tax Map Key is expected to change because	The land underlying the project was recently subdivided from a larger parcel.				
Land Area	1.177 acres				
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	N/A				

1.2 Building and Other Improvements

Number of Buildings	Four (4)
Floors Per Building	Two (2)
Number of New Building(s)	Four (4)
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Concrete, wood, glass, steel, and allied construction materials.

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc.)	Area
See Exhibit A.						

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

1.4 Parking Stalls

Total Parking Stalls in the Project:	32
Number of Guest Stalls in the Project:	0
Number of Parking Stalls Assigned to Each Unit:	2
Attach Exhibit B specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	
N/A	

1.5 Boundaries of the Units

Boundaries of the unit: See Exhibit C.

1.6 Permitted Alterations to the Units

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

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 E.
As follows: See Exhibit E.

1.8 Common Interest

<input checked="" type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input checked="" 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 type="checkbox"/>	Other (describe):

1.9 Common Elements

<p>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.</p>	
<p>Described in Exhibit F.</p>	
<p>Described as follows:</p>	
<p>See Exhibit F.</p>	
Common Element	Number
Elevators	N/A
Stairways	0
Trash Chutes	0

1.10 Limited Common Elements

<p>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.</p>
<p>Described in Exhibit G.</p>
<p>Described as follows:</p>
<p>See Exhibit G.</p>

1.11 Special Use Restrictions

<p>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:</p>	
<input checked="" type="checkbox"/>	Pets: Limited to two (2) generally recognized domestic house pets
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: Permanent clotheslines, gas tanks, tool sheds, equipment, dog houses, and other outdoor structures and apparatus shall not be located, erected, constructed or installed in yards.
<input type="checkbox"/>	There are no special use restrictions:

1.12 Encumbrances Against Title

<p>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).</p>
<p>Exhibit H describes the encumbrances against title contained in the title report described below.</p>
<p>Date of the title report: August 14, 2006</p>
<p>Company that issued the title report: Title Guaranty of Hawaii, Inc.</p>

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	16	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	A-1	
		Commercial	N/A		Yes		No	N/A	
		Mix Residential/Commercial	N/A		Yes		No	N/A	
		Hotel	N/A		Yes		No	N/A	
		Timeshare	N/A		Yes		No	N/A	
		Ohana	N/A		Yes		No	N/A	
		Industrial	N/A		Yes		No	N/A	
		Agricultural	N/A		Yes		No	N/A	
		Recreational	N/A		Yes		No	N/A	
		Other (specify)	N/A		Yes		No	N/A	
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
Variances to zoning code have been granted.						Yes		No	N/A
Describe any variances that have been granted to zoning code.				N/A					

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots
<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"/> Non 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>N/A</p>	
<p>Developer's statement of the expected useful life of each item reported above:</p> <p>N/A</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations:</p> <p>N/A</p>	
<p>Estimated cost of curing any violations described above:</p> <p>N/A</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: N/A</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 nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance; <p>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. N/A</p>
<p>Other disclosures and information:</p> <p>N/A</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>N/A</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>N/A</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> <p>N/A</p>	

1.17 Project with Assisted Living Facility

<p>Does the project contain any assisted living facility units subject to Section 321-11(1 0), 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>N/A</p>	
<p>The nature and the scope of services to be provided.</p> <p>N/A</p>	
<p>Additional costs, directly attributable to the services, to be included in the association's common expenses.</p> <p>N/A</p>	
<p>The duration of the provision of the services.</p> <p>N/A</p>	
<p>Other possible impacts on the project resulting from the provision of the services.</p> <p>N/A</p>	
<p>Other disclosures and information.</p> <p>N/A</p>	

2. PERSONS CONNECTED WITH THE PROJECT

<p>2.1 Developer</p>	<p>Name: Fairway's Edge Development, LLC Address: 91-1001 Kaimalie Street, Suite 205, Ewa Beach, Hawaii 96706</p> <p>Business Phone Number: (808) 689-7772 E-mail Address: tsagawa@haseko.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>HASEKO Homes, Inc. – Manager/Member* HASEKO Realty, Inc. – Member*</p> <p><u>HASEKO Homes, Inc.</u> Toru Nagayama, President and Director Tsutomu Sagawa, Executive Vice President, Secretary, Treasurer and Director Nelson W. G. Lee, Executive Vice President Richard S. Dunn, Vice President Nancy Maeda, Vice President Raymond S. Kanna, Vice President Toshifumi Kiuchi, Vice President</p> <p><u>HASEKO Realty, Inc.</u> Toru Nagayama, President and Director Richard S. Dunn, Executive Vice President Tsutomu Sagawa, Secretary and Treasurer</p>
<p>2.2 Real Estate Broker</p>	<p>Name: HASEKO Realty, Inc. Address: 91-1001 Kaimalie Street, Suite 205 Ewa Beach, Hawaii 96706</p> <p>Business Phone Number: (808) 689-7772 E-mail Address: dinafuku@ocean-pointe.com</p>
<p>2.3 Escrow Depository</p>	<p>Name: Title Guaranty Escrow Services, Inc. Address: 235 Queen Street Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 521-0211</p>
<p>2.4 General Contractor</p>	<p>Name: HASEKO Construction, Inc Address: 91-1001 Kaimalie Street, Suite 205 Ewa Beach, Hawaii 96706</p> <p>Business Phone Number: (808) 689-7772</p>
<p>2.5 Condominium Managing Agent</p>	<p>Name: Certified Management, Inc. Address: 3179 Koapaka Street, 2nd Floor Honolulu, Hawaii 96819</p> <p>Business Phone Number: (808) 836-0911</p>
<p>2.6 Attorney for Developer</p>	<p>Name: Michael H. Lau Morihara Lau & Fong LLP Address: 841 Bishop Street, Suite 400 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 528-2888</p>

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	August 25, 2006	3474188

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

3.2 Bylaws of the Association of Unit Owners

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	August 25, 2006	3474189

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	1843
Bureau of Conveyances Map Number	
Dates of Recordation of Amendments to the Condominium Map:	

3.4 House Rules

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

The House Rules for this project:

Are Proposed		
Have Been Adopted and Date of Adoption		<input checked="" type="checkbox"/> August 25, 2006
Developer does not plan to adopt House Rules		

3.5 Changes to the Condominium Documents

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

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

3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or 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"/>	<p>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:</p> <p>See Exhibit I.</p>

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

<p><u>Management of the Common Elements:</u> 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.</p>	
<p>The Initial Condominium Managing Agent for this project is (check one):</p>	
<input checked="" type="checkbox"/>	Not affiliated with the Developer
<input type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or any affiliate of the Developer
<input type="checkbox"/>	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

<p><u>Estimate of the Initial Maintenance Fees:</u> 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.</p>
<p>Exhibit J contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.</p>

4.3 Utility Charges to be Included in the Maintenance Fee

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

4.4 Utilities to be Separately Billed to Unit Owner

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

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

Sales Documents on file with the Commission include, but are not limited to, the following:	
<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit K 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: November 16, 2005 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit L 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.

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

5.4 Construction Warranties

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

Building and Other Improvements: 10 Year Limited Warranty commencing on conveyance date of Unit. See Exhibit **M** for a summary of the pertinent provisions of the warranty.

Appliances: Generally one (1) year manufacturer's warranty. See Exhibit **M**.

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

Status of Construction: Commencement of Construction is estimated to begin on November, 2006
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract: Two (2) years from the date that the sales contract becomes binding (subject to extension for force majeure as defined in the sales contract).
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: N/A

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

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

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

<input checked="" type="checkbox"/>	The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project. If the box to the left is checked, Sections 5.6.2 and 5.7, which follow below, will not be applicable to the project.
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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: 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.</u></p>
<p>Box B</p> <p><input type="checkbox"/></p>	<p>The Developer has not submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits.</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: Fairway's Edge Design Guidelines (See Exhibit N); Declaration of CC&Rs for Ocean Pointe (Residential), as amended and supplemented (See Exhibit O); Specimen Apartment Deed

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

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

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

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

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

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

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

(1) The purchaser has signed the sales contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

- A. Interstate Land Sales Full Disclosure Act. This public report has not been accepted by the Department of Housing and Urban Development under the Interstate Land Sales Full Disclosure Act. As set forth in the specimen sales contract submitted with this public report, the Developer will complete construction of each unit and have the unit ready for normal occupancy within a period of two (2) years from the date that the sales contract for that particular unit is signed; provided, however, that said two (2) year period shall be extended in the event completion is delayed by matters and/or conditions beyond the control of the Developer.
- B. Termite Monitoring System Disclosure. Developer on its own initiative will be installing and paying for the costs of the use of a termite monitoring system on each building of the development, commencing on the date title for the first Unit in a building is transferred to the first homeowner and expiring twelve months thereafter. Any use of a termite monitoring system for a particular building within the development beyond such period will be at the election and the cost of the Association or individual unit owners as the case may be.
- C. HECO Substation. An affiliate of Developer has conveyed or will be conveying to Hawaiian Electric Company, Inc. ("HECO") Lot 16503, which is located immediately adjacent to the northeast part of the development, for use as an electrical distribution substation. Based on HECO's plans, the substation will initially have a single transformer unit installed, but is designed to have up to a total of four (4) transformer units phased in incrementally in conjunction with the electrical load demands from the surrounding service areas. Once the electrical substation becomes operational, HECO may also make periodic inspections and other visits to the substation, and may perform maintenance and other related tasks. The construction and operation of the substation may result in increased noise, dust, traffic and other nuisances, annoyances or hazards to the development. Issues have been raised nationally concerning electromagnetic fields ("EMFs") generated in connection with the operation of power lines and other electrical transmission equipment (some of which may be located within the HECO substation site) and whether exposure to EMFs adversely affects human health. Developer makes no representations or warranties concerning the presence or absence of EMFs which may be generated at the HECO substation site in the future or whether or not such exposure to EMFs will have any adverse health effects on any owner or occupant of any Unit within the development.
- D. Adjacent Lands and Usage. The Land which is being developed by Developer is located immediately south of the lands that are currently vacant and are owned and/or may be developed by third parties unrelated to Developer. Such lands are in the process of being rezoned from A-1 Apartment zoned land with a 30-foot height limit to A-2 zoned land with a 40-foot height limit. Neither Developer nor any other affiliate has any control over the use or development of these mauka lands and any resulting impact on the development, including the development involving, without limitation, any view planes, sight lines, tradewind and airflow patterns, natural light, and exterior aesthetics of any improvements that may be located on such lands. If the mauka lands are developed, the construction may result in additional dust, dirt, noise, and other hazards and nuisances related to the construction.
- E. Roadway and Traffic. The Land is bordered by Keone'ula Boulevard and Kapolei Parkway. Keone'ula Boulevard is one of the primary access roadways serving Ocean Pointe from Fort Weaver Road and connects to various secondary roadways within Ocean Pointe. In addition, as part of the government's highway master plan, Kapolei Parkway is intended to serve as a primary roadway that will eventually connect to other main roadways thereby providing Ewa Beach and Ocean Pointe residents with an alternate access route to Kapolei, Barbers Point and the H-1 freeway. Due to the proximity of these roadways, there may be increased noise, dust, traffic and other nuisances, annoyances, or hazards to persons residing within the development.
- F. Nearby Schools. Although the planned Keone'ula Elementary School being constructed east of the development on lands donated to the Department of Education ("DOE") by an affiliate of Developer, Developer or its affiliates have no input, influence, or control over how the school district boundaries will be established for the school. Therefore, notwithstanding (a) the name of the school; (b) the dedication of the lands to the DOE by Developer's affiliate; or (c) the current plan to allow residents of the current existing developments within Ocean Pointe, including Area IIE, to send their children to the Keone'ula Elementary School, Declarant is not making any representation or warranty that residents of The Town Homes at Fairway's Edge will be able to send their children to the Keone'ula Elementary School. In addition, a middle school is planned to be constructed on lands located mauka of the development. Developer or its affiliates have no input, influence, or control over how the school district boundaries will be established for such middle school.
- G. Public Facilities. Although not located adjacent to the Area IIE development, Developer's affiliate is in the process of conveying or dedicating certain lands located north of Keone'ula Boulevard to be utilized for public purposes. Under current plans, certain lands will be conveyed or dedicated for the construction of a district park, fire station, child care facility, and elementary school. These public facilities or utility infrastructure, while located within Ocean Pointe, are intended to be utilized by the Ewa Beach community, including Ocean Pointe.

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

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

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

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

FAIRWAY'S EDGE DEVELOPMENT, LLC

Printed Name of Developer

By: 
Duly Authorized Signatory*

August 28, 2006
Date

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

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

EXHIBIT A

The Town Homes at Fairway's Edge, Increment 2

Unit Types and Sizes of Units

RESIDENTIAL BUILDING TYPES.

The Project includes four (4) detached residential buildings, designated as Buildings 10, 11, 20 and 21, as shown on the Condominium Map. None of the buildings will have basements.

There is one (1) residential building type in the Project, which is TH21, as shown on the Condominium Map and is more particularly described below:

Type TH21. Each Type TH21 building contains a total of four (4) Units. The end units are one-story structures and are Unit Model Type 111 units. The remaining two (2) units are two-story structures with interior stairways, and both are Unit Model Type 110 units. The layout and location of each Unit are as shown on the Condominium Map.

GARAGE TYPES.

The Project includes an attached two-car enclosed garage for each Unit. Each two-car garage has a gross area of approximately 400 square feet. The layout and location of each garage are as shown on the Condominium Map.

UNIT TYPES.

The two (2) Unit types in the Project are as described below:

Model 110: Two-story three bedroom, three bathroom Unit. The Unit has a living room, dining room, kitchen, laundry area, a bedroom and a single bathroom on the first floor, connected by interior stairs to the second floor, containing two bedrooms, two bathrooms, and a walk-in closet. The Unit has an attached two-car garage. The net living area (which excludes the garage and second floor balcony) is approximately 1,455 square feet.

Model 110R: This Unit Type contains the reverse floor plan layout from that shown on the Condominium Map for Model Type 110, with the same rooms and net living area as said Model Type 110.

Model 111: Two-story three bedroom, three bathroom Unit. The Unit has a living room, dining room, kitchen, laundry area, a bedroom and a single bathroom on the first floor, connected by interior stairs to the second floor, containing two bedrooms, two bathrooms, a tech area, and a walk-in closet. The Unit has an attached two-car garage. The net living area (which excludes the garage and second floor balcony) is approximately 1,470 square feet.

Model 111R: This Unit Type contains the reverse floor plan layout from that shown on the Condominium Map for Model Type 111, with the same rooms and net living area as said Model Type 111.

Unit Type	Quantity	BR/Bath	Net Living Area*	Net Other Areas**	Other Areas (lanai, garage, etc.)***	Area
110	4	3/3	1,455	128	400	1,983
110R	4	3/3	1,455	128	400	1,983
111	4	3/3	1,470	196	400	2,066
111R	4	3/3	1,470	196	400	2,066

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

** Represents the second floor covered balcony area.

*** If calculated in the same manner as the units, the garages would be approximately 374 sq. ft.

EXHIBIT B

The Town Homes at Fairway's Edge, Increment 2

Parking Stall Numbers

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

Unit No.	Parking Stall Nos.
1001	183, 184
1002	185, 186
1003	187, 188
1004	189, 190
1101	191, 192
1102	193, 194
1103	195, 196
1104	197, 198
2001	263, 264
2002	265, 266
2003	267, 268
2004	269, 270
2101	271, 272
2102	273, 274
2103	275, 276
2104	277, 278

EXHIBIT C

The Town Homes at Fairway's Edge, Increment 2

Boundaries of the Units

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

EXHIBIT D

The Town Homes at Fairway's Edge, Increment 2

Permitted Alterations to the Units

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

1. General.

(a) Except as otherwise provided in the Declaration, restoration, repair or replacement of the Project or of any building or other facility or construction of any additional building or structural alteration or addition to any structure, different in any material respect from the Condominium Map (the "Proposed Alterations"), shall be undertaken by the Association or any unit owner(s) only pursuant to an amendment of the Declaration, duly executed by or pursuant to the approval or written consent of unit owners holding at least sixty seven percent (67%) of the total common interests of the Project, together with the approval or written consent of (i) all unit owners whose unit or limited common elements appurtenant thereto are directly affected (as determined in a reasonable manner by the Board of Directors) by the Proposed Alterations; and (ii) the holders of first mortgage liens encumbering any unit directly affected by the Proposed Alterations (if the lien holders require such approval).

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

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

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

2. Alterations to the Interior of a Unit. Notwithstanding any other provision in the Declaration to the contrary, the owner of an unit may make any alterations or additions within a unit and the owner of any two adjoining units may alter or remove all or portions of the intervening walls, at such owner's expense, if such alterations or additions are not visible from the exterior of the unit and if the structural integrity of the building is not thereby affected. The alterations or additions permitted by this section shall require only the written approval of the unit owner's plans and specification therefor, by (a) the Board of Directors; (b) the holders of first mortgage liens affecting such unit(s) (if the lien holders require such approval); (c) the appropriate agencies of the State of Hawaii and the City and County of Honolulu (if such agencies so require); and (d) all other unit owners thereby directly affected (as determined in a reasonable manner by the Board of Directors). Such alterations or additions may be undertaken without an amendment to the Declaration or filing of a complete set of floor plans of the Project as so altered. Prior to the termination of the common ownership of any two adjoining units, if the intervening walls shall have been altered or removed pursuant to the foregoing provision and any entrances sealed, the owner of such unit shall restore such intervening walls and entrances to substantially the same condition in which they existed prior to such alteration or removal.

3. Alterations by the Developer.

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

(b) Construction of Options. Notwithstanding any other provision in the Declaration to the contrary, prior to the time that all of the units in the Project have been sold and recorded, the Developer shall have the right to make alterations in the Project and to amend the Declaration and the Condominium Map accordingly, without notice to, or the approval, consent or joinder of, the Association, any unit owner,

lienholder, or any other person, to construct or modify the Project in accordance with the respective options, if any, shown on the floor plans in the Condominium Map. As used herein, the term "sold and recorded" shall mean and refer to the sale of a unit in the Project and the recording in the Land Court of an deed conveying the interest in the unit from the Developer to parties not signatory to the Declaration.

EXHIBIT E

The Town Homes at Fairway's Edge, Increment 2

Common Interests

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

The Common Interest appurtenant to each Unit is as follows:

Apt. No.	Common Interest (%)
1001	6.4097
1002	6.0903
1003	6.0903
1004	6.4097
1101	6.4097
1102	6.0903
1103	6.0903
1104	6.4097
2001	6.4097
2002	6.0903
2003	6.0903
2004	6.4097
2101	6.4097
2102	6.0903
2103	6.0903
2104	6.4097

The Common Interest is generally calculated for each Unit by dividing the sum of the net living area of such Unit plus the net area of the second floor balcony of such Unit by the sum of the total net living area of all Units within the Project plus the combined net area of all the second floor balconies of the Project, with adjustments made to the Common Interest appurtenant to the Units to compensate for rounding errors to ensure that the sum of all Common Interests for all Units in the Project equals one hundred per cent (100%).

EXHIBIT F

The Town Homes at Fairway's Edge, Increment 2

Common Elements

1. The underlying land in fee simple.
2. All structural components, such as foundations, floor slabs for the ground floor of any building, columns, girders, beams, supports, undecorated or unfinished perimeter and/or party walls, and load-bearing walls (except for the interior decorated or finished surfaces within each Unit), undecorated or unfinished floors and ceilings, the roofs of the buildings, and all exterior walkways, railings, walls and fences enclosing any portion of the Project.
3. All yards, gateways, exterior stairways, fences (including, without limitation, any portion of the Property Boundary Fence that has not been designated as a Limited Common Element pursuant to Section D.3 of the Declaration), grounds, landscaping, walls, retaining walls, uncovered parking stalls (including guest stalls, if any), driveways, roadways, lanes, alleyways, pathways, sidewalks, walkways, lanais, entrances and entry areas, exits, loading zones, refuse and trash enclosure areas, planter boxes and mailboxes which are not located in any units, whether within or appurtenant to the Project.
4. All ducts, vents, shafts, sewer lines, drainlines, storm drain improvements, gutters, electrical rooms or closets, electrical equipment and fixtures, wiring, potable water pipelines, fire hydrants, irrigation pipelines and sprinklers, pipes, and other central and appurtenant transmission facilities, installations over, under and across the Project which serve more than one Unit for services such as power, light, water, drainage, gas, sewer, refuse, telephone and radio and television signal distribution.
5. The roadway lighting located above the garage doors, and, where applicable, side area lighting that may be located on the side of an end unit.
6. Any and all other apparatus and installations intended for common use and all devises and other parts of the underlying land necessary or convenient to the existence, maintenance and safety of the Condominium Property Regime, or normally in common use.

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

EXHIBIT G

The Town Homes at Fairway's Edge, Increment 2

Limited Common Elements

1. Lanai. The ground floor lanai, if any (as shown on the Condominium Map), shall be a Limited Common Element appurtenant to and reserved for the exclusive use of the Unit to which it is attached. The lanai shall be deemed to include any extended or enclosed lanai.
2. Balcony. The second floor balcony, (as shown on the Condominium Map), shall be a Limited Common Element appurtenant to and reserved for the exclusive use of the Unit, to which it is attached. The balcony shall be deemed to include any enclosed balcony.
3. Rear Yard. The fenced area generally located in the rear of a Unit, including the side area of a 111 type Unit (as marked "Rear Yard" on the Condominium Map). Such yard area shall be a Limited Common Element appurtenant to and reserved for the exclusive use of that particular Unit.
4. Front Yard. The fenced area marked "Courtyard" on the Condominium Map for the 110 Unit type, and the fenced area marked "Fenced Entry Area" on the Condominium Map for the 111 Unit type. Such areas, including the entry gate and fences, shall be a Limited Common Element appurtenant to and reserved for the exclusive use of that particular Unit.
5. Yard Fences. Any fence, including any front entry gate, which encloses any portion of a Rear Yard (including that portion of any Project Boundary Fence that encloses such Rear Yard) or a Front Yard shall be a Limited Common Element appurtenant to and reserved for the exclusive use of the Unit to which the yard is appurtenant. Notwithstanding the foregoing, any such fence which is placed on a common property line and separates two yards shall be a Limited Common Element appurtenant to and reserved for the exclusive use of the Units to which the yards are appurtenant.
6. Planter Boxes. The planter boxes, if any, located on the exterior of the unit, shall be a limited common element appurtenant to and reserved for the exclusive use of the unit.
7. Mailbox. The mailbox assigned to a particular Unit, but excluding the pedestal structure which houses the individual assigned mailboxes, shall be a limited common element appurtenant to and reserved for the exclusive use of such unit. The pedestal structure shall be a common element.
8. Concrete Apron. The concrete section of the driveway, which extends from the outside entrance of the enclosed garage of a Unit up to, but not including the beginning edge of the driveway, shall be a limited common element appurtenant to and reserved for the exclusive use of such Unit.

9. Air Conditioner Compressor Units. The air conditioner compressor unit and associated refrigerant lines placed in the Rear Yard or the Front Yard, as the case may be, as shown on the Condominium Map, shall be a Limited Common Element appurtenant to and reserved for the exclusive use of the particular Unit to which it serves.
10. Other. Any other common elements which are rationally related to less than all of the Units shall be a limited common element appurtenant to such Unit(s) that serve a particular Unit.

EXHIBIT H

The Town Homes at Fairway's Edge, Increment 2

Encumbrances Against Title

1. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain unrecorded Second Amended and Restated Ewa Marina Agreement for Exchange, dated June 30, 1984, effective as of June 30, 1984, by and between F. E. Trotter, Inc., W. H. McVay, Inc., P. R. Cassiday, Inc., and H. C. Cornuelle, Inc., all Hawaii professional corporations, Trustees Under the Will and of the Estate of James Campbell, Deceased, acting in their fiduciary and not in their individual corporate capacities ("Estate"), as Vendor, and M.S.M. & Associates, Inc., a Colorado corporation ("MSM"), as Vendee; a short form of which is dated June 30, 1984, recorded as Land Court Document No. 1245392.

Said Agreement was assigned by MSM to HASEKO (Hawaii), Inc., a Hawaii corporation ("HASEKO"), with the consent of the Estate, by that certain Assignment of Lease and Second Amended and Restated Ewa Marina Agreement for Exchange, dated December 30, 1988.

Said Agreement was amended and restated by the Estate and HASEKO by that certain unrecorded Ewa Marina Acquisition Agreement, dated as of December 15, 1988, of which a Short Form Acquisition Agreement is dated December 30, 1988, recorded as Land Court Document No. 1604009.

Said Agreement, as amended and restated, was assigned by HASEKO to HASEKO (Ewa), Inc., a Hawaii corporation, by that certain instrument dated September 3, 1993, but effective as of January 2, 1992, recorded in said Office of the Assistant Registrar as Land Court Document No. 2126832, with consent thereto given by the Estate by that certain instrument dated December 17, 1993, recorded as Land Court Document No. 2126833.

2. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Limited Warranty Deed, dated December 22, 1989, recorded as Land Court Document No. 1693437, including, but is not limited to, matters relating to water reservation and agricultural activities, including sugar cane burning on nearby lands.
3. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Unilateral Agreement and Declaration for Conditional Zoning, dated November 29, 1993, recorded as Land Court Document No. 2091140, as amended by that certain Amendment to Unilateral Agreement and Declaration for Conditional Zoning, dated February 12, 2002, recorded as Land Court Document No. 2778785, and further amended by that certain Second Amendment to Unilateral Agreement and Declaration for Conditional Zoning, dated October 23, 2002, recorded as Land Court Document

No. 2857087, with Consent and Joinder dated November 1, 2002, attached thereto as Land Court Document No. 2857088.

4. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Document Listing Conditions to Reclassification of Land dated December 12, 1990, recorded as Land Court Document No. 1788412, as amended by instrument, dated March 28, 1994, recorded as Land Court Document No. 2131779, as further amended by instrument, dated June 17, 1994, recorded as Land Court Document No. 2159248; BUT ONLY as to those portions of said lots that are included in Exhibit A and shown on Exhibit B attached to said Land Court Document No. 1788412 and made a part hereof by reference.
5. Grant, dated January 3, 1996, recorded as Land Court Document No. 2284736, in favor of Hawaiian Electric Company, Inc., granting a nonexclusive perpetual right and easement to construct, reconstruct, operate, maintain, repair and remove poles, overhead wire lines, stub pole, guy wires, anchors, and/or underground power lines, etc. for the transmission and distribution of electricity; BUT ONLY as to those portions of said lots that are included in said Land Court Document No. 2284736, and shown on the map attached thereto and made a part hereof by reference.
6. Construction Mortgage with Assignment of Rents, Security Agreement and Fixture Filing, dated as of September 12, 2003, recorded as Land Court Document No. 2993893, made by HASEKO Homes, Inc., and HASEKO (Ewa), Inc., both Hawaii corporations, as Mortgagors, in favor of Central Pacific Bank, a Hawaii corporation, successor by merger to City Bank, a Hawaii corporation, as Mortgagee, as amended by that certain Amendment to \$40,000,000 Mortgage dated October 19, 2004, recorded as Land Court Document No. 3188837.
7. Financing Statement made by Ke Noho Kai Development, LLC, a Hawaii limited liability company, as Debtor, and Central Pacific Bank, a Hawaii corporation, successor by Merger to City Bank, a Hawaii corporation, as Secured Party, recorded on November 4, 2004 as Regular System Document No. 2004-223885.
8. The terms and provisions, including the failure to comply with covenants, conditions, and reservations, contained in that certain Agreement for Issuance of Conditional Use Permit Under Section 21-5.380 of the Land Use Ordinance (LUO), dated June 29, 2006, recorded in said Office of the Assistant Registrar as Land Court Document No. 3451811.
9. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential) dated September 15, 1998, recorded in said Office of the Assistant Registrar as Land Court Document No. 2486145, as amended by instruments dated October 30, 1998, recorded as Land Court Document No. 2498586, dated April 29, 2003, recorded as Land Court Document No. 2923437, dated May 13, 2003, recorded as Land Court Document

No. 2930015, and as supplemented by instrument dated March 2, 2006, recorded as Land Court Document No. 3399278.

10. Designation of Easement 8881, for access and utility purposes, as shown on Map 1294, as set forth by Land Court Order No. 166213, recorded on May 22, 2006.
11. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Declaration of Condominium Property Regime of The Town Homes at Fairway's Edge, Increment 2, dated August 25, 2006, recorded in said Office of the Assistant Registrar as Land Court Document No. 3474188.
12. Condominium Map No. 1843, filed on August 29, 2006, as the same may be amended or supplemented from time to time.
13. The terms and provisions, including the failure to comply with covenants, conditions, and reservations, contained in that certain Bylaws of the Association of Apartment Owners of The Town Homes at Fairway's Edge, Increment 2, dated August 25, 2006, recorded in said Office of the Assistant Registrar as Land Court Document No. 3474189.
14. Any unrecorded leases and matters arising from or affecting the same.
15. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land.

EXHIBIT I

The Town Homes at Fairway's Edge, Increment 2

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

1. Developer's Right to Change Declaration and Bylaws

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

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

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

(c) Notwithstanding the recording of Unit deeds conveying any or all of the Units in favor of any person, Developer has reserved the right to successively amend the Declaration, the Bylaws and the Condominium Map without notice to, or the approval, consent or joinder of, the Association or any purchaser of any Unit or any of the persons then owning or leasing any Unit or any lien holder, to make such amendments: (i) to file or record the "as built" verified statement (with plans, if applicable) required by

Section 514B-34 of the Condominium Property Act, so long as (A) such statement is merely a statement of a registered architect or professional engineer certifying that the final plan thereto filed fully and accurately depicts the layout, location, Unit numbers, and the dimensions of an improvement or change in an Unit as built; or (B) the plans filed therewith involve only immaterial changes to the layout, location, or dimensions of the Units as built or any change in any Unit number; or (ii) to exercise or effectuate any other rights reserved to Developer pursuant to the Declaration or the Master Declaration.

2. Developer's Right to Merge.

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

3. Developer's Right to Withdraw, Etc..

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

Condominium Map, and (2) the interest of any Unit owner, purchaser, prospective purchaser, lienholder, the Association, or other person.

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

EXHIBIT J

**THE TOWN HOMES AT FAIRWAY'S EDGE, INCREMENT 2
ESTIMATED ANNUAL BUDGET**

Fairway's Edge Development, LLC does hereby certify that the estimated budget and maintenance fees describing the units for Increment 2, as set forth in the following sheets, were prepared in accordance with generally accepted accounting principles. The budget and maintenance fees are estimates only and are subject to change at any time, including changes resulting from the merger of the Project with other increments of The Town Homes at Fairway's Edge.

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

FAIRWAY'S EDGE DEVELOPMENT, LLC

By HASEKO HOMES, INC.
a Hawaii corporation
Its Manager

Name: TSUTOMU SAGAWA
Title: EXECUTIVE VICE PRESIDENT

Date

The Town Homes at Fairway's Edge, Increment 2

Estimated Annual Maintenance Fees and Monthly Estimated Fee Per Unit

(16 UNITS)

ESTIMATED ANNUAL BUDGET

ESTIMATE OF MAINTENANCE DISBURSEMENTS (a)	MONTHLY (\$)	ANNUAL (\$)
Utilities		
Common Electricity	\$ 37.04	\$ 444.48
Water	\$ 460.37	\$ 5,524.44
Sewer	\$ 334.81	\$ 4,017.72
Building and Grounds Maintenance		
Building	\$ 37.04	\$ 444.48
Grounds (Landscaping)	\$ 1,357.78	\$ 16,293.36
Pest Control	\$ 1,600.00	\$ 19,200.00
Amenities (Recreation Area)	\$ 50.00	\$ 600.00
Trash Removal	\$ 325.93	\$ 3,911.16
Custodial	\$ 100.00	\$ 1,200.00
Management		
Management Fees	\$ 166.67	\$ 2,000.04
Wages and Salaries	\$ 281.56	\$ 3,378.72
Administrative Expenses	\$ 83.33	\$ 999.96
Education Expenses	\$ 4.81	\$ 57.72
Insurance	\$ 1,842.96	\$ 22,115.52
Legal & Professional	\$ 7.41	\$ 88.92
Taxes/Government Assessments	\$ 0.74	\$ 8.88
Audit Fees	\$ 7.41	\$ 88.92
Reserves (b)	\$ 703.70	\$ 8,444.44
Totals (c)	\$ 7,401.56	\$ 88,818.76

- (a) All budgeted expenses have been calculated by allocating a portion of the overall proposed expenses in accordance with the ratio of the number of units in Increment 2 (i.e., 16 units) to the total number of proposed units (i.e., 216 units). In the event of a deficit in the actual expenses and the amount actually collected, such deficit shall be subsidized by the Developer until all units within The Town Homes at Fairway's Edge project have been sold.
- (b) A reserve study (per §514B-148(a)(4), HRS and Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules) has not yet been conducted. The reserves are estimates only based upon information obtained by Fairway's Edge Development, LLC.
- (c) The Developer, on its own initiative, will be installing and paying for the costs of the use of the Sentricon® *Termite Colony Elimination System* on the Project, commencing on the date title for the first Unit in a building is transferred to the first homeowner and expiring twelve months thereafter. The costs of use of Sentricon® *Termite Colony Elimination System* for a particular building within the Project beyond such period has not been included in the Budget, and any use will be at the election and the cost of the Association or individual apartment owners as the case may be.

THE TOWN HOMES AT FAIRWAY'S EDGE, INCREMENT 2
(16 UNITS)

ESTIMATED MAINTENANCE FEES PER UNIT

UNIT NO.	NET LIVING AREA AND BALCONY (sq. ft.) (a)	COMMON INTEREST (%)	MONTHLY MAINT. FEE (\$) (Per Budget p. 1)	MONTHLY MASTER ASSN. FEE (\$) (Per Budget p.4)	TOTAL MONTHLY FEES (\$)	TOTAL ANNUAL FEES (\$)
1001	1,666	6.4097	474.41	21.00	495.41	5,944.92
1002	1,583	6.0903	450.78	21.00	471.78	5,661.36
1003	1,583	6.0903	450.78	21.00	471.78	5,661.36
1004	1,666	6.4097	474.41	21.00	495.41	5,944.92
1101	1,666	6.4097	474.41	21.00	495.41	5,944.92
1102	1,583	6.0903	450.78	21.00	471.78	5,661.36
1103	1,583	6.0903	450.78	21.00	471.78	5,661.36
1104	1,666	6.4097	474.41	21.00	495.41	5,944.92
2001	1,666	6.4097	474.41	21.00	495.41	5,944.92
2002	1,583	6.0903	450.78	21.00	471.78	5,661.36
2003	1,583	6.0903	450.78	21.00	471.78	5,661.36
2004	1,666	6.4097	474.41	21.00	495.41	5,944.92
2101	1,666	6.4097	474.41	21.00	495.41	5,944.92
2102	1,583	6.0903	450.78	21.00	471.78	5,661.36
2103	1,583	6.0903	450.78	21.00	471.78	5,661.36
2104	1,666	6.4097	474.41	21.00	495.41	5,944.92

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

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

Ocean Pointe Residential Community Association
Annual Budget - Year 2006¹
 (Based on 1927 Units)

<u>Budget Item</u>	<u>Amount</u>
a. Maintenance - Grounds ²	296,376.00
b. Utilities (Water)	75,360.00
c. Utilities (Electricity)	2,400.00
d. Insurance	12,012.00
e. Management Services ³	78,084.00
f. Admin Supplies & Services	10,500.00
g. Legal & Audit	3,540.00
h. Miscellaneous Administrative Expenses	180.00
i. Reserve Contribution	<u>7,152.00</u>
j. Total Estimated Annual Costs	485,604.00
k. Total Estimated Monthly Costs	40,467.00
l. Total Costs Per Unit Per Month ⁴	21.00
m. Net Assessments Per Unit Per Month ⁵	<u><u>\$21.00</u></u>

¹ The Ocean Pointe Community Association's (the "Association") 2005 fiscal year runs from January 1, 2006 through December 31, 2006.

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

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

⁴ The total cost per unit per month was calculated by taking the total estimated monthly costs (line item k.) and dividing that number by 1927.

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

EXHIBIT K

The Town Homes at Fairway's Edge, Increment 2

Summary of Pertinent Provisions of Sales Contract

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

The Agreement provides in part:

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

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

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

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

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

Closing Date or any other estimate of the Closing Date provided by the Developer is an estimate only and is subject to change. The Developer may delay or change the Scheduled Closing Date as necessary and the buyer is advised to work with the Developer in coordinating the actual Closing Date.

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

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

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

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

7. Conditions of the Project. The Agreement contains various disclosures made in the Agreement regarding the condition of the Project and the surrounding areas that could affect the buyer's use or enjoyment of an unit in the Project, including potential aircraft noise, ongoing construction and sales activities, roadways, or driveways located nearby, the proximity of the Project to the proposed Keone'ula Elementary School, the proximity of the Project to the proposed fire station, the possible installation of a Hawaiian Electric Company electrical substation located adjacent to The Town Homes at Fairway's Edge development near Kapolei Parkway, the proximity of the Project to the Kapolei Parkway and Keone'ula Boulevard, and possible environmental and utility effects, that neither the Association of Unit Owners nor Developer or its affiliates

are responsible for providing security for the Project. The Agreement also contains disclosures regarding the approximate area of the units, potential mold, electricity charges for certain exterior lighting, the Developer's right to modify the plans and specifications for the production homes, the right to substitute materials, the right to increase or decrease the purchase price of any unit not subject to a binding contract, and that certain improvements constructed and installed for aesthetic reasons have no structural purposes.

8. Disclosures Regarding Model Homes; Advertising Materials. The homes in the Project will be mass constructed based on limited styles and floor plans being offered by the Developer, but with minor variations to the colors, door styles, elevations, yards, landscaping, walkways, entryways and other features to provide each home with a certain degree of uniqueness. The model homes and various advertising materials, brochures and displays are intended to assist the buyer in visualizing the floor plan of the unit that the buyer is purchasing, but are not intended to be exact replicas or depictions of all the units or buildings in the Project. The model homes and yard areas of the model homes also contain numerous upgrades, options and decorator items which are not included with the unit being purchased by the buyer or the building in which the unit is located, or which, if included with the property being purchased, may differ from that shown with the model homes or in the advertising materials, brochures or displays due to various factors.

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

10. Landscaping; Fences. The buyer is responsible for the initial landscaping of the buyer's rear yard area (for TH1 or TH2 buildings). For buyers of units in the TH11, TH12 or TH21 buildings, the Developer will install the initial landscaping in the front yard area, including an irrigation sprinkler system (and the rear yard for the TH21 type buildings only). The maintenance of such landscaping shall thereafter be the responsibility of the buyer. The buyer also acknowledges that the Developer will install the initial fences enclosing, as the case may be, the rear yard or the front yard of the unit the buyer is purchasing, but that the buyer is responsible for maintaining, repairing and replacing such fences. If any such rear yard fence is shared by more than one unit, the obligation to maintain, repair and replace such fence shall be shared jointly by both unit owners.

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

12. Developer's Repurchase Option. The buyer acknowledges and agrees that the Developer has reserved the option to repurchase the unit during the first twelve (12) month period following the close of escrow to the extent the buyer sells, transfers, assigns, rents or offers to sell, transfer, assign, or rent the unit during such twelve (12) month period. The purchase price paid by Developer to buyer upon the exercise of this

repurchase option shall be equal to the Total Purchase Price shown on page 2 of the Agreement, plus the amount of any options, upgrades, and floor selections paid by buyer in connection with the unit, and together with the amount of any capital improvements made by the buyer to the unit. The Agreement also describes the conditions in which certain sales, transfers, or assignments or offers to sell, transfer, or assign will not be subject to the repurchase option.

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

14. Interest on the Buyer's Deposits. All interest earned on the buyer's deposits shall accrue to the credit of and shall be paid to the Developer unless (a) the buyer instructs escrow to establish a separate interest-bearing account on the buyer's behalf ("Buyer's Account") and pays escrow a processing fee of \$25.00 (or such other amount as escrow may establish from time to time) and complies with all other requirements of escrow, or (b) a Buyer's Account is established pursuant to the escrow agreement (in which case the buyer agrees to pay the processing fee provided thereunder).

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

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

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

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

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

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

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

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

EXHIBIT L

The Town Homes at Fairway's Edge, Increment 2

Summary of Pertinent Provisions of Escrow Agreement

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

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

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

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

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

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

EXHIBIT M

The Town Homes at Fairway's Edge, Increment 2

Summary of Pertinent Provisions of Limited Warranties

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

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

- (a) Acknowledgment and Receipt. Purchaser will receive a sample of the Limited Warranty (PWC Form No. 117) and agrees to read the sample Limited Warranty in its entirety prior to the Closing Date. Purchaser's failure to read the sample Limited Warranty and to obtain any needed assistance in understanding the Limited Warranty shall not in any way change either the Purchaser's or the Seller's rights, duties and obligations under the Limited Warranty. Prior to Closing, Purchaser shall deliver to Escrow a fully executed document entitled "Warranty Acknowledgement of Receipt and Agreement to Read."
- (b) Warranty Period. The term of the Limited Warranty is ten (10) years from the Closing Date. The resale of the Unit by Purchaser will not extend the ten-year term. Notwithstanding the above, however, the Warranty Period for Common Elements of a building or structure commences on the date title for the first Unit in the structure or building is transferred to the first homeowner. The exact dates for the commencement and expiration of the Warranty Period for the Unit will be described in the "Limited Warranty Validation Form" to be mailed to Purchaser by the independent third-party warranty administrator following Closing.
- (c) Coverage Limits. The coverage limits of the Limited Warranty generally are the actual repair costs not to exceed (i) the original sales price of the Unit, in the case of individual owner claims and the aggregate sales price of the Units in a multi-unit residential structure/building, but not to exceed a certain aggregate sum, for claims involving Common Elements contained within a specific multi-unit structure/residential building containing Units. Specific terms of the warranty

coverage are included in the "Limited Warranty Validation Form" and the Limited Warranty.

- (d) Binding Arbitration. The Limited Warranty requires that all disputes between Seller and Purchaser concerning the Limited Warranty, sale or construction of the Unit be resolved by binding arbitration pursuant to provisions under the Limited Warranty. The Purchaser gives up any rights to have the dispute resolved by a court of law or jury trial.
- (e) Customer Care Program. In addition to the Limited Warranty, during the first twelve (12) month period following the Closing of the unit, Seller will initiate and provide to Purchaser at no additional charge a customer care program (the "Program") for defects in materials and workmanship that would otherwise not be deemed to be a "construction defect" under the Limited Warranty. Terms of the Program, which include performance standards the Seller will follow for use during the first year and certain exclusions of the Program, are set forth in the homeowner manual that will be provided to Purchaser upon the Closing of the sale of the unit. Notwithstanding anything contained herein to the contrary, the Program is extended only to the original purchaser of the unit and shall terminate upon the sale of the unit by that purchaser.
- (f) Manufacturers' Warranties. Seller will assign and pass through to the Purchaser any manufacturer's warranties covering any appliances and other consumer products for their unexpired terms, to the extent such warranties exist and to the extent that Seller has the right and power to make such an assignment. Purchaser shall follow the procedure set forth in the manufacturer's warranty if any defects should appear in that item, and any service request should be made directly to the service representative for the manufacturer. Appliances or consumer products are excluded from the Limited Warranty, unless they constitute a construction defect. Seller makes no representation or warranty with respect to the energy consumption of, or efficiency of, any appliance, equipment, or consumer product, or with respect to energy or utility costs.
- (g) Limitations of Warranty and Seller Liability. Except for the Limited Warranty, Seller makes no other warranties, express or implied, and SELLER EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF HABITABILITY, ANY IMPLIED WARRANTY OF MERCHANTABILITY, ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR USE, ANY IMPLIED WARRANTY OF WORKMANSHIP, AND ANY OTHER EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE UNIT, OR THE PROJECT. EXCEPT FOR THE OBLIGATIONS OF SELLER SPECIFICALLY SET FORTH IN THE LIMITED WARRANTY, SELLER SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER LEGAL THEORY (REGARDLESS OF WHETHER SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES).
- (h) Claim Procedure. If any defect appears which Purchaser believes should be covered by this Limited Warranty, Purchaser shall give Seller written notice describing the defect in detail at the following address: Fairway's Edge

Development, LLC, 91-1001 Kaimalie Street, Suite 205, Ewa Beach, Hawaii 96706, Attn: Customer Service. Seller will not reimburse Purchaser for any repair or other action taken by Purchaser without Seller's prior written consent.

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

EXHIBIT N

The Town Homes at Fairway's Edge, Increment 2

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

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

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

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

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

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

EXHIBIT O

The Town Homes at Fairway's Edge, Increment 2

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

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

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

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

for single or multi-family dwelling purposes or that may in the future be devoted to such uses). In connection with this, the Master Declarant has annexed The Town Homes at Fairway's Edge to the Property. The Master Declarant has also reserved the right to withdraw property from the Master Declaration. The Master Declarant's rights to annex and withdraw property from the Master Declaration may be exercised at any time prior to the Last Conveyance Date (which is the date that the last residential dwelling unit proposed to be developed within Ocean Pointe is sold). The Master Declarant's rights to withdraw and annex property are generally covered in Sections 2.2 and 2.3 of the Master Declaration.

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

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

4. Master Association Powers and Duties.

a. General. The Master Association has broad powers to administer the Property. Generally, the Master Association has the power: (i) to acquire, hold, and dispose of property; (ii) to pay, compromise, or contest real property taxes and assessments on the Master Facilities and other property; (iii) to enforce the Master Declaration and The Town Homes at Fairway's Edge Declaration; (iv) to enter into

contracts for the purpose of carrying out its duties under the Master Declaration (including management contracts); (v) to collect assessments; (vi) to maintain books and records of its receipts and expenditures; and (vii) to maintain the Master Facilities and Area of Common Responsibility (described below) and portions of The Town Homes at Fairway's Edge.

b. Master Facilities. The Master Facilities will include property that the Master Association acquires any ownership interest in (whether by deed, lease, easement, license, assignment, or other instrument) and generally may include the following property which Master Declarant in the exercise of its sole discretion may elect to convey to the Master Association: (i) the "Initial Landscaping Lot"; (ii) the "Initial Landscaping Easements"; (iii) the "Entry Lots" (as such terms are defined in the Master Declaration); (iv) any improvements which constitute all or any component of the "Non-potable Water System" (as defined in the Master Declaration) serving the Property including associated easements; and (v) components of the circulation and greenbelt systems for the Property, including non-dedicated roadways, pedestrian pathways, bikeways, associated landscaping easements, private parks, open space and all other related property and facilities located within or adjacent to the "Master Declarant Land" (as defined in the Master Declaration) which may be designated by Master Declarant from time to time). The Master Association through the board may also acquire any other property which the board in the exercise of its discretion deems necessary or appropriate. Prior to the time that any of the Master Facilities are transferred to the Master Association, the Master Declarant shall have all rights, duties, and powers reserved to the Master Association in the Master Declaration. (See generally Article IV).

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

5. Use of Master Facilities. Generally, the Owners have a non-exclusive right and easement to use the Master Facilities subject to: (i) any restrictions set forth in any rules adopted by the Master Association; (ii) any restrictions, encumbrances, easements, and rights of way which may be reserved at the time any Master Facilities are transferred to the Master Association; (iii) any road, utility, or similar easements and rights of way which may be required by any governmental entity, or that may be taken under

power of eminent domain, or granted or conveyed by the board; and (iv) other rights reserved to the Master Declarant or the Developer in the Master Declaration. Owners may not relinquish rights to use the Master Facilities and thereby avoid their obligations for assessments.

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

Until the Last Conveyance Date, either the Master Declarant and/or the Developer may annually elect either to pay the common assessments due on their respective unsold units or to pay to the Association the difference between the amount of all common assessments assessed against all units (other than those units owned by Master Declarant and/or Developer) subject to assessment and the amount of the actual expenditures required to operate the Master Association during the fiscal year.

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

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

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

8. Additional Reserved Rights of Master Declarant and Developer. Generally, Article VIII of the Master Declaration provides that the Master Declarant and/or

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

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

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

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

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

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

EXHIBIT "P"

**DECLARATION OF CONDOMINIUM PROPERTY REGIME OF
THE TOWN HOMES AT FAIRWAY'S EDGE, INCREMENT 2**

OFFICE OF THE
ASSISTANT REGISTRAR, LAND COURT
STATE OF HAWAII
(Bureau of Conveyances)

The original of this document was
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MORIHARA LAU & FONG, LLP
841 BISHOP STREET, SUITE 400
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TELEPHONE NO.: (808) 528-4200

TYPE OF DOCUMENT:

DECLARATION OF CONDOMINIUM PROPERTY REGIME
OF THE TOWN HOMES AT FAIRWAY'S EDGE, INCREMENT 2

PARTIES TO DOCUMENT:

DECLARANT: FAIRWAY'S EDGE DEVELOPMENT, LLC, A HAWAII LIMITED LIABILITY
COMPANY

TAX MAP KEY FOR PROPERTY: PORTIONS OF (1) 9-1-012:058

I:\MLF\HK-Ocean Pointe\Area IIE\Fairway's Edge-Incr 2\CPR Declaration\AREA IIE, Incr 2 CPR Decl (08-21-06)(04r).DOC Total Pages (67)

DECLARATION OF CONDOMINIUM PROPERTY REGIME
OF
THE TOWN HOMES AT FAIRWAY'S EDGE, INCREMENT 2

DECLARATION OF CONDOMINIUM PROPERTY REGIME
OF
THE TOWN HOMES AT FAIRWAY'S EDGE, INCREMENT 2

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EXHIBITS:

Exhibit A: Legal Description of the Land

Exhibit B: Buildings, Units, and Parking

Exhibit C: Additional Covenants Regarding Aircraft Noise and other Disturbances

DECLARATION OF CONDOMINIUM PROPERTY REGIME
OF
THE TOWN HOMES AT FAIRWAY'S EDGE, INCREMENT 1

THIS DECLARATION is made this 25th day of August, 2006, by FAIRWAY'S EDGE DEVELOPMENT, LLC, a Hawaii limited liability company ("Declarant"), whose address is 91-1001 Kaimalie Street, Suite 205, Ewa Beach, Hawaii 96706-5005.

WHEREAS, Declarant owns in fee simple the real property situate at Honouliuli, District of Ewa, City and County of Honolulu, State of Hawaii, as more particularly described in **Exhibit "A"** attached hereto and made a part hereof (the "Land"); and

WHEREAS, Declarant intends to develop a condominium project (the "Project") on the Land by constructing thereon certain improvements in accordance with the plans and specifications therefore filed concurrently herewith in the Office of the Assistant Registrar of the Land Court of the State of Hawaii (the "Office of the Assistant Registrar") as Condominium Map No. 1845 (the "Condominium Map"), which Condominium Map is incorporated herein by reference;

NOW, THEREFORE, in order to create a condominium project consisting of the Land and the improvements to be constructed thereon, Declarant hereby submits the Land and all of its interests therein to a Condominium Property Regime established by Hawaii Revised Statutes, Chapter 514B, and in furtherance thereof, makes the following declarations as to divisions, limitations, restrictions, covenants and conditions, and hereby declares and agrees that the Land is held and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to the declarations, restrictions and conditions set forth herein and in the Bylaws of the Association of Unit Owners (the "Bylaws") of even date herewith, recorded concurrently herewith in the Office of the Assistant Registrar, as the same may from time to time be amended in accordance with law and the Bylaws, which declarations, restrictions and conditions shall constitute covenants running with the Land and shall be binding on and for the benefit of Declarant, Declarant's successors and assigns, and all subsequent owners and lessees of all or any part of the Project and their respective successors, successors in trust, heirs, devisees, executors, personal representatives, administrators and assigns. All of the provisions of this Declaration are intended to create mutual servitudes upon all of the Units within the Project herein described and to create reciprocal rights between the respective Unit owners.

A. PROJECT/LAND.

1. Name of Project. The Condominium Property Regime established hereby shall be known as "THE TOWN HOMES AT FAIRWAY'S EDGE, INCREMENT 2".

2. Description of the Land. The Land submitted to this Condominium Property Regime is more particularly described in **Exhibit "A"** attached hereto and made a part hereof. The Land is in fee simple and is subject to Declarant's right to withdraw portions of the Land from this Condominium Property Regime pursuant to Section U of this Declaration.

B. DEFINITIONS.

Unless the context specifies or requires otherwise, the terms utilized herein have the meanings set forth below for purposes of this Declaration, and such definitions are equally applicable to the singular or plural, and to other grammatical forms thereof:

1. "Area IIE": Area IIE (also known as "Fairway's Edge ") is an incremental residential development which may consist of approximately 216 residential townhome units to be developed on the Land by the Declarant. Area IIE is located within the Ocean Pointe master planned community (sometimes referred to herein as "Ocean Pointe").
2. "Association" or "Association of Unit Owners": The Association of Unit Owners of the Project, established by and described in this Declaration and the Bylaws.
3. "Board" or "Board of Directors": The Board of Directors of the Association.
4. "Buildings": The residential buildings and garage buildings set forth in Section C.1 and **Exhibit "B"** attached hereto and made a part hereof.
5. "Bylaws": The Bylaws of the Association, recorded in the Office of the Assistant Registrar concurrently herewith, as may be amended from time to time.
6. "Common Interest": The Common Interests as set forth in Section E.
7. "Common Elements": The Common Elements as set forth in Section D.2.
8. "Condominium Map": The plans and specifications for the Project filed in the Office of the Assistant Registrar concurrently herewith, as may be amended from time to time.
9. "Condominium Property Act" or the "Act": Chapter 514B of the Hawaii Revised Statutes (including any successor statute), as may be amended from time to time.
10. "Declarant": Fairway's Edge Development, LLC, a Hawaii limited liability company, and any of its successors, successors-in-title, or assigns who take title to any portion of the Land for the purpose of development and/or sale and who is identified as a successor Declarant in an instrument recorded in the Office of the Assistant Registrar and executed by the preceding Declarant of such rights.
11. "Declarant's Control Period": The period of time that the Declarant shall control the Association as described in Section I.
12. "Declaration": This Declaration of Condominium Property Regime, as may be amended from time to time.

13. "Design Guidelines": The Design Guidelines for the Project as generally referenced in the Master Declaration, which set forth the guidelines with which alterations, modifications, repairs or replacements of the Project may be required to comply.
14. "Design Review Committee": The Design Review Committee as defined and referenced in the Master Declaration.
15. "Eligible First Lien Holder": A holder, insurer or guarantor of a first mortgage on any Unit, which has made written request to the Association (which request states the name and address of such holder, insurer or guarantor, and the Unit number of the Unit to which its mortgage pertains), for notice of all or those meetings of the Association at which any proposed amendment to this Declaration or the Bylaws will be considered by the Unit owners.
16. "House Rules": The administrative rules and regulations adopted by the Board pursuant to the Bylaws governing conduct within the Project and the use and operation of the Common Elements.
17. "Front Yards": The Front Yards as set forth in Section D.3(d).
18. "Land": All of the real property described in **Exhibit "A"** attached hereto and made a part hereof, which is subject to Declarant's rights to withdraw portions of the Land from this Condominium Property Regime pursuant to Section U of this Declaration.
19. "Limited Common Elements": The Limited Common Elements as set forth in Section D.3.
20. "Master Declarant": HASEKO (Ewa), Inc., a Hawaii corporation, and its successors, successors-in-title, or assigns, as defined in the Master Declaration.
21. "Master Declaration": The Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated September 15, 1998, recorded as Land Court Document No. 2486145, as the same has been and/or may hereafter be further amended and/or supplemented from time to time.
22. "Office of the Assistant Registrar": The Office of the Assistant Registrar of the Land Court of the State of Hawaii.
23. "Project": The condominium project established under this Declaration, consisting of the Land and all improvements constructed or to be constructed thereon.
24. "Project Boundary Fence". The fence(s) installed along the boundary of the Project fronting the proposed golf course (i.e., the western boundary of the Project) as generally shown on the Condominium Map.
25. "Rear Yards": The Rear Yards as set forth in Section D.3(c).

26. "Units": The Units as set forth in Section D.1.

C. DESCRIPTION OF THE BUILDINGS.

1. Number and Location. There will be constructed on the Land, several separate residential buildings and garage buildings, as shown on the Condominium Map, and as described in **Exhibit "B"** attached hereto and made a part hereof. None of the buildings will have basements.

2. Building Materials. The Buildings will be constructed primarily of cement, steel, wood, glass and allied construction materials.

D. DESCRIPTION OF THE PROJECT. The Project is hereby divided into separate freehold estates consisting of residential Units and the Common Elements.

1. Units. Sixteen (16) separate freehold estates are hereby established in the spaces within the perimeter and party walls, floors and ceilings of each of the sixteen (16) Units in the Project contained in the residential buildings, as shown in the Condominium Map. The layout, location, numbers and dimensions of the Units are as shown on the Condominium Map. The Units shall not be deemed to include: the ground floor lanai (regardless of whether or not the lanai is extended or enclosed); the second floor balcony (regardless of whether or not the balcony is enclosed); the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls; the unfinished floors and ceilings located within or surrounding each Unit; or any pipes, wires, conduits or other utility or service lines running through such Unit which are utilized for, or serve, more than one (1) Unit; all of which shall be deemed Common Elements as hereinafter provided. Each Unit shall be deemed to include: the appurtenant two-car garage; all the walls and partitions which are not load-bearing within the perimeter or party walls; the interior decorated or finished surfaces of all perimeter, party and load-bearing walls; the interior decorated or finished surfaces of all floors, ceilings and roofs; the interior stairways; all doors (including the garage door) and door frames, including the exterior unfinished surfaces thereof; all windows and window frames, including the exterior unfinished surfaces thereof; all doorknobs; and all fixtures originally installed or contained therein.

(a) Unit Numbers and Location. The Unit number and location of each of the Units are as shown on the Condominium Map.

(b) Unit Types. There are two different Unit types in the Project, all of which are shown on the Condominium Map and described in **Exhibit "B"** attached hereto and made a part hereof.

(c) Rooms and Floor Areas of Units. The rooms and net living area for each Unit are as described in **Exhibit "B"** attached hereto and made a part hereof.

The net living area represents the approximate area of the space within the interior finished surfaces of the perimeter non-party walls and party walls of the Unit, including all partitions and walls (load-bearing and nonload-bearing), all air shafts, and all plumbing, mechanical and electrical chases within such perimeter and party

walls, but excluding the garage, any open or enclosed lanai or extended lanai, and any open or enclosed second floor balcony..

(d) Garages. Except for purposes of determining the net living area of the Unit, each Unit shall be deemed to include the two-car garage that includes the two parking stalls assigned to that particular Unit as set forth in **Exhibit "B"** attached hereto and made a part hereof and as shown on the Condominium Map.

(e) Access to Common Elements. Each Unit has direct access to the grounds of the Project.

2. Common Elements. One freehold estate is hereby designated in all remaining portions of the Project, herein called the "Common Elements," including specifically, but not limited to:

(a) The Land in fee simple.

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

(c) All yards, gateways, exterior stairways, gates, fences, (including without limitation, any portion of the Project Boundary Fence that has not been designated as a limited common element pursuant to Section D.3. below) grounds, landscaping, walls, retaining walls, uncovered parking stalls (including guest stalls, if any), driveways, roadways, lanes, alleyways, pathways, sidewalks, walkways, lanais, entrances and entry areas, exits, loading zones, refuse and trash enclosure areas, planter boxes, and mailboxes which are not located in any Unit, whether within or appurtenant to the Project.

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

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

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

3. Limited Common Elements. Certain parts of the Common Elements, herein called and designated the "Limited Common Elements", are hereby designated, set aside and reserved for the exclusive use of certain Units, and such Units shall have appurtenant thereto exclusive easements for the use of such Limited Common Elements as set forth herein. The Limited Common Elements so set aside and reserved are as follows:

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

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

(c) Rear Yard. The fenced area generally located in the rear of a Unit, including the side area of a 111 type Unit (as marked "Rear Yard") on the Condominium Map). Such yard area shall be a Limited Common Element appurtenant to and reserved for the exclusive use of that particular Unit.

(d) Front Yard. The fenced area marked "Courtyard" on the Condominium Map for the 110 Unit type, and the fenced area marked "Fenced Entry Area" on the Condominium Map for the 111 Unit type.

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

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

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

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

(i) Air Conditioner Compressor Unit. The air conditioner compressor unit and associated refrigerant lines placed in the Rear Yard or the Front Yard,

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

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

E. COMMON INTEREST.

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

The Common Interest appurtenant to each Unit is shown in **Exhibit "B"** attached hereto and made a part hereof. The Common Interest is based upon the net living area of each Unit and generally has been calculated for each Unit by dividing the sum of the net living area of such Unit plus the net area of the second floor balcony of such Unit by the sum of the total net living area of all Units within the Project plus the combined net area of all the second floor balconies of the Project, with adjustments made to the Common Interest appurtenant to the Units to compensate for rounding errors to ensure that the sum of all Common Interests for all Units in the Project equals one hundred per cent (100%).

F. EASEMENTS. In addition to any easements described in **Exhibit "A"** attached hereto and to the easements established in the Limited Common Elements, the Units and Common Elements shall also have and be subject to the following easements:

1. Right of Ingress and Egress; Utility Services. Each Unit shall have appurtenant thereto perpetual, nonexclusive easements over, under and across the Common Elements and Limited Common Elements designed for such purposes for ingress to and egress from such Unit, and for utility services (including, but not limited to, electricity, cable television, telephone and other communication services (including without limitation, broadband, electromagnetic and optical transmissions, computer networking, advanced telecommunications and other similar services), water, drainage, gas, and sewer) for and in support of such Unit, and in the other Common Elements for use according to their respective purposes, subject always to the exclusive use of the Limited Common Elements as provided herein, and subject to any changes with respect to the Common Elements pursuant to the provisions of Section 514B-38 of the Condominium Property Act.

2. Encroachments. If any part of the Common Elements now or hereafter encroaches upon any Unit or Limited Common Element, or if any Unit or Limited Common Element encroaches upon the Common Elements or upon any other Unit or the Limited Common Elements of any other Unit, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall exist. In the event any Building or other improvements shall be partially or totally destroyed and then rebuilt, or in the event

of any shifting, settlement or movement of any part of the Project, minor encroachments of any parts of the Common Elements upon any Unit or Limited Common Element, or by any Unit or Limited Common Element upon the Common Elements or upon any other Unit or Limited Common Element of any other Unit due to such construction, reconstruction, shifting, settlement or movement shall be permitted, and valid easements for such encroachment and the maintenance thereof, so long as it continues, shall exist; PROVIDED, HOWEVER, that in no event shall a valid easement for any encroachment be created or maintained in favor of the owner of any Unit if such an encroachment occurred due to the negligence, intentional act, or misconduct of said owner.

3. Inspection, Maintenance, and Repair. Each Unit and Limited Common Element shall be subject to easements through such Unit and Limited Common Elements in favor of the Association and/or the Declarant for support and repair of the Common Elements and other Units (including the correction of any defects therein or any repairs, renovations, modifications or other work as may be required or necessitated under the Declarant's homeowner service or warranty programs) and for entry as may be necessary for the operation of the Project, to ensure compliance with the provisions of this Declaration, the Bylaws, and the House Rules of the Association, or for the inspection, maintenance, installation, restoration, repair or replacement of any Common Elements; PROVIDED, HOWEVER, that such entry by the Association and/or the Declarant shall only be during reasonable hours and after notice is given to the Unit owner or any current lessee or tenant of the Unit, or at any time in emergency situations to prevent damage to any Units, Common Elements, or Limited Common Elements or injury to person.

4. Easements Affecting the Project.

(a) The Association shall have the right, to be exercised at any time by the Board, to grant within the Common Elements easements and rights-of-way over, across, and under the Common Elements for utilities (including, but not limited to, water (including non-potable water lines and fire hydrants), drainage (including drainage channels, swales and ditches), sewer (including sanitary and storm sewers), gas, telephone, electricity, cable (including without limitation, television cable), security systems, communication lines and systems (including broadband, computer networking and advanced telecommunications), and electromagnetic and optical transmission facilities and other similar services), other public services, and for any other reasonable purpose related to the ongoing operations of the Project, and to relocate, realign or cancel the same provided that such easements, their use, relocation, realignment, or cancellations shall not materially impair or interfere with the use of any Unit.

(b) Each Unit owner shall have an easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and/or Limited Common Elements and serving such owner's Unit or the Limited Common Elements appurtenant thereto. Each Unit shall be subject to an easement in favor of the owners of all other Units to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit.

(c) The Declarant shall have the right, to be exercised at any time prior to December 31, 2012, without notice to, or the approval, consent or joinder of, the

Association, or any Unit owner, or any other person, to grant within the Common Elements easements for access over and across the Common Elements to the recreation area described in Section F.9 below.

5. Sales and Advertising Activities. Declarant, its agents, designees, mortgagees, successors and assigns shall have the right and an easement to conduct extensive sales activities on the Common Elements (except the Limited Common Elements appurtenant to any sold Units) and from Units owned and/or leased by Declarant (and Limited Common Elements appurtenant thereto), including without limitation, the use of parking areas and extensive sales displays and activities, until the latter of the date that all of the residential units proposed for development in Area IIE are sold and conveyed to the purchasers or December 31, 2012. The aforementioned right to conduct extensive sales activities on the Common Elements shall include the right to install directional or informational signs, monuments, flags and banners, and the right of Declarant to place such signs, monuments, flags and banners within the front yard area between the Units and the front sidewalk or, at Declarant's election, to reserve or grant perpetual easements therefore in favor of Declarant, Master Declarant, and their respective designees/grantees. In connection with said sales and advertising activities, Declarant reserves unto itself, its members, parent company, affiliates, designees, successors, and assigns the right to allow invitees, guests, prospective customers, and other third parties reasonable access over, across, under and through the Common Elements of the Project (except the Limited Common Elements appurtenant to any sold Units) to inspect, tour, or view the model homes located within Area IIE and any of the real property located in the vicinity, including, but not limited to, the real property comprising Area IIE.

6. Completion of Improvements. Declarant, its agents, employees, contractors, licensees, successors, and assigns shall have an easement over, across, and upon the Common Elements and any unsold Units and Limited Common Elements appurtenant thereto as may be reasonably necessary for the development, construction, and completion of the improvements of the Project, the correction of any defects therein or any repairs, renovations, modifications or other work as may be required or necessitated under any of the Declarant's homeowner service programs. Such easements shall terminate twenty-four (24) months from the date that the instrument of conveyance conveying the last unsold dwelling unit within Area IIE to a purchaser is recorded in the Office of the Assistant Registrar.

7. Additional Rights of Declarant to Grant Easements. Without limiting the generality of the rights reserved to Declarant or the Master Declarant under the Master Declaration, Declarant hereby reserves for itself, and its designees (including without limitation, its parent companies, affiliates, successors, and assigns), the right to designate, grant, cancel, or dedicate, without notice to, or the approval, consent or joinder of, the Association, or any Unit owner, or any other person or lienholder, perpetual or temporary easements and rights-of-way (which shall also include the right to relocate, realign, or cancel existing rights-of-way or easements), (i) which benefit (a) the Project, (b) future increments of Area IIE, (c) other lands, or (d) other third parties (including any utility or governmental entity), over, across, under and through the Common Elements, and/or (ii) which benefit the Association and/or the Unit owners over, across, and under lands adjacent to or in the vicinity of the Project. The easement rights reserved hereby shall be for any purpose as Declarant, in its sole discretion, may from time to time determine, including, but not limited to, for roadway, bikeway, sidewalk, pedestrian access,

landscaping, viewing areas, and fence purposes, for public services, for utility lines and other transmission facilities and appurtenances, for electricity, gas, telephone, electromagnetic and/or optical signal distribution, and any other utility or similar distribution system, including, but not limited to, microwave, radio and television antennas, cable, broadband, computer networking, advanced telecommunications (including electromagnetic and optical transmission facilities and similar services), water, sewer, drainage, flowage, fire hydrants, and other public services and utilities, together with the rights to enter property adjacent to such easements for the purpose of installing, repairing, maintaining, trimming, pruning, altering and removing such landscaping and improvements in connection therewith. The rights reserved to Declarant and its designees herein shall include the right to enter into one or more agreements on behalf of the Association and/or Unit owners obligating the Association and/or Unit owners to share in the costs of constructing, installing, repairing, maintaining, operating, altering, replacing, and removing any improvements located within any such easement areas. The parties to such agreement(s) shall be the Declarant/its designees (acting on behalf of the Association/Unit owners) and other third parties who benefit from the use of such improvements located within the easement areas.

Each Unit owner, by purchasing or accepting the conveyance of an Unit in any manner, whether by court decree, inheritance, foreclosure, or any other means, hereby appoints Declarant as such owner's true and lawful attorney-in-fact for the purpose of executing, acknowledging, recording, if necessary, and delivering any instrument necessary or appropriate to evidence the foregoing grant(s) or dedication(s). The power of attorney granted to Declarant shall not be affected by any subsequent mental, physical, or emotional disability of the Unit owner. The rights reserved to Declarant under this Section F.7 shall be applicable to any subsequent owner of an Unit and shall terminate on December 31, 2012; PROVIDED, HOWEVER, that Declarant's right to designate, grant, dedicate, realign, relocate or cancel easements without notice to, or the approval, consent or joinder of, the Association or any Unit owner shall continue thereafter with respect to those easements that are designated on any subdivision map filed of record in the Office of the Assistant Registrar or reflected on title to the Land prior to December 31, 2012.

8. Guest Parking Stalls. The Project is located within a larger residential development (i.e. Area IIE) which Declarant presently intends to develop in several increments as separate condominium projects, subject to Declarant's right to effect an administrative merger or mergers of two or more increments as described in Section S. In addition to the guests, visitors and invitees of the Unit owners, the guests, visitors and invitees of the other condominium projects created or to be created within Area IIE shall have the right to use the guest parking stalls in the Project, if any, as and to the extent designated by Declarant from time to time. In addition, the guests, visitors and invitees of the Project shall have the right to use the guest parking stalls, if any, located in the other condominium projects created or to be created within Area IIE as and to the extent provided in the Declarations of Condominium Property Regime for such condominium projects as determined by Declarant in the exercise of its sole discretion.

9. Recreation Area. The Project is located within a larger residential development (i.e. Area IIE) which Declarant presently intends to develop in several increments as separate condominium projects, subject to Declarant's right to effect an administrative merger or mergers of two or more increments as described in Section S.

As part of the overall Area IIE development, the current development plan includes a proposal to construct during a later increment of a separate condominium project a recreation area comprised generally of a swimming pool, spa, restroom facilities, kitchenette, picnic areas, a manager's office, and associated parking stalls. It is the intent of Declarant that the recreation area will be an amenity of the overall Area IIE development that Unit owners, guests, visitors, and invitees of the Project and other condominium projects created or to be created within Area IIE will also have the right to use. The expenses related to maintaining and/or repairing the recreation area will be properly allocated between the various condominium projects in accordance with the provisions of Section S of this Declaration.

10. Signs. Notwithstanding anything to the contrary contained in Section F.5 above, Declarant and Declarant's successors and assigns hereby reserve the right to place signs, monuments, flags, and banners within the Common Elements as long as it is (a) limited to the area between the Units and the sidewalk and shall not exceed four (4) feet wide, as measured from the front property boundary; and (b) shall be for a period not to exceed the "Last Conveyance Date," as that term is defined in the Master Declaration.

G. ALTERATION AND TRANSFER OF INTEREST. Except as otherwise expressly set forth and reserved in this Declaration, the Common Interest and the easements appurtenant to each Unit shall have a permanent character, shall not be altered without the vote or written consent of all of the owners of Units affected thereby, as expressed in an amendment to this Declaration duly filed and recorded, and shall not be separated from the Unit to which they appertain, and shall be deemed to be conveyed, leased or encumbered with such Unit even though such interest or easements are not expressly mentioned or described in the conveyance or other instrument. The Common Elements shall remain undivided and no right shall exist to partition or divide any part thereof except as provided by the Condominium Property Act.

H. PURPOSES AND RESTRICTION AS TO USE.

1. Use. The Units shall be occupied and used only for residential purposes by the respective owners thereof, their tenants, families, domestic servants and social guests, and for no other purposes. The garages shall be used for parking vehicles and shall not be used for residential purposes.

2. Right to Sell, Lease, or Rent. The owners of the respective Units shall have the absolute right to sell, lease, rent or otherwise transfer such Units except as otherwise prohibited or restricted under the Condominium Property Act or this Declaration or in any instrument of conveyance executed by Declarant and transferring title to an Unit to an Unit owner.

3. No Transient or Hotel Use. The Units, appurtenant Limited Common Elements, and any portions thereof shall not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than thirty (30) days, or (b) any rental in which the occupants of the Unit are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen or bell service.

4. No Time Sharing. The Units, appurtenant Limited Common Elements, and any portions thereof shall not be sold, transferred, conveyed, leased, occupied, rented, or used for or in connection with any rental pool or any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation, any so-called "vacation license," "travel club membership" or "time-interval ownership" arrangement.

5. Protection of Project. No Unit owner shall do or suffer to permit to be done anything on any Unit or appurtenant Limited Common Elements or elsewhere on the Project which will (a) injure the reputation of the Project; (b) jeopardize the safety or soundness of the Project; (c) create a nuisance or interfere with or unreasonably disturb the rights of other owners and occupants of the Project; (d) reduce the value of the Project; (e) result in the cancellation of insurance applicable to the Project, or adversely affect the right of recovery thereunder, or result in reputable companies refusing to provide insurance as required or permitted by this Declaration or the Bylaws; or (f) increase the rate of insurance applicable to the Units, the contents thereof, or the Project.

6. Sales and Advertising Activities. In addition to the right and easement to conduct extensive sales activities (including the installation of directional or informational signs, monuments, flags and banners) on the Common Elements and from any Units owned and/or leased by Declarant (and Limited Common Elements appurtenant thereto) as provided in Section F.5 above (Easements - Sales and Advertising Activities), notice is also hereby given that extensive sales activities will also be conducted at Declarant's sales office and model homes complex located adjacent to or near the Project (including model units located within Area IIE). Such sales activities may include sales activities for additional phases or increments to be developed by Declarant, its affiliates or their successors and assigns (including other areas within the Ocean Pointe master-planned community). Sales activities conducted at Declarant's sales office and model homes complex (including model units located within Area IIE) are anticipated to continue even after all of the Units in the Project are sold and may also include sales activities of residential units developed and located or to be developed and located in areas outside of Area IIE. All such sales activities may generate additional traffic, noise (including noise associated with the flags or banners blowing in the wind), dust and other nuisances or annoyances to persons within the Project.

7. Parking. Unit owners and occupants shall park vehicles and trailers (including boat trailers) only in a Unit's garage. If an Unit also has a concrete apron deemed appropriate for parking as described herein, the Unit owners and occupants may also park vehicles (but excluding boat trailers) on said concrete apron, subject to such reasonable rules and regulations as may be set forth in the House Rules as the Board may adopt. Except as otherwise provided below in this section, all vehicles parked within the Project shall be parked wholly within the boundaries of the garage, concrete apron, or uncovered parking stall, as the case may be. There shall be no parking within the private roadways or within any other non-dedicated thoroughfares except as may be permitted by the House Rules. In addition, parallel parking on the concrete apron between the asphalt common roadway and the garage door is strictly prohibited. Parking is permitted on the concrete apron provided that (a) the vehicle is parked such that either the front or rear end of the vehicle is facing the garage door; and (b) every part of the vehicle is entirely on the concrete apron and at least one (1) foot from the edge of the asphalt common roadway. The Board shall have the authority to adopt rules regarding the parking, storage, and

maintenance of boats within the Project, as well as rules prohibiting the parking of other vehicles in specified areas within the Project.

8. Animals and Pets. No animals shall be raised, bred, kept or maintained within any Unit other than two (2) generally recognized domestic house pets such as, but not limited to, dogs or cats kept for the Unit owner's personal pleasure and not for sale or other commercial purpose; provided that the Association may require the removal of any animal that is permitted to roam free, or, if the Association, in its sole discretion, determines that said animal endangers the health, makes objectionable noise, or constitutes a nuisance to the Unit owners of any portion of the Project. No farm animals or fowl such as, but not limited to, horses, pigs, chickens or roosters shall be maintained within or upon any Unit, excluding and excepting canaries, parakeets and other songbirds. Any permitted animal or pet shall be kept or maintained solely within an Unit or in a Rear Yard and may not be kept or maintained within a Front Yard. An Unit owner or occupant shall take all reasonable steps to assure that such animals and pets do not escape or roam free outside the Rear Yard except while on a leash and under the Unit owner's or occupant's control. The foregoing limitation on the number of pets shall not apply to prohibit a reasonable number of hamsters, small birds, fish or other constantly caged animals, nor shall it apply to require the removal of any litter born to a permitted pet prior to the time that the animals in such litter are three (3) months old. If an Unit owner fails to remove an animal as required by the Board, the Board may remove the pet. Dogs, which are household pets, shall at all times whenever they are outside an Unit be confined on a leash held by a responsible person. Dogs shall be walked only in those areas designated by the Association. Unit owners shall be responsible for any cleanup or damage caused by such Unit owner's pets. Notwithstanding the foregoing, the provisions contained in this Section 8 shall not be enforced in any manner which is contrary to applicable provisions of the Federal Fair Housing Act (42 U.S.C. §3601 et. seq., as amended) and any similar laws of the State of Hawaii.

9. Offensive Activity. It shall be the responsibility of each Unit owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Unit. No Unit, including any balcony or covered lanai, shall be used, in whole or in part, for the storage of any property or thing that will cause such Unit to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any Unit that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be conducted upon any Unit that reduces property values, damages the reputation of the Project, or results in the increase in the premiums of any insurance carried by the Association or any other Unit owner, nor shall anything be done thereon tending to cause discomfort, annoyance, or nuisance to any person using any property adjacent to the Unit. There shall not be maintained any plants or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of any nature as may diminish or destroy the enjoyment of the Project.

10. Vehicle Repairs; Other Activities. Subject to the limitations set forth in Section 9 above, the pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly, disassembly, and repair of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly, or unkempt conditions shall be confined to the interior portions of any garages which are part of an Unit.

11. Antenna Use and Installation. An antenna covered by the Federal Communications Commission's ("FCC") over-the-Air Reception Device ("OTARD") rule (47 C.F.R. Sec. 1400 et seq.) ("Covered Antenna") may be installed at an Unit only pursuant to the following rules:

(a) Except for Units located within a TH21 townhome building (as described in subparagraph (d) below, the Covered Antenna may only be installed in an area where the Unit owner or occupant has the exclusive use and control.

(b) The Covered Antenna fully complies with the FCC's requirements.

(b) Unless the Covered Antenna being installed is unable to receive acceptable-quality signals, the Covered Antenna should be located in a place shielded from view from other units or homes, from streets, or from outside the development to the maximum extent possible. If the Covered Antenna can receive acceptable-quality signals from more than one location that is in the exclusive use and control of an Unit owner or occupant, then the Covered Antenna should be installed in the least visible preferred location.

(d) For Units within a TH21 townhome building, the Covered Antenna should not be installed in the front entrance and/or front yard area. Instead, the Association will designate areas within the Common Elements of the Project in which to install a Covered Antenna. Only in the event that the Covered Antenna is unable to receive acceptable-quality signals from these designated areas will a Covered Antenna be allowed to be installed on such front entrance and/or front yard area.

(e) Prior to commencing the installation of a Covered Antenna, the Unit owner or occupant shall submit a Notification Form to the Design Review Committee for confirmation that the proposed installation conforms to the above rules, the applicable Design Guidelines, and any other applicable laws, ordinances, rules, etc.

12. Clotheslines, Garbage Cans, Tanks, Etc. Permanent clotheslines, tanks for the storage of cooking and heating gas, or other tanks may not be installed within the Project, including any portion of an Unit. Portable clotheslines may only be installed in areas within an Unit that are not visible from the roadways, pathways, or other public areas of the Project. In no event may a portable clothesline be installed on a balcony or covered lanai within a TH21 townhome building. All rubbish, trash, and garbage shall be regularly removed from the Unit and shall be properly deposited in the receptacles designated for such use.

13. Guns. The discharge of firearms within the Project is prohibited except by police officers and security personnel while acting in their official capacities. The term "firearms" includes "B B" guns, pellet guns, paintball, Airsoft™ type guns, and other firearms of all types, regardless of size.

14. Pools and Tubs. Except as otherwise may be constructed in the recreation area described herein, no above-ground or in-ground pools, spas, or interior jetted tubs shall be erected, constructed or installed on any portion of the Project.

15. Tents and Temporary Structures. Unit owners or occupants shall not place upon an Unit, Common Element, Limited Common Element or any part of the Project any tent or any structure of a permanent nature.

16. Tree Removal. No trees shall be removed unless approved as provided in the Design Guidelines, with the exception of (a) diseased or dead trees; (b) trees causing root damage to the Common Elements, streets, and neighboring Units; and (c) trees needing to be removed to promote the growth of other trees or for safety reasons. Any trees removed may be required to be replaced to the extent required in the Design Guidelines.

17. Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted within the Project, except for temporary lines as required during construction.

18. Additional Air Conditioning Units. Except for the central air conditioning system installed in each Unit, no additional air conditioner unit may be installed in any portion of the Unit.

19. Exterior Lighting. Except for any exterior lighting that is installed on any Building, Unit, or within the Common Elements, Unit owners or occupants may install exterior lighting subject to the additional criteria as may be set forth in the Design Guidelines, provided that no light source is visible from neighboring Units and that no glare is created which would unreasonably disturb adjoining Unit owners or occupants.

20. Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any Unit except as provided in the Design Guidelines. Exterior sculpture, fountains, flags, and similar items may be subject to approval as provided in the Design Guidelines.

21. Wells. No well from which water, oil, or gas is produced shall be dug, nor shall storage tanks, reservoirs, or any installation of power, telephone, or other utility lines (wire, pipe, or conduit) in connection therewith be made or operated anywhere on the Project except in connection with water wells and works operated by public agencies or public utility companies.

22. Window Coverings, Tinting, Finishes, Door Treatments, and Screen Doors. All window and door treatments such as draperies, blinds, louvers, curtains, stained glass and other similar shading devices used on the interior and exterior of windows and doors will be subject to such additional aesthetic criteria as may be provided in the Design Guidelines. Acceptable window/door treatment materials are all materials specifically intended for use as window/door coverings. Examples of unacceptable window/door treatment materials include all reflective materials (foil), newspapers, posters, pictures, blankets, bed sheets, towels, plastic film, tarpaulins and paint. Unit owners shall maintain acceptable window/door treatments in good appearance and condition due to the high visibility from streets, Common Elements and neighboring Units. Any window/door treatment exhibiting rips, tears, heavy discoloration or otherwise unkempt in appearance is subject to removal and/or repair at the request of the Association or the Design Review Committee.

No reflective finishes shall be used on the exterior surfaces of any windows or doors (other than glass and the surfaces of hardware fixtures) of any Unit. Highly reflective window tinting that creates glare on adjacent properties or streets is not to be construed as a "glass" exception to the reflective finish restriction. Such window tinting treatments are specifically prohibited. No window tinting installations shall be allowed except as may be permitted in the Design Guidelines.

Screen doors or similar fixtures which are installed on the exterior of any entry door visible to the roadways, pathways, or public areas shall be subject to all criteria as may be provided in the Design Guidelines.

23. Dog Houses, Shade Houses, Storage and Tool Sheds. Shade houses, tool sheds, equipment, dog houses, and other outdoor structures and apparatus shall not be located, erected, constructed or installed within the Front Yard or Rear Yard. Dog houses and prefabricated non-metallic storage cabinets, where permitted, and children's play houses may only be located within a Rear Yard to the extent such structures are (a) not visible from the street or pedestrian pathways, (b) do not extend beyond picket or open fence locations, and (c) are not higher than the surrounding solid fence.

24. House Decorations. Temporary holiday or special event decorations are exempted and need not be submitted for Design Review Committee or Board approval provided that they are not installed sooner than thirty (30) days before the holiday or event and are removed not later than fifteen (15) days after the holiday or event.

25. Vehicle Washing. The washing of all vehicles within the Project shall comply with all governmental rules, regulations, and ordinances and such additional House Rules promulgated by the Board from time to time.

26. Liability for Damage. Each Unit owner shall be liable to the Association for all costs and expenses, including attorneys' fees, incurred by or on behalf of the Association to repair, replace or restore any damage to or destruction of the Common or Limited Common Elements or to the property of another, which damage or destruction was contributed to or caused by the Unit owner or anyone on the premises pursuant to the invitation or authority of such Unit owner.

27. Guest Parking Stalls. Unless otherwise specified, guest parking stalls shall be reserved exclusively for the use of guests of the Units only, and not by any Unit owner or occupant of the Units.

28. Owner's Responsibility for the Observance of Laws and Other Requirements. Each Unit owner shall observe and perform all applicable laws and shall indemnify Declarant, Master Declarant, the Board and the Association against all actions, suits, claims and damages by whomsoever brought or made by reason of the nonobservance or nonperformance of the foregoing by such Unit owner or any other person claiming under Unit owner.

29. Signs. All signs, monuments, flags, and banners (collectively, "signs") shall conform to the Design Guidelines and any sign of any kind erected within the Project shall be subject to the prior written consent of the Design Review Committee; provided that Unit owners will be entitled to place not more than one (1) "For Sale" sign within the

common area immediately fronting their Unit at any one time without obtaining such consent. Notwithstanding the foregoing, the Board shall have the right to erect signs without obtaining the approval of the Design Review Committee. Until the earlier to occur of: (a) the date upon which all Units proposed for development within Area IIE have been sold and conveyed to owners or (b) December 31, 2020, the Declarant and Master Declarant shall each have a right to erect permanent or temporary signs within the Common Elements and to reserve or grant perpetual easements therefor in favor of Declarant, Master Declarant, and their respective designees/grantees, all without the approval of the Design Review Committee.

30. Inspection of Unit. Each Unit owner shall permit the Board and its designees at all reasonable times and after notice to the Unit owner thereof, to enter upon and examine the state of repair and condition of any portion of its Unit unit. If any nonconformance with this Declaration comes to the Board's attention as a result of such inspection, the Board may give notice of such nonconformance to such Unit owner. Within sixty (60) days, the Unit owner shall remedy the nonconformance. If the correction may be made within a reasonable period of time but cannot reasonably be made within sixty (60) days, the Unit owner will not be in default under this Section if the correction is begun within the sixty (60) day period and is thereafter continuously and diligently undertaken to completion by the Unit owner. If the Unit owner refuses or neglects to commence and complete the correction in time, the Board may make such repairs or cause the same to be made at the Unit owner's expense and subject to the Unit Owner's obligation of reimbursement to the Association. In such case, the Board and the Association shall not be responsible to the Unit owner or to any persons claiming by or through the Unit owner for any loss or damage that may be caused to its or their property or business, other than such loss or damage which arises out of the gross negligence or willful misconduct of the Association or any Board member.

I. ASSOCIATION OF UNIT OWNERS; DECLARANT'S CONTROL PERIOD.

Administration of the Project shall be vested in the Association, consisting of all Unit owners of the Project in accordance with the Bylaws as such may be amended from time to time. The owner of any Unit upon acquiring title thereto shall automatically become a member of the Association and shall remain a member thereof until such time as such owner's ownership of such Unit ceases for any reason, at which time such owner's membership in the Association shall automatically cease. The owner of an Unit may delegate to a lessee the exercise of voting rights, provided such delegation shall be provided for under the lease of any Unit and is duly filed with the Board.

Without limiting the duration or scope of any other rights reserved to Declarant, Declarant's designees (including without limitation, its parent companies, affiliates, successors and assigns which for purposes of this Section I are collectively referred to as "Declarant"), or the Master Declarant as set forth in this Declaration, the Bylaws, or the Master Declaration, the Declarant shall have the right to elect to control the Association during the period commencing on the date of this Declaration until the date of termination as hereinafter set forth (the "Declarant's Control Period"), during which period Declarant shall have sole power and authority to appoint and remove the officers and members of the Board. The date of termination of the Declarant's Control Period shall be no later than the earlier of: (1) sixty (60) days after conveyance of seventy-five percent (75%) of the Common Interests appurtenant to Units that may be created in the Project to Unit owners other than the Declarant or an affiliate of the Declarant; (2) two (2) years

after the Declarant has ceased to offer Units for sale in the ordinary course of business; (3) two (2) years from the date that after any right to administratively merge the Project with any Increment as provided in Section S. has expired; or (4) the date the Declarant, after giving written notice to Unit owners at least sixty (60) days prior to such date, records an instrument voluntarily surrendering all rights to control activities of the Association. The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board before termination of the Declarant's Control Period, but in that event the Declarant shall have the right to require, for the duration of the Declarant's Control Period, that specific actions of the Board or the Association, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before such actions become effective.

J. ADMINISTRATION OF THE PROJECT. Administration, fiscal management and the operation of the Project, and the maintenance, repair, replacement and restoration of the Common Elements, and any additions and alterations thereto, shall be in accordance with the provisions of the Condominium Property Act, this Declaration and the Bylaws. The Association shall, without limitation, have the following powers, duties, obligations, and responsibilities:

1. Improvements Required by Law. The Association shall make, build, maintain and repair all fences, sewers, drains, roads, curbs, sidewalks, water and/or irrigation lines, street lights, guest parking areas and other improvements which may be required by law to be made, built, rebuilt, maintained and repaired upon or adjoining or in connection with or for the use of the Project or any part thereof.

2. Condition of the Project. The Association shall keep all Common Elements of the Project in a strictly clean and sanitary condition and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority during the period that they are applicable to the Project or the use thereof; PROVIDED, HOWEVER, that the owner of each Unit shall be responsible to keep such Unit and all appurtenant Limited Common Elements in such clean and sanitary condition and in compliance with such laws, ordinances, rules and regulations.

3. Maintenance of the Project.

(a) Common Elements. Without limiting the generality of the rights reserved to Master Declarant under the Master Declaration to undertake certain maintenance obligations of the Common Elements, the Association shall well and substantially maintain, repair, replace, amend and keep all Common Elements of the Project, including without limitation, the Buildings, with all necessary reparations, replacements and amendments whatsoever in good order and condition (including without limitation, the drainlines located within or below the Rear Yards, if any, the electrical fixtures located within the entry area of the Unit and, where applicable, side area lighting that may be located on the side of an end unit Unit); PROVIDED, HOWEVER, that the duties and obligations of the Association to maintain certain Common Elements (including without limitation, the roadways that provide access to the garages, the roadway lighting located above the garage door, and, where applicable, side area lighting that may be located on the side of an end unit Unit, and the non-dedicated storm drain improvements within or under the roadways) may be assumed and performed by other homeowners or community associations to the extent provided in the Master Declaration.

(b) Units and Limited Common Elements. The owner of each Unit shall be responsible to well and substantially maintain, repair, replace, amend and keep such Unit and appurtenant Limited Common Elements with all necessary reparations, replacements and amendments whatsoever in good order and condition. In the event a Limited Common Element is appurtenant to more than one Unit, the owners of Units to which the Limited Common Element is appurtenant shall be jointly responsible for such Limited Common Element.

(i) Front or Rear Yard. Without limiting the foregoing, the Declarant shall be responsible for installing the initial landscaping and irrigation system for the Front Yard and Rear Yard for each Unit located in a TH21 building. The owner of each Unit shall also be responsible to maintain the Front or Rear Yard, as the case may be, clean and free of debris to ensure that the storm drain improvements serving the Project, which may include drain inlets within the yards and drainlines below the surface of the yards, if any, function properly and are not blocked or clogged by materials discharged, disposed or allowed to flow into any storm drain system from such owner's yard.

(ii) Mailboxes. The owner of any Unit shall maintain and keep clean the individual mailbox assigned to the Unit that is an appurtenant Limited Common Element.

(iii) Planter Boxes. Each owner of an Unit to which a planter box or boxes is or are an appurtenant Limited Common Element shall maintain such planter box(es) in good order and condition, and shall promptly remove any unsightly, dead or diseased plants, landscaping or other vegetation contained therein.

(iv) Air Conditioner Compressor Units. Each owner of an Unit shall maintain the air conditioner compressor unit and associated refrigerant lines serving his or her Unit.

(v) Association's Right to Maintain Limited Common Elements. In the event the Association, in its sole discretion, determines: (a) that any Limited Common Element is not adequately or properly maintained by the Unit owner(s) in compliance with the owner's obligations under this Section J.3(b); or (b) that the maintenance of any Limited Common Element should be maintained by the Association instead of the Unit owner(s), the Association shall, after providing notice to the owner(s) of the Unit(s) to which the Limited Common Element is appurtenant, maintain, repair, replace or amend such Limited Common Element and charge the costs and expenses to the owner(s) of the Unit(s) to which the Limited Common Element is appurtenant.

4. Bond for Improvements. Before commencing or permitting construction of any improvement on the Project costing in excess of TWENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$25,000.00), or any lesser amount at the Board's discretion (and subject to complying with the requirements of Section R herein), the Board shall require that the party making the improvements obtain or cause to be obtained a performance and/or payment bond or certificate thereof naming as obligees, collectively, the Association, the Board, all Unit owners and their respective mortgagees as their interests may appear, in a penal sum not less than one hundred percent (100%) of the cost of such construction guaranteeing performance of such construction free and clear of

all mechanics' and materialmans' liens and all claims in lieu of mechanics' and materialmans' liens arising under Section 514B-43 of the Condominium Property Act. The Board may, in its sole discretion, increase the \$25,000.00 limitation from time to time by an amount equal to the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), All Items, U.S. City Average (1982-1984 = 100), published by the United States Department of Labor, Bureau of Labor Statistics or other successor federal or state agency or department, and adjusted to any new basis and method of computation then applicable (the "CPI"). For purposes of this paragraph, the term "percentage increase" shall mean the product of (a) the fraction, the numerator of which is the difference between the CPI for the first day of the calendar month preceding the calendar month in which the Board shall approve an increase in said dollar limitation and the CPI for the first day of the calendar month in which this Declaration is recorded in the Office of the Assistant Registrar, and the denominator of which is the CPI for the first day of the calendar month in which this Declaration is recorded in the Office of the Assistant Registrar and (b) \$25,000.00.

5. No Waste. The Association shall not make or suffer any strip or waste or unlawful, improper or offensive use of the Project.

6. Observation of Setback Lines. The Association shall observe any setback lines affecting the Project and shall not erect, place, permit or maintain any building or structure whatsoever, except approved fences or walls between any street boundary of the Project and the setback lines along such boundary.

7. Construction, Alterations, and Additions. The Association shall not erect or place on the Project any building or structure including fences and walls, nor make additions, structural alterations, or exterior changes to any Common Elements of the Project, nor place or maintain thereon any signs, posters or bills whatsoever, except in accordance with Section R (Alteration of Project).

8. Entry into Units and Limited Common Elements. The Association shall have the authority, right and power, to be exercised by the Board, to enter any Unit and Limited Common Element from time to time during reasonable hours and after notice is given to the Unit owner or any current lessee or tenant of the Unit as may be necessary for the operation of the Project, to ensure compliance with the provisions of this Declaration, the Bylaws, and the House Rules, or for the inspection, maintenance, installation, restoration, repair or replacement of any Common Elements, or at any time for making emergency repairs, improvements or to correct defects therein required to prevent damage to any Units, Common Elements, or Limited Common Elements or injury to person.

9. Common Elements.

(a) Change of Use. Upon approval of the Unit owners holding at least sixty-seven percent (67%) of the total Common Interests of the Project, the Board may change the use of the Common Elements to a use different than that for which it was originally intended.

(b) Utility and Service Easements. Subject to other provisions to the contrary herein, the Association shall have the authority, right and power, acting

through the Board, to grant, convey, transfer, cancel, relocate or otherwise deal with (to the extent of the interests of the Unit owners in and to the Project) electricity, gas, drainage, sewer, potable water, non-potable water, fire hydrants, telephone and other communications activities (including, but not limited to, broadband, computer networking, and advanced telecommunications (such as electromagnetic and optical transmission and other similar services)), refuse collection, radio and television signal distribution and other utility and service easements on, in, through, or affecting the Common Elements or Limited Common Elements of the Project; provided, such rights must be exercised in such manner as not to unreasonably interfere with the use of the Project by the Unit owners and provided that any damage to any of the Buildings or other improvements is repaired, and in connection with the installation, maintenance or repair of any facilities pursuant to such easements, the Land, the Buildings, and any other improvements shall be promptly restored by and at the expense of the person(s) or entity exercising the easement rights to approximately the same condition as prior to the exercise thereof. Each Unit owner, by acquiring a Unit or an interest in a Unit in the Project, agrees if, as, and when requested, to join in and execute any and all documents so designating or granting any such easements. Any holder of easement rights under any such document shall be entitled to rely upon any representation made in such document that the Association has properly authorized the execution thereof by the officers of the Association who purport to execute the same.

(c) Lease or Use of Common Elements for the Benefit of the Association.

(i) Except as expressly set forth in Subsection J.9(c)(iii) below and as may otherwise be provided under the Condominium Property Act, the Association shall have the authority, right and power, acting through the Board, to lease or otherwise use for the benefit of the Association, those Common Elements which are not actually used by any of the Unit owners for an originally intended special purpose, as determined by the Board; provided, that unless the approval of the Unit owners holding at least sixty-seven percent (67%) of the total Common Interests of the Project is obtained, any such lease or use shall not exceed a term of 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 that the requirements of this paragraph shall not apply to any leases, licenses, or other agreements entered into for the purposes authorized by section 514B-140(d) of the Condominium Property Act.

(ii) The Association shall have the authority, right and power, acting through the Board, to lease or otherwise use for the benefit of the Association, those Common Elements not falling within the provisions of Subsection J.9(c)(i) immediately preceding, upon obtaining: (A) the approval of the Unit owners holding at least sixty-seven percent (67%) of the total Common Interests of the Project, including all directly affected Unit owners (that the Board reasonably determines actually use the Common Elements to be leased) and all owners of Units to which such Common Elements are appurtenant in the case of Limited Common Elements, and (B) the approval of all mortgagees of record on Units with respect to which Unit owner approval is required by (A) above, if such lease or use would be in derogation of the interest of such mortgagees, provided that the requirements of this paragraph shall not apply to any leases, licenses or other agreements entered into for the purposes authorized by Section 514B-140(d) of the Condominium Property Act.

10. Right to Borrow Money. Subject to any approval requirements and spending limits contained in this Declaration and Bylaws, the Association has the right, to be exercised by the Board, to borrow money to be used by the Association for the repair, replacement, maintenance, operation, or administration of the Common Elements of the Project, or the making of any additions, alterations, and improvements thereto. The cost of such borrowing, including without limitation, all principal, interest, commitment fees and other fees and expenses payable with respect to such borrowing shall be a common expense of the Project; provided that all Unit owners shall have been first notified of the purpose and the use of the funds, and that Unit owners holding at least fifty percent (50%) of the total Common Interests of the Project and fifty percent (50%) of the Units give written consent to such borrowing.

11. Utility Services and Refuse Collection. The Association shall have the authority, right and power, acting through the Board, to enter into arrangements with public or private utility companies to provide utility services for the Project including the installation and use of utility meters as provided in Section 514B-42 of the Condominium Property Act. The Board shall also have the authority, right and power to enter into arrangements with private refuse collection companies to provide refuse collection services for the Project.

12. Assessments.

(a) Regular Assessments for Common Expenses. The Association, acting through the Board, shall from time to time assess all Unit owners, in proportion to the Common Interests appurtenant to their respective Unit, for payment of common expenses.

(b) Special Assessments. The Association shall have the authority, right and power, acting through the Board, to levy special assessments at any time for the following reasons:

(i) Against an Unit owner for charges, costs and expenses incurred by the Association as a result of the Unit owner's act or failure or refusal to comply with the Declaration, Bylaws or House Rules promulgated thereunder;

(ii) Against an Unit owner for charges, costs and expenses incurred by the Association which are necessitated by the negligence, misuse or neglect of the Unit owner or any occupant or person under either of them.

(iii) Against all Unit owners where, due to unanticipated circumstances, the Board underestimates the reserve requirements for an asset of the Association.

(iv) For any other reason as determined by the Board pursuant to and in advancement of its rights and duties.

Each Owner shall pay any special assessment as and when specified by the Board.

K. MANAGING AGENT AND SERVICE OF PROCESS.

1. Managing Agent. Operation of the Project shall at all times be conducted for the Association by a responsible Managing Agent which is registered as a Managing Agent pursuant to Section 514B-132 of the Condominium Property Act and which complies with all other applicable requirements of the Condominium Property Act (the "Managing Agent"). The Managing Agent shall be appointed by the Association in accordance with the Bylaws, except that the initial Managing Agent shall be appointed by Declarant; PROVIDED, HOWEVER, that the contact for the initial Managing Agent shall be subject to the termination provisions of the Condominium Property Act.

2. Service of Process. The Managing Agent is hereby authorized to receive service of legal process in all cases provided in said Condominium Property Act. In addition, process may be served upon any member of the Board of Directors of the Association who has a residence or place of business within the City and County of Honolulu, State of Hawaii. The President of HASEKO Homes, Inc., the manager of Declarant, whose principal place of business is at 91-1001 Kaimalie Street, Suite 205, Ewa Beach, Hawaii 96706-5005, is hereby designated as the agent to receive service of process until such time as the Board of Directors of the Association is elected or the Managing Agent is duly appointed.

L. COMMON EXPENSES.

1. Costs Included in Common Expenses. All charges, costs and expenses whatsoever incurred by the Association for or in connection with the operation and administration of the Project and all sums designated as common expenses under the Condominium Property Act, this Declaration, or the Bylaws, including without limitation, the operation of the Association, any installation, maintenance, repair, replacement and restoration of the Common Elements and any additions and alterations thereto, any labor, services, materials, supplies and equipment therefor, any liability whatsoever for loss or damage arising out of or in connection with the Common Elements or any accident, fire or nuisance thereon, and any premiums for property, liability and any other insurance or bonds herein required with respect to the Project shall constitute common expenses of the Project for which all Unit owners shall be severally liable in proportion to their respective Common Interests. Notwithstanding the obligation of the Association to maintain, pursuant to Section J.3(a) of this Declaration, the roadway lighting located above the garage, and, where applicable, side area lighting that may be located on the side of an end unit Unit, the electricity for such lighting shall be provided by the owner of such Unit at the owner's sole cost and expense.

2. Replacement Reserve Fund. The Board shall establish and maintain a replacement reserve fund to provide for (a) the upkeep, repair or replacement of those parts of the Project, including, but not limited to, roofs, walls (including retaining and perimeter walls), fences, decks, paving, equipment, landscaping, irrigation systems, and other parts of the Common Elements which the Association is obligated to maintain; and (b) utilities, insurance, reserves for contingencies, and other expenses of administration of the Project, all of which shall be deemed conclusively to be common expenses of the Project. The replacement reserve fund shall be established and maintained out of regular assessments for common expenses, in accordance with the requirements of the Condominium Property Act and Title 16, Chapter 107, Subchapter 6 of the Hawaii

Administrative Rules ("Hawaii Administrative Rules"), as amended. Within the replacement reserve account, however, the Board shall establish a separate designated fund or funds for each asset for which estimated capital expenditures or major maintenance will exceed TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) or such other amount as may be required under the Condominium Property Act or the Hawaii Administrative Rules.

3. Working Capital Fund. The Board shall establish a working capital fund for the initial months of the Project operations in an amount equal to at least two (2) months' estimated common expenses for each Unit. Any and all amounts paid into a working capital fund shall be considered a "start-up" fee and shall not be considered advance payments of common expenses. Declarant shall not use any portion of the working capital fund to defray its expenses, reserve contributions, or construction costs or make up any of its budget deficits. Each Unit's share of assessments for establishing the initial working capital fund shall be collected at the closing of the initial sale of such Unit, or when control of the Project is transferred to the Association, whichever is earlier. If Declarant has paid any Unit's share of assessments for establishing the initial working capital fund, Declarant may use funds collected at closing to reimburse itself for such payments.

4. Real Property Taxes and Special Assessments. Real property taxes and special assessments referred to in Section 514B-4 of the Condominium Property Act, and charges, including those for utilities, which are separately metered, shall not be common expenses of the Project and no payments thereof shall be payments of such common expenses.

5. Lien for Assessments. All unpaid amounts of any assessments (including regular and special assessments) against any Unit, together with interest, late charges, costs and reasonable attorneys' fees, shall constitute a lien against such Unit prior to all other liens, except (a) liens for taxes and assessments lawfully imposed by governmental authority against such Unit, and (b) liens for sums unpaid on any mortgage of record, which was recorded prior to the recordation of a notice of a lien by the Association, and costs and expenses, including attorneys' fees, provided in such mortgage. Such lien may be foreclosed by the Board or the Managing Agent as provided by the Condominium Property Act, provided that thirty (30) days prior written notice of intention to foreclose shall be mailed, postage prepaid, to all persons having any interest in such Unit as shown in the Association's record of ownership. Without limiting the provisions of the Condominium Property Act, where the holder of a first mortgage of record of an Unit comes into possession of the Unit pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or conveyance in lieu of foreclosure of the mortgage, such mortgagee shall take such possession of the Unit free of any claims for unpaid assessments or charges chargeable to the Unit, which accrue prior to the time such mortgagee comes into possession of the Unit (except as provided in Article IX, Section 5 of the Bylaws and except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units, including such Unit).

6. Limited Common Elements. Notwithstanding any provision herein to the contrary, all costs and expenses incurred by the Association, including, but not limited to, maintenance, installation, restoration, repair, replacement, additions and improvements

to any of the Limited Common Elements of the Project shall be charged to and divided among the owners of Units to which such Limited Common Element is appurtenant in proportion to the ratio that the Common Interest appurtenant to their respective Units bears to the sum of the Common Interests of all of the Units to which such Limited Common Element is appurtenant.

7. Commencement of Assessments. Each Unit owner shall become obligated for the payment of the shares of common expenses allocated to such owner's Unit at the time the certificate of occupancy relating to such Unit is issued; provided that Declarant may assume all of the actual common expenses in the Project as permitted by Section 514B-41 of the Condominium Property Act, in which case the Unit owners shall become obligated for the payment of their share of common expenses pursuant to the provisions of said Section 514B-41 of the Condominium Property Act.

8. Waiver of Use of Common Elements. No Unit owner may exempt himself or herself from liability for such owner's contribution toward the common expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Unit.

9. Excess Assessments. In the event that assessments received during any year are in excess of the actual expenditures for such year by the Association for common expenses of the Project, the Board may determine, subject to approval by the Unit owners at the next annual meeting, that such excess shall be:

(a) Applied in whole or in part to reduce the assessments for the subsequent year unless a majority of the Unit owners vote to return such excess to the Unit owners, in which event the same shall be returned to them in proportion to their respective Common Interests; or

(b) Designated in whole or in part as a capital contribution to the Association to be used for future capital improvements and replacements; or

(c) Segregated and held in whole or in part in the replacement reserve fund established hereunder.

The interest of each Unit owner in said capital contributions or reserve funds cannot be withdrawn or separately assigned but shall be deemed to be transferred with such Unit even though not expressly mentioned or described in the conveyance thereof. In case the Condominium Property Regime hereby created shall be terminated or waived, said capital contributions, custodial fund or reserve funds remaining after full payment of all common expenses of the Association shall be distributed to all Unit owners in proportion to the Common Interests appurtenant to their respective Units except for the owners of any Units then reconstituted as a new Condominium Property Regime, whose share in such distribution shall be turned over to the association of the new Condominium Property Regime.

M. COMPLIANCE WITH CONDOMINIUM DOCUMENTS AND OTHER DOCUMENTS.

1. **Condominium Documents.** All Unit owners, their employees, lessees, tenants, families, servants and guests, and any other persons who may in any manner use the Project or any part thereof, shall be bound by and comply strictly with the provisions of the Condominium Property Act, this Declaration, the Bylaws and the House Rules, and all rules, regulations, agreements, decisions and determinations of the Association as lawfully made or amended from time to time (hereinafter sometimes referred to as the "Condominium Documents"), and failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, maintainable by the Board or Managing Agent (if any) on behalf of the Association, or, in a proper case, by any aggrieved Unit owner.

In the event of the failure of any Unit owner to comply fully with any of the Condominium Documents within thirty (30) days after written demand therefor by the Association, the Association shall promptly give written notice of such failure to the holder of any mortgage of such Unit as shown in the Association's record of ownership or who has given the Board written notice of its interest through the Secretary or the Managing Agent.

In the event that the Association shall fail or refuse to observe and perform its responsibilities and duties as provided in the Condominium Documents, any aggrieved Unit owner shall have the right to maintain an action to recover sums due for damages or injunctive relief, or both; provided that nothing herein contained shall be construed to exclude any remedies available to an aggrieved Unit owner or to limit an aggrieved Unit owner's right to maintain an action for any cause of action which an Unit owner may have against the Association, other Unit owners or third parties to enforce the provisions of any of the Condominium Documents.

2. **Master Declaration.** The Project is also subject to the provisions of the Master Declaration. Therefore, in addition to the Condominium Documents stated in Section M.1, all Unit owners, their employees, their tenants, families, servants and guests, and any other persons who may in any manner use the Project or any part thereof, shall also be bound by and comply strictly with the provisions of the Master Declaration. Except as may otherwise be provided by law, in the event of a conflict between the provisions of the Condominium Documents and the Master Declaration, the provisions of the Master Declaration shall control.

N. INSURANCE.

1. **Property Insurance.** The Association shall purchase and at all times maintain blanket property insurance which covers (a) the Common Elements (including the Limited Common Elements) and, whether or not part of the Common Elements, all exterior and interior walls, floors and ceilings, in accordance with the as-built condominium floor plans and specifications, and (b) all fixtures, building service equipment and supplies, and personal property owned or leased by the Association, against loss or damage by fire and all other causes of loss covered by an ISO Commercial Special Form policy in an amount sufficient to provide for the full repair or full replacement cost thereof without deduction for depreciation, with an inflation guard endorsement, in the name of the Association for

the use and benefit of all Unit owners and their mortgagees according to the loss or damage to their respective Units and appurtenant Common Interests and payable in case of loss to the Association or to such bank or trust company authorized to do business in the State of Hawaii as the Board may designate as trustee for the custody and disposition as herein provided of all proceeds of such insurance, and from time to time cause to be deposited promptly with the Secretary of the Association true copies of such insurance policies or current certificates thereof, without prejudice to the right of each Unit owner to insure his Unit for his own benefit. Flood insurance shall also be maintained if the Project is located in a special flood hazard area as delineated on flood maps issued by the Federal Emergency Management Agency. The flood insurance policy shall comply with the requirements of the National Flood Insurance Program and the Federal Insurance Administration. The members of the Association may by majority vote of the Common Interests at any meeting of the Association require that exterior glass of the Project also be insured under such policy. Subject to the provisions of Section O (Insured Casualty), in every case of such loss or damage, the insurance proceeds shall be used as soon as reasonably possible by the Association for rebuilding, restoring, repairing, or otherwise reinstating the Buildings in a good and substantial manner according to the original plans and elevations thereof or such modified plans conforming to laws and ordinances then in effect as shall be first approved as herein provided, and the Association at its common expense shall make up any deficiency in such insurance proceeds. Every such policy shall (unless unobtainable at a reasonable cost):

(a) Provide that the liability of the insurer thereunder shall be primary and shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, cross-claim, indemnification, apportionment, proration or contribution by reason of any other insurance obtained by or for any Unit owner.

(b) Contain no provision relieving the insurer from liability for loss occurring while the hazard to the buildings is increased, whether or not within the knowledge or control of the Board, or because of any breach of warranty, covenant, promise, or condition or any other act or neglect by the Board or any Unit owner or any other persons under either of them.

(c) Provide that such policy and coverage thereunder may not be reduced, canceled or materially or substantially modified (whether or not requested by the Board) except by the insurer giving at least ninety (90) days prior written notice thereof to the Board, every first mortgagee of an Unit, and every other person in interest who shall have requested such notice of the insurer.

(d) Contain a "severability of interest" endorsement precluding the insurer from denying the claim of an Unit owner because of negligent acts of the Association or any other Unit owner.

(e) Contain a waiver by the insurer of any right of subrogation to any right of the Board or of the Unit owners against any of them or any other persons under either of them.

(f) Contain a waiver by the insurer of any right of the insurer to repair, replace, rebuild or restore the improvements of the Project, if the Unit owners

decide pursuant to Section O (Insured Casualty) of this Declaration not to repair, replace, rebuild, or restore the damaged or destroyed improvements.

(g) Provide that the insurer, at the inception of the policy and on each anniversary date thereof, shall provide the Board with a written summary, in layman's terms, of the policy. This summary shall include, without limitation, a description of the type of policy, the coverage and limits thereof, the amount of the annual premium and the renewal dates. Upon receipt of such summary from the insurer, the Board shall provide a copy of the summary to each Unit owner.

(h) Contain a standard mortgagee clause which shall:

(i) Provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages of any Unit of the Project, in their respective order of preference, whether or not named therein;

(ii) Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Board or of the Unit owners or any persons under any of them;

(iii) Waive any provision invalidating such mortgagee clause by reason of the failure of any mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that the mortgagee pay any premium thereon, or any contribution clause; and

(iv) Provide that, without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to the Association or such bank or trust company as the Board has designated as trustee for the Unit owners and their mortgagees as their respective interests may appear.

2. Liability Insurance. The Association shall purchase and at all times maintain commercial general liability insurance covering all Unit owners, the Association, its Board, officers and employees, with respect to the Project. The policy or policies shall provide for bodily injury and property damage liability, personal injury, blanket contractual liability, independent contractor's liability and fire legal liability. The policy or policies of insurance shall provide coverage on an "occurrence" basis (not on a "claims made" form) and shall provide liability of no less than the following: (i) Bodily Injury and Property Damage, Combined Single Limit - \$1,000,000.00 per occurrence, \$2,000,000.00 general aggregate; (ii) Personal Injury - \$1,000,000.00 per person/organization subject to \$2,000,000.00 general aggregate; and (iii) Fire Legal Liability - \$50,000.00 any one fire subject to \$2,000,000.00 general aggregate. The policy or policies shall be without prejudice to the right of any Unit owner to maintain additional liability insurance for his Unit. Any such policy of insurance shall (unless unobtainable at reasonable cost):

(a) Provide that the same shall not be invalidated by any act or neglect of the Board or of the Unit owners or any persons under any of them.

(b) Contain a waiver by the insurer of any right of subrogation to any right of the Board or of the Unit owners against any of them or any other persons under them.

(c) Contain a "severability of interest" endorsement precluding the insurer from denying the claim of an Unit owner because of negligent acts of the Association or any other Unit owner.

(d) Provide that the policy and coverage thereunder may not be canceled, modified or reduced (whether or not requested by the Board) except by the insurer giving at least ninety (90) days prior written notice thereof to the Board, all Unit owners, every first mortgagee of an Unit, and every other person having an interest who shall have requested such notice of the insurer.

(e) Provide that the insurer, at the inception of the policy and on each anniversary date thereof, shall provide the Board with a written summary, in layman's terms, of the policy. This summary shall include, without limitation, a description of the type of policy, the coverage and limits thereof, the amount of the annual premium, and the renewal dates. Upon receipt of such summary from the insurer, the Board shall provide a copy of the summary to each Unit owner.

3. Fidelity Bonds. The Association shall purchase and at all times maintain a fidelity bond covering the Managing Agent, the Board, all officers and employees of the Association, and all other persons handling or responsible for funds belonging to or administered by the Association in accordance with the requirements set forth in the Bylaws.

4. Directors' and Officers' Insurance. The Association shall purchase and at all times maintain a policy of directors' and officers' liability insurance covering the directors and officers of the Association.

5. Insurance Carrier. The Association shall purchase all insurance policies and coverage required under this Section N from an insurance company or companies authorized to do business in the State of Hawaii with a current A.M. Best's Rating of A-; VII or better.

6. Common Expenses. All premiums for insurance or bonds herein required to be obtained by the Association shall be a common expense to be paid by monthly assessments thereof, and such payments shall be held in a separate escrow account of the Association and used solely for the payment of such premiums as the same become due.

7. Deductibles. The insurance policies required under this Section N may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of this Section N. In the event of an insured loss, the deductible shall be treated as a common expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the Bylaws, that the loss is the result of the negligence or willful misconduct of one or more Unit owner, their guests, invitees, or lessees, then the Board may specifically assess the full amount of such deductible against such Unit owner(s) pursuant to Section J.12(b) (Administration of the Project - Special Assessments).

8. Periodic Review by Board. The Board shall review not less frequently than annually the adequacy of its entire insurance program, and shall adjust its insurance program accordingly. The Board shall then report in writing its conclusions and action taken on such review to the owner of each Unit and to the holder of any mortgage on any Unit who shall have submitted a written request for a copy of such report or copies of all such reports. At such time as any policy provided for hereunder is obtained, the Board shall also obtain, if the same shall be practicable, a certificate of an insurance broker or agent responsible for the issuance thereof, that the policy substantially complies with and satisfies all the requirements set forth in this Declaration, the Bylaws and any deed or other instrument pursuant to which ownership of an Unit is conveyed.

9. Individual Insurance. Notwithstanding any insurance coverage maintained by the Association, each owner of a Unit may purchase and maintain a homeowner's policy covering his/her/its Unit and the appurtenant Limited Common Elements, personal property, and personal liability. The Board, with the vote or written consent of a majority of Unit owners, may require Unit owners to obtain reasonable types and levels of insurance in accordance with the Condominium Property Act.

10. Reasonable Efforts to Obtain Insurance. All insurance and other requirements hereunder shall be obtained to the extent reasonably practical in terms of cost and other relevant factors as determined by the Association.

O. INSURED CASUALTY.

1. Determination Whether to Rebuild. Notwithstanding the provisions of Subsection N.1 (Insurance - Property Insurance), if any part of the improvements of the Project shall be damaged or destroyed by an insured casualty, then the same shall be reconstructed, restored, or repaired unless at a meeting of the Association, which shall be called within ninety (90) days after the occurrence of the casualty, or, if by such date the insurance loss has not been finally adjusted, then within thirty (30) days after such adjustment, Unit owners holding at least eighty percent (80%) of the total Common Interests of the Project affirmatively vote against such reconstruction, restoration, or repair. In the event the Project shall not be reconstructed, restored, or repaired pursuant to such vote, the provisions of Section 514B-47 of the Condominium Property Act, shall apply.

2. Repair and Reconstruction. If any of the improvements of the Project shall be damaged by fire or other casualty which such improvements are insured against:

(a) The Board, subject to Section O.1 above (Determination Whether to Rebuild), shall thereupon contract with a licensed contractor to repair or rebuild the damaged or destroyed portions of the improvements, including any Unit so damaged, as well as the Common Elements, in accordance with the plans and specifications therefor, which will restore the same to the design immediately prior to such damage or destruction, or if repair or reconstruction in accordance with said design is not permissible under the laws then in force, in accordance with such modified plan as shall be previously approved by the Board and the mortgagee of record of any interest in any Unit directly affected thereby; provided that, in the event said modified plan eliminates any Unit and such Unit is not reconstructed, the trustee shall pay to the owner of said Unit (or

to the mortgagee of said Unit, if any) that portion of insurance proceeds allocable to said Unit (less the proportionate share of said Unit in the cost of debris removal) and shall disburse the balance of insurance proceeds as hereinafter provided for the disbursement of insurance proceeds. The insurance proceeds shall be paid by the trustee to the contractor employed for such work, in accordance with the terms of the contract for such construction and in accordance with the provisions of Section O.2(b) immediately following. If the insurance proceeds are insufficient to pay all the costs of repairing or rebuilding such Common Elements, the Board is expressly authorized to pay such costs in excess of the insurance proceeds from the reserve funds, and if the reserve funds are insufficient for such purpose, the Board shall levy a special assessment on the owners of Units in proportion to their respective Common Interests. Any costs in excess of the insurance proceeds for the repairing or rebuilding of any Unit (as opposed to the Common Elements) shall be specially assessed against the owner of such Unit. All such special assessments shall be secured by lien as provided in this Declaration and the Bylaws.

(b) The cost of the work (as estimated by the Board) shall be paid out from time to time or at the direction of the Board as the work progresses, but subject to the following conditions:

(i) The work shall be placed in the charge of a licensed registered architect or engineer.

(ii) Each request for payment shall be made on not less than ten (10) days prior notice to the trustee and shall be accompanied by a certificate made by such architect or engineer stating that all of the work completed has been done in compliance with the approved plans and specifications and that the sum requested is justly required to reimburse the Board for payments by the Board to, or is justly due to, the contractor, subcontractors, materialmen, laborers, engineers, architects, or other persons rendering services or materials for the work (giving a brief description of such services and materials), and that when added to all sums previously paid out by the trustee the sum requested does not exceed the value of the work done to the date of such certificate.

(iii) Each request shall be accompanied by waivers of liens satisfactory to the trustee, covering that part of the work for which payment or reimbursement is being requested and by a search prepared by a title company or licensed abstractor or by other evidence satisfactory to the trustee, that there has not been filed with respect to the premises any mechanics' or other lien or instrument for the retention of title in respect to any part of the work not discharged of record.

(iv) The request for any payment after the work has been completed shall be accompanied by a copy of any certificate or certificates required by law to render occupancy of the premises legal.

(v) The fees and expenses of the trustee as determined by the Board and the trustee shall be paid by the Association as common expenses, and such fees and expenses may be deducted from any proceeds at any time in the hands of the trustee.

(vi) Such other conditions as are customarily imposed under similar circumstances by prudent businessmen and as the trustee may reasonably request.

(c) Upon the completion of the work and payment in full therefor, any remaining proceeds of insurance then or thereafter in the hands of the Board or the trustee shall be paid or credited to the owners of the Units (or to the holder of any mortgage on an Unit, if any) in proportion to their respective Common Interests.

3. Compensation to Unit Owner for Destroyed Unit. In the event any Unit is damaged or destroyed by any casualty and not restored or reconstructed, the trustee shall pay to the owner of such Unit (or to the mortgagee of such Unit, if any) that portion of the insurance proceeds, if any, allocable to such Unit (less the proportionate share of said Unit in the cost of debris removal).

4. Partial Destruction. In the event of a partial destruction in which all of the Units are not restored or reconstructed, the Common Interests shall be reallocated among the remaining Units in accordance with the formula set forth in Section E (Common Interest).

P. UNINSURED CASUALTY.

In case at any time or times any improvements of the Project shall be damaged or destroyed by any casualty not herein required to be insured against, such improvements shall be reconstructed, rebuilt, repaired or restored unless at a meeting of the Association, which shall be called within ninety (90) days after the occurrence of the casualty, Unit owners holding at least eighty percent (80%) of the total Common Interests of the Project, with the consent of their lienholders, if such lienholders require such consent, affirmatively vote against such reconstruction, rebuilding, repairing, or restoration. Any such reconstruction, repair, or restoration of the Common Elements shall be completed diligently by the Association at its common expense, and the Unit owners shall be solely responsible for any reconstruction, restoration, or repair of their respective Units so damaged or destroyed according to the original plans and elevations thereof, or such other plan first approved as provided herein. Unless such reconstruction, restoration, or repair is undertaken within a reasonable time after such casualty, the Association at its common expense shall remove all remains of improvements so damaged or destroyed and restore the site thereof to good orderly condition and even grade. In the event the Project shall not be reconstructed, restored, or repaired pursuant to such vote, the provisions of Section 514B-47 of the Condominium Property Act, shall apply. In the event of a partial destruction in which all of the Units are not restored or reconstructed, the Common Interests shall be reallocated among the remaining Units in accordance with the formula set forth in Section E (Common Interest).

Q. CONDEMNATION.

In case at any time or times the Project or any part thereof shall be taken or condemned by any authority having the power of eminent domain, or shall be sold to such authority under threat of condemnation, all compensation and damages for or on account of the Land or any part thereof and all compensation and damages payable for or on account of any improvements of the Project shall be payable to such bank or trust

company authorized to do business in the State of Hawaii as the Board shall designate as trustee for all Unit owners and mortgagees according to the loss or damage to their respective Units and appurtenant Common Interests and shall be used promptly by the Association to the extent necessary for restoring or replacing such improvements on the remainder of the Land according to plans therefore first approved by the Board, unless such restoration or replacement is impractical under the circumstances. Any such restoration or replacement shall be done in accordance with the provisions of Section O.2 (Insured Casualty – Repair and Reconstruction) of this Declaration. In the event the portion of the compensation and damages allocable to the Buildings and improvements is insufficient to pay for the cost of restoring or replacing such improvements, the Association at its common expense shall make up such deficiency. The Unit owners shall be solely responsible to make up for any deficiency between the cost of restoring or replacing the Unit and the compensation and damages allocable to their Units. In the event of a partial taking in which any Unit is eliminated or not restored, said trustee shall disburse that portion of the compensation and damages for the Land and Buildings and improvements allocable to such Unit, less the proportionate share of such Unit in the cost of debris removal, to the owner of such Unit (or to the mortgagee of such Unit, if any) in satisfaction of such owner's interest in such Unit. Unless such restoration or replacement is undertaken within a reasonable time after such condemnation, the Association at its common expense shall remove all remains of such improvements so taken or condemned and restore the site thereof to good orderly condition and even grade. In the event of a partial taking in which any Unit is eliminated or not restored, the Common Interests shall be reallocated among the remaining Units in accordance with the formula set forth in Section E (Common Interest).

R. ALTERATION OF PROJECT.

1. General.

(a) Except as otherwise provided in this Declaration, restoration, repair or replacement of the Project or of any building or other facility or construction of any additional building or structural alteration or addition to any structure, different in any material respect from the Condominium Map (the "Proposed Alterations"), shall be undertaken by the Association or any Unit owner(s) only pursuant to an amendment of this Declaration, duly executed by or pursuant to the approval or written consent of Unit owners holding at least sixty-seven percent (67%) of the total Common Interests of the Project, together with the approval or written consent of (i) all Unit owners whose Unit or Limited Common Elements appurtenant thereto are directly affected (as determined in a reasonable manner by the Board) by the Proposed Alterations; and (ii) the holders of first mortgage liens encumbering any Unit directly affected by the Proposed Alterations (if the lien holders require such approval).

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

(c) Promptly upon completion of any Proposed Alteration which is different in any material respect from the Condominium Map, the Association or Unit

owner(s), whomever requested the Proposed Alteration, shall duly file or record in the Office of the Assistant Registrar an amendment to the Declaration and the Condominium Map showing the Project as so altered, certified as built by a registered architect or licensed professional engineer.

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

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

3. Alterations by Declarant.

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

be appurtenant to an Unit as being Common Elements of the Project which is not sold and recorded; (C) recharacterize and redesignate certain Common Elements of the Project as Limited Common Elements appurtenant to an Unit which is not sold and recorded; or (D) make other alterations in the Project, which make minor changes in any Unit in the Project or the Common Elements which do not affect the physical location, design or size of any Unit which has been sold and recorded. As used herein the term "sold and recorded" shall mean and refer to the sale of an Unit in the Project and the recording in the Office of the Assistant Registrar of an Unit deed conveying the interest in the Unit from Declarant to parties not signatory to this Declaration.

(b) Construction of Options. Notwithstanding any other provision in this Declaration to the contrary, prior to the time that all of the Units in the Project have been sold and recorded, Declarant shall have the right to make alterations in the Project and to amend this Declaration and the Condominium Map accordingly, without notice to, or the approval, consent or joinder of, the Association, any Unit owner, lienholder, or any other person, to construct or modify the Project in accordance with the respective options, if any, shown on the floor plans in the Condominium Map. As used herein the term "sold and recorded" shall mean and refer to the sale of an Unit in the Project and the recording in the Office of the Assistant Registrar of an Unit deed conveying the interest in the Unit from Declarant to parties not signatory to this Declaration.

S. ADMINISTRATIVE MERGER OF INCREMENTS.

1. General Plan of Development. The Declarant intends to develop the remainder of Area IIE on land adjacent to the Project in separate increments (each increment, including the Project, being hereinafter referred to as an "Increment"), with each Increment to be a separate and distinct condominium property regime established pursuant to the Condominium Property Act, and subsequently merge some or all of the Increments with each other as provided in Section S. The first Increment to be developed within Area IID was The Town Homes at Fairway's Edge, Increment 1 project and the Project is the second Increment to be developed within Area IIE.

2. Rights Reserved to Declarant with Respect to the Construction of any Increment. Subject to the provisions hereinabove and in furtherance of the rights reserved to Declarant hereunder, Declarant, its successors and assigns, and their respective contractors and subcontractors, and their respective employees and agents, shall have the right and an easement at any time, and from time to time prior to December 31, 2012, to enter upon and use the Common Elements of the Project and do all things reasonably necessary, desirable or useful for designing, developing, constructing or completing any Increment, connecting the same to the utility installations of the Project, and selling the Units contained within any Increments, upon and subject to the following terms and conditions:

(a) Any Increment, if constructed, shall be constructed in accordance with plans and specifications prepared by a licensed architect; provided, however, that such plans and specifications shall not require the alteration or demolition of any existing units within the Project;

(b) Declarant shall have the right, without notice to, or the approval, consent or joinder of, the Association, any Unit Owner, lienholder or any other

person, to add, delete, relocate, realign, reserve and grant all easements and rights-of-way and to otherwise make alterations in and use the Common Elements for such development and construction, and to designate limited common elements over, under and on the Common Elements, necessary or desirable with respect to the construction or use of any Increment, including but not limited to easements and rights-of-way for utilities, sanitary and storm sewers, refuse disposal, driveways, parking areas and roadways; provided, that such easements and rights-of-way and limited common elements shall not be located on or within any existing unit building within the Project and, upon completion, shall not unreasonably and materially impair the use of any existing Unit;

(c) Every Unit owner and all holders of liens affecting any of the Units in the Project and each and every other party acquiring an interest in the Project or any part thereof, by acquiring such Unit, lien or other interest, consents to and agrees that he/it shall, if required by law or by Declarant, join in, consent to and execute all instruments and documents necessary or desirable to effect the granting of easements and/or rights-of-ways and/or the designation of limited common elements provided for hereinabove; and appoints the Declarant and its assigns his attorney-in-fact with full power of substitution to execute such documents and to do such things on his behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights and shall not be affected by disability of any such party.

(d) The Declarant, its contractors and subcontractors, and their respective employees and agents, shall not cause any interruption other than a temporary interruption in the service of utilities to the Project and shall use reasonable efforts without additional cost to the Declarant and consistent with maintaining the progress of the design, development, construction, completion and sale, to minimize interference with the unit owners' use and enjoyment of the Project.

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

4. Requirements of Administrative Merger. The administrative merger of any two or more increments shall take effect upon the happening of all of the following conditions with respect thereto:

(a) Declaration; Bylaws; Condominium Map. Declarant shall have filed or recorded with respect to each Increment to be merged a Declaration of Condominium Property Regime, Bylaws, and Condominium Map. The Declaration of Condominium Property Regime and the Bylaws for each Increment to be merged shall be in a form substantially similar to one another (with modifications for the physical description of the Increment, the easements affecting the Increment, the Units and

common elements, the percentage of common interest appurtenant to the Units, and any other changes required by law); and

(b) "As Built" Statement. The "as built" verified statement required by Section 514B-34 of the Condominium Property Act has been filed with respect to each Increment to be merged; and

(c) Substantial Completion. All of the Units and common elements in each of the Increments to be merged have been substantially completed; and

(d) Notice of Completion. A notice of completion has been filed and the period for filing mechanics' and materialmans' liens has expired for each of the Increments to be merged; and

(e) Release of Lien and Encumbrances. All of the Increments to be merged have been released from any and all mortgage liens and encumbrances except for (a) mortgage liens affecting Declarant's unsold individual Units; and (b) mortgage liens on individual Units and their respective common interests; and

(f) Consent of FNMA, FHLMC, HUD, VA, HFDC. If required, Declarant obtains the prior written consent of any of the following which holds, insures or guarantees a mortgage on any Unit and which has made a specific written request to Declarant (which request states the name and address of such holder, insurer or guarantor, and the Unit number of the Unit to which its mortgage pertains), for notice of any proposed merger: the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Department of Housing and Urban Development, the Veterans Administration, the State Housing Finance and Development Corporation and any successor entities or agencies; PROVIDED, HOWEVER, that such consent shall not be withheld if the Increments to be merged substantially conform to the general plan of development described above in Section S.1. In the event that any party notified pursuant to this subsection (f) fails to file a written response with Declarant objecting to the proposed merger within thirty (30) days after notice of the proposed merger, then and in any such event the consent of such party shall conclusively be deemed given; and

(g) Certificate of Administrative Merger. Declarant shall have filed or recorded in the Office of the Assistant Registrar a "Certificate of Administrative Merger" which certificate shall contain:

(i) A certification by Declarant that all Increments being merged have been substantially completed; that a notice of completion has been filed or recorded; that the period for filing of mechanics' and materialmans' liens has expired with respect to each of the merged Increments; that there are no tax liens; and that as of the date of merger, all mortgage liens and encumbrances have been released except for mortgage liens on Declarant's unsold individual Units and on individual Units and their respective common interests; and

(ii) A revised plan showing the layout and location of the buildings of the merged condominium projects after completion of the merger.

5. Consequences of Administrative Merger. From and after the date of filing or recording of the applicable Certificate of Administrative Merger in accordance with the provisions of Section S.5(g) above (the "Administrative Merger Date"), the following consequences shall be of effect:

(a) Common Elements. Each Unit in the Increments that have been administratively merged (the "Merged Project") shall have appurtenant thereto nonexclusive easements and rights to use and enjoy all of the common elements of the Merged Project (excluding the limited common elements appurtenant to other Units in the Merged Project), to the same extent and subject to the same limitations as are imposed upon Units in each of the merged Increments as though the merged Increments had been developed as a single project.

(b) Common Expenses. The Units in the merged Increments will each bear a share of the total common expenses (as the term "common expenses" is defined in the respective Declarations of Condominium Property Regime) of the Merged Project, treating the merged Increments as one project for this purpose. The total common expenses of the Merged Project shall be allocated among the Units in the Merged Project according to one of the following methods, as selected by Declarant in its sole and absolute discretion:

(i) The merged Increments shall each bear a share of the total common expenses, which share shall be a fraction, the numerator of which shall be the total number of Units in the respective Increment, and the denominator of which shall be the total number of all Units in the Merged Project; PROVIDED, HOWEVER, that Declarant shall have the right, in its sole and absolute discretion, to adjust or modify the fraction assigned to an Increment or Increments so that the sum of the fractions for the merged Increments equals exactly one hundred percent (100%). Each Unit's share of the common expenses of the Merged Project shall be the product of the common interest appurtenant to such Unit or Units (as set forth in the applicable Declaration of Condominium Property Regime) multiplied by the share of common expenses allocated to the Increment in which the Unit is located; or

(ii) Each Unit in the Merged Project shall each bear a percentage share of the total common expenses, which share shall generally be calculated by dividing the number one (1) by the total number of Units in the Merged Project; PROVIDED, HOWEVER, that Declarant shall have the right, in its sole and absolute discretion, to adjust or modify the percentage share assigned to an Unit to compensate for rounding errors to ensure that the sum of the percentage shares for all of the Units in the Merged Project equals exactly one hundred percent (100%).

(c) Association of Unit Owners; Managing Agent. The associations of Unit owners of each of the Increments provided for in their respective Declarations of Condominium Property Regime shall be merged into a single association covering the entire Merged Project (the "Merged Association"). The Merged Association shall have only one managing agent. After administrative merger, the Merged Association shall have all of the powers and obligations vested in the associations of Unit owners of the merged Increments. In the event that the association of Unit owners of one of the merged Increments shall be incorporated prior to the merger, the Unit owners in the other merged Increment(s) shall upon merger automatically become members of the association

of Unit owners of the incorporated Increment, and its charter and Bylaws shall so provide. In the event that the association of Unit owners of two or more of the merged Increments shall be incorporated prior to the merger, the associations of Unit owners of the incorporated merged Increments shall, upon such merger, take the appropriate steps to (i) merge the corporations into one corporation or consolidate the corporations into a new corporation, and (ii) have the Unit owners in the unincorporated merged Increment(s), if any, become members of the association of Unit owners of the entity that survives the aforementioned merger or consolidation, and its charter and Bylaws shall so provide.

(d) Voting Rights. The voting rights of each of the Unit owners in the Merged Project shall be in the same proportions as set forth in Section S.6(b) above for the sharing of common expenses, pursuant to the method selected by Declarant.

(e) Election of Board of Directors. Upon administrative merger, the boards of directors of the associations of Unit owners of the merged Increments immediately prior to the merger shall govern jointly the Merged Project; PROVIDED, HOWEVER, that within ninety (90) days following the Administrative Merger Date, a special meeting of the Merged Association shall be called to elect a new board of directors to replace the existing board of directors, and said new board of directors shall thereafter govern the entire Merged Project. The procedure for calling and holding such meeting and all other meetings of the Merged Association shall be that set forth in substantially identical provisions in the respective Declarations of Condominium Property Regime and Bylaws of each of the merged Increments. The number of directors of the Merged Association shall be nine (9) unless Unit owners in the Merged Project amend the Bylaws of the Merged Project to reduce the number of directors. At such special meeting one-third of the directors shall be elected for one (1) year, one-third for two (2) years, and one-third for three (3) years. If such special election should be held as herein required six (6) months or more prior to the next annual meeting of the Merged Association, the terms of the directors shall be calculated as if they had been elected at the previous annual meeting of the Merged Association. If such special election is held less than six (6) months prior to the next annual meeting of the Merged Association, the terms of the directors shall be calculated as if they were elected at the next annual meeting and no election needs to be held at such meeting.

(f) Condominium Documents. For the purposes of administration and use of the Merged Project, after the administrative merger of the merged Increments, all of the Units in the Merged Project shall be treated as though they were all included in a single condominium project created by a single recordation of a Declaration of Condominium Property Regime, and the Declarations of Condominium Property Regime applicable to each Increment shall be construed as one document applicable to the entire Merged Project, except to the extent expressly otherwise provided herein. The same shall be true of the respective Bylaws and House Rules of each Increment. In the event of a conflict between the respective Declarations of Condominium Property Regime, Bylaws and/or House Rules, the Declaration of Condominium Property Regime, Bylaws and House Rules in effect for the Increment with the most recently created condominium property regime shall control, including, but not limited to, any provisions regarding the allocation of common expenses and voting rights. From and after the Administrative Merger Date, the merged Increments shall be treated for purposes of administration, use and sharing of common expenses as though they had been developed as a single project. Declarant also reserves the right to record an amended and restated Declaration and Bylaws for the

Merged Project that would incorporate all of the separate Declarations and Bylaws for each of the Increments being merged, all without notice to, or the approval, consent or joinder of, the Association, any Unit owner, lienholder, or any other person.

(g) Amendment. Upon administrative merger, the specified voting percentages required to amend the Declaration of Condominium Property Regime and the Bylaws for the merged Increments shall refer to and mean the stated percentage of the total vote in the Merged Project.

(h) Ownership Unaffected. Except as otherwise provided herein, an administrative merger shall affect the administration and use of the Increments and the sharing of common expenses only, and shall not affect the ownership of Units and common elements in the respective Increments. Except as otherwise provided herein, each Unit owner owning an Unit in a particular Increment shall not own any part of another Increment unless said Unit owner shall also own an Unit in that other Increment.

6. Contributions. Upon the administrative merger or mergers of any two or more Increments, Declarant may, but need not, require the Unit owners in all or any of the merged Increments to make contributions, in addition to their normal prescribed share of the common expenses, to the replacement reserves, the general operating account, and/or any other accounts of the Merged Project. Declarant may provide that such contributions shall be made in a lump sum amount or in installments over a period of time and in setting the amount and terms of such contributions, Declarant may, but need not, take into account the amount of replacement reserves, the amounts in the general operating accounts, and/or the amounts in any other accounts of the respective Increments, accumulated prior to the merger, and the condition of the various buildings and Units. The amount and terms of the contributions to be made by the Unit owners in an Increment shall be as fairly determined by Declarant, in Declarant's sole and absolute discretion, and shall be set forth in a notice by Declarant to the Unit owners or the board of directors of the Merged Project. Declarant shall have no obligation to collect such contributions from the Unit owners. Collection of such contribution amounts shall be the responsibility of the board of directors, who may, in its discretion, elect to instruct the managing agent of the Merged Project to administer the collection of said contribution amounts. Delinquent amounts of such contributions shall constitute a lien against the delinquent Unit owner's interest in such owner's Unit which may be foreclosed by the board of directors of the Merged Project, or the managing agent thereof, in the same manner as provided in the Condominium Property Act for unpaid common expenses.

7. Pre-merger Obligations of Unit Owners. The Unit owners in one Increment shall not be obligated to pay any outstanding debts, expenses, costs or other obligations of the Unit owners in any other Increment that have accrued as of the Administrative Merger Date.

8. Limitation on Time for Merger. If administrative merger of all of the Increments is not effected pursuant to the foregoing provisions prior to the earlier of December 31, 2012 or one year after all of the Unit units proposed for Area IIE are conveyed to purchasers (the "Merger Expiration Date"), the right of Declarant to effect any such merger shall terminate automatically on the Merger Expiration Date unless and until an administrative merger after the Merger Expiration Date is approved by the vote or written consent of Unit owners in each of the Increments to be merged holding at least

sixty-five percent (65%) of the total common interests in that Increment. In order to protect its right to merge, Declarant reserves the right to review and approve, in its reasonable discretion, any and all amendments to the Declaration, Bylaws, and any rules and regulations for each Increment until the Merger Expiration Date. The purpose and basis of such review and approval will be solely to prevent major inconsistencies in the declarations, bylaws, and rules and regulations of the respective Increments so that until the time of filing or recording of the Certificate of Administrative Merger, the documents of the respective Increments will remain substantially similar.

9. Power of Attorney. The acceptance or acquisition by any party of any interest in any Increment shall constitute an undertaking and agreement by such party to execute any documents or instruments necessary or appropriate, as determined by Declarant in its sole and absolute discretion, for the purpose of carrying out the provisions of this Section S, and shall constitute an appointment by such party of Declarant as the true and lawful attorney-in-fact of such party to execute, acknowledge, deliver and record any and all such instruments. Said power of attorney shall be coupled with an interest and irrevocable, and shall not be affected by the disability of such party.

10. No Obligations Regarding Additional Increments. Nothing in this Section S pertaining to merger shall be construed as a representation or warranty by Declarant that any of the other Increments will be developed or merged with the Project, or require Declarant to develop any of the other Increments or to merge any of the other Increments into the Project.

T. AMENDMENT OF DECLARATION.

1. Required Percentage Vote. Except as otherwise provided herein or in the Condominium Property Act, and subject to and conditioned upon the prior written approval of Eligible First Lien Holders as provided in Section T.2 below, this Declaration may be amended by the vote or written consent of Unit owners holding at least sixty-seven percent (67%) of the total Common Interests of the Project; PROVIDED, HOWEVER, that any amendment affecting Declarant's rights under this Declaration shall also require the consent of Declarant.

2. Consent of Eligible First Lien Holders. Except where a greater percentage is specified herein, amendments of a material adverse nature to this Declaration proposed by the Unit owners shall also require the prior written approval (or the assumed prior written approval as described below) of Eligible First Lien Holders who represent at least fifty-one percent (51%) of the Common Interests of the Units that are subject to mortgages by Eligible First Lien Holders. The term "amendments of a material adverse nature" shall mean and refer to changes to this Declaration relating to the following:

- (a) voting rights of Unit owners;
- (b) assessments, assessment liens, or subordination of assessment liens;
- (c) the reserve funds;

(d) responsibility for maintenance and repair of the Units, Common Elements and/or Limited Common Elements;

(e) the interests in the Common Elements and Limited Common Elements appurtenant to the Units, or the rights to use the Common Elements and Limited Common Elements;

(f) the boundaries of any Unit;

(g) conversion of Unit spaces into Common Elements or Limited Common Elements or conversion of Common Elements or Limited Common Elements into Unit spaces;

(h) insurance or fidelity bonds;

(i) a Unit owner's right to sell, lease, or otherwise transfer such owner's Unit;

(j) restoration or repair of the Project after damage or destruction or partial condemnation;

(k) establishment of self-management by the Association where professional management has been required by this Declaration, the Federal Department of Housing and Urban Development, the Veterans Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the State Housing Finance and Development Corporation, or any successor entities or agencies;

(l) termination of the legal status of the Project as a condominium after substantial destruction or condemnation; or

(m) any provision that expressly benefits holders, insurers, or guarantors of first mortgages on Units of the Project.

Any changes to this Declaration other than those specifically listed in this Subsection shall not be considered as amendments of a material nature.

Approval by an Eligible First Lien Holder for any amendments of a material, adverse nature shall be conclusively assumed if an Eligible First Lien Holder fails to submit a written response to any proposed amendment within sixty (60) days after it receives notice of the proposed amendment, provided that such notice was sent to such Eligible First Lien Holder to its last address on record with the Association by certified or registered mail, return receipt requested.

Notwithstanding anything to the contrary set forth in this Section T.2, the consent of Eligible First Lien Holders shall not be required for any amendments to this Declaration by Declarant pursuant to reserved rights set forth elsewhere in this Declaration (unless the provision(s) setting forth Declarant's reserved amendment rights explicitly requires the consent of Eligible First Lien Holders).

3. Amendment by Declarant. Without limiting and in addition to any other rights reserved by Declarant to amend this Declaration as explicitly provided elsewhere herein, Declarant shall have the right to amend this Declaration as follows:

(a) Notwithstanding any other provision of this Declaration to the contrary, at any time prior to the recording in the Office of the Assistant Registrar of the first Unit deed in favor of a purchaser, Declarant hereby reserves and shall have the right to amend this Declaration, the Bylaws and the Condominium Map in any manner, without notice to, or the approval, consent or joinder of, the Association or any purchaser of any Unit.

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

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

effectuate any other rights reserved to Declarant pursuant to this Declaration or the Master Declaration.

4. Effective Date of Amendment. Any amendment to this Declaration shall be effective only upon the recording in the Office of the Assistant Registrar of an instrument setting forth such amendment and vote duly executed by such owners or by the proper officers of the Association as provided in the Bylaws.

U. WITHDRAWAL OF LANDS AND ADDITIONAL SUBDIVISION RIGHTS.

Notwithstanding anything to the contrary in this Declaration, Declarant hereby reserves the right and option, at any time and from time to time prior to December 31, 2012, without notice to, or the approval, the consent or joinder of, the Association, any Unit owner, any purchaser, prospective purchaser, lienholder, or other person, to (i) subdivide the Land in one or more subdivisions (including the right to consolidate, subdivide, and consolidate and resubdivide any portion of the Land or adjoining lands); (ii) designate, add, delete, relocate, realign, reserve and grant all easements, rights-of-way, restricted access, and sight line distance restrictions; (iii) withdraw from the terms of this Declaration through one or more withdrawals, portions of the Land (together with any improvements thereon) not intended by Declarant to be part of the Project (the "Non-Project Lands") by amending this Declaration and the Condominium Map from time to time to reflect the withdrawal of the Non-Project Lands; and (iv) to amend the certificates of title issued to Unit owners to reflect the matters set forth in subparts (i) through (iii) above. The withdrawal rights set forth herein shall include the right of Declarant to withdraw Non-Project Lands from the applicability of this Declaration, the Bylaws, and the Condominium Map (a) where the land area to be withdrawn is to be dedicated to a governmental entity or to a utility company, (b) due to changes in the boundaries of the Land (1) as may be required by the Honolulu City Council, any agencies of the City and County of Honolulu, or any agencies of the State of Hawaii, or (2) to comply with any ordinance, order, or other decision relating to the subdivision of the Land, or (c) where Declarant determines that such withdrawal is not unequivocally contrary to the overall development plan for the Project. Upon the recordation of an amendment to this Declaration and the Condominium Map to reflect the withdrawal of all or any portion of the Non-Project Lands from the Condominium Property Regime established by this Declaration, Declarant shall hold fee simple title to the Non-Project Lands so withdrawn free and clear of (1) this Declaration, the Bylaws, and the Condominium Map, and (2) the interest of any Unit owner, purchaser, prospective purchaser, lienholder, the Association, or other person.

In order to effectuate the above, every purchaser, prospective purchaser, Unit owner and all mortgagees and holders of liens affecting any of the Units in the Project shall, if necessary or desirable to the exercise of the reserved rights of Declarant herein, join in, consent to, or execute all instruments and documents necessary or desirable to the withdrawal provided for herein, and, by execution of a contract for the sale of a Unit or by acceptance of any deed, lien or security interest therein, such purchaser, prospective purchaser, Unit owner, mortgagee and holder of a lien shall be deemed to have consented to Declarant's reservation pursuant to this paragraph and irrevocably appointed Declarant its lawful and duly authorized attorney-in-fact with full right and power to join in, consent to, or execute all such instruments and documents for

and on behalf of the purchaser, prospective purchaser, Unit owner, mortgagee and lienholder.

V. MISCELLANEOUS.

1. Binding Effect. The acceptance of a Unit deed, mortgage, lease, rental agreement or other document conveying any right, title or interest in any part of the Project, or the entering into occupancy of any Unit in the Project, shall constitute an agreement that the provisions of this Declaration, the Bylaws and the House Rules, as each may be amended from time to time, are accepted, ratified and will be strictly complied with by a Unit owner, such owner's tenants, lessees, family, guests, invitees, licensees, employees and any other person under any of them, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit as though such provisions were recited and stipulated at length in each and every Unit deed, assignment of Unit deed, mortgage or rental agreement thereof.

2. Rights of Eligible First Lien Holders. All Eligible First Lien Holders shall be entitled to timely written notice of the following:

(a) Any condemnation or casualty loss that affects either a material portion of the Project or the Unit securing the mortgage;

(b) Any sixty (60) day delinquency in the payment of assessments or charges owed by the Unit owner of any Unit on which such holder, insurer or guarantor holds the mortgage;

(c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) Any proposed amendment to this Declaration effecting a change in (i) the boundaries of any Unit; (ii) the interests in the Common Elements appertaining to any Unit or the liability for common expenses appertaining thereto; (iii) the number of votes in the Association appertaining to any Unit; or (iv) the purposes to which any Unit or the Common Elements are restricted;

(e) Any proposed termination of the condominium property regime; and

(f) Any proposed action that requires the consent of a specified percentage of Eligible First Lien Holders.

Notwithstanding anything to the contrary set forth in this Section V.2, notice to the Eligible First Lien Holders shall not be required for any amendments to this Declaration by Declarant pursuant to reserved rights set forth elsewhere in this Declaration (unless the provision(s) setting forth Declarant's reserved amendment rights explicitly requires that notice be given to the Eligible First Lien Holders).

3. Conflicts between Declaration and Condominium Map. Notwithstanding anything to the contrary contained herein, should the descriptions and

divisions set forth in this Declaration conflict with the depictions and divisions shown on the Condominium Map, the Condominium Map shall control; PROVIDED, HOWEVER, that the Condominium Map is intended only to show the layout, location, and dimensions of the Units and the elevations of the Buildings and is not intended and shall not be deemed to contain or make any other representation or warranty.

4. Joint Development Agreements. Declarant reserves the right to enter into any joint development agreement or agreements as may be required or necessary by the City and County of Honolulu for the development of the Project and/or any condominium project or projects adjacent to the Project without notice to, or the approval, consent or joinder of, the Association, or any Unit owner.

5. Campbell Estate Restrictions. The Land (or portions thereof) is currently subject to certain terms, rights, and reservations in favor of the Trustees under the Will and of the Estate of James Campbell, deceased ("Campbell Estate") as contained in that certain Unrecorded Ewa Marina Acquisition Agreement dated December 15, 1988 (the "Acquisition Agreement"), a short form of which is dated December 30, 1988 and recorded in the Office of the Assistant Registrar as Land Court Document No. 1604009, as well as that certain Trustee's Limited Warranty Deed dated December 22, 1989, recorded in the Office of the Assistant Registrar as Land Court Document No. 1693437. Declarant reserves the right to execute and record in the Office of the Assistant Registrar a cancellation, partial cancellation, amendment, or restatement of the Acquisition Agreement, as well as a confirmation or restatement of said Trustee's Limited Warranty Deed, without notice to, or the approval, consent or joinder of, the Association or any Unit owner.

6. Removal of Certain Encumbrances Affecting the Project. Declarant reserves the right, without notice to, or the approval, consent or joinder of the Association, any Unit owner, lienholder, or any other person to execute and record in the Office of the Assistant Registrar an instrument: (i) canceling or removing as an encumbrance against the Project (including the Units whether or not such Units have been conveyed to an owner) or any portion thereof (a) any Unilateral Agreement and Declaration for Conditional Zoning, or (b) any Land Use Commission Decision and Order; and (ii) an amendment to this Declaration to reflect an updated title description of the Land contained in **Exhibit "A"** attached hereto. Every purchaser, prospective purchaser, Unit owner and all mortgagees and holders of liens affecting any of the Units in the Project shall, if necessary or desirable to the exercise of the reserved rights of Declarant herein, join in, consent to, or execute all instruments and documents necessary or desirable to effectuate the exercise of such reserved rights, and, by execution of a contract for the sale of a Unit or by acceptance of any deed, lien or security interest therein, such purchaser, prospective purchaser, Unit owner, mortgagee and holder of a lien shall be deemed to have consented to Declarant's reservation pursuant to this paragraph and irrevocably appointed Declarant its lawful and duly authorized attorney-in-fact with full right and power to join in, consent to, or execute all such instruments and documents for and on behalf of the purchaser, prospective purchaser, Unit owner, mortgagee and lienholder.

7. Changes in Plans. Declarant reserves for itself and its assigns, the right to vary the timing, mix, type, use, style, number, size, materials, and details of construction of the Units, as well as the features, amenities, and other components of the

Area IIE development as may be described herein or as may be currently reflected in the master plan for the Ocean Pointe development ("Master Plan") prepared by the Master Declarant (which Master Plan may be amended from time to time by Master Declarant in its sole discretion), as well as other illustrative and explanatory materials which may from time to time be used in connection with the development and sale of the Units in Area IIE.

Without limiting the generality of the foregoing, if any changes in use are desired for any portion of Area IIE owned by the Declarant, Declarant shall have the right to seek any changes in zoning which may be necessary to implement such changes. Plans for the development of Area IIE are subject to change in the Declarant's sole discretion and no guarantees are made regarding the construction schedule or whether any or all of the components and amenities of the Area IIE development as described herein, as depicted in the Master Plan or said materials will in fact ever be constructed or incorporated into the Area IIE development.

8. Additional Reservations and Disclaimers. The rights of all Unit owners, their occupants, transferees, and all other parties claiming by, through, or under them are further subject to the following:

(a) Adjacent and Nearby Property Uses. Each Unit owner, by accepting a conveyance of an interest in the Project, for itself and any occupant, transferee or other party claiming by, through or under it, understands and acknowledges that the Project is adjacent to or nearby other lands owned by Declarant, Master Declarant, and/or related or unrelated entities, and that the operations and activities of Declarant, Master Declarant, and such entities and their respective, licensees, invitees, or others on such lands include or may include, without limitation, housing, commercial, resort, and marina development activities, construction-related activities, agricultural or livestock operations, and other activities incident thereto and such other uses as may be permitted by law on said lands, and that Unit owner desired and sought its Unit with the understanding that the Unit may be affected by nuisances or hazards to persons and property from such operations and activities. Each Unit owner, by accepting a conveyance of an interest in the Project, acknowledges and agrees for itself, its occupants, transferees, and any other party claiming by, through, or under it that, it acquired such Unit subject to all such risks associated with such location, and further covenants and agrees that Declarant, Master Declarant, the Association, and other third parties shall have the right, in the nature of an easement to discharge, emit, diffuse, and inflict over and upon the Project noise, smoke, soot, dust, lights, noxious vapors, odors, and other nuisances of every description arising from or incidental to the operation of the foregoing and other activities; provided that the foregoing shall not be deemed to prevent each Unit owner from pursuing all remedies legally available to such Unit owner in the event of any violation of laws pertaining to the use of the Project. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EACH UNIT OWNER, BY ACCEPTING A CONVEYANCE OF AN INTEREST IN THE PROJECT, FOR ITSELF AND ANY OCCUPANT, TRANSFEREE OR OTHER PARTY CLAIMING BY, THROUGH OR UNDER IT, UNDERSTANDS AND ACKNOWLEDGES THE FOLLOWING:

(1) Located immediately adjacent to the northeastern portion of Area IIE is a parcel of land identified as Lot No. 16503, containing an area of approximately 0.441 acres, which has been or will be conveyed to Hawaiian Electric Company, Inc. ("HECO") for use as an electrical distribution substation. Based on HECO's plans, the substation will initially have a single transformer unit installed, but is designed to have

up to a total of four (4) transformer units phased in incrementally in conjunction with the electrical load demands from the surrounding service areas. Once the electrical substation becomes operational, HECO may also make periodic inspections and other visits to the substation, and may perform maintenance and other related tasks. The construction and operation of the substation may result in increased noise, dust, traffic and other nuisances, annoyances or hazards to the Project. Issues have been raised nationally concerning electromagnetic fields ("EMFs") generated in connection with the operation of power lines and other electrical transmission equipment (some of which may be located within the HECO substation site) and whether exposure to EMFs adversely affects human health. Declarant makes no representations or warranties concerning the presence or absence of EMF's which may be generated at the HECO substation site in the future or whether or not such exposure to EMF's will have any adverse health effects on any owner or occupant of any Unit within the Project.

(2) The Area IIE development is located south of the lands that are currently vacant and are owned and/or may be developed by third parties unrelated to Declarant. Certain lands located to the northeast of Area IIE are in the process of being rezoned from A-1 Unit zoned land with a 30-foot height limit to A-2 zoned land with a 40-foot height limit. Declarant has no control over the use or development of these mauka lands and any resulting impact on the development, including the Project involving, without limitation, any view planes, sight lines, tradewind and airflow patterns, natural light, and exterior aesthetics of any improvements that may be located on such lands.

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

(4) Although the planned Keone'ula Elementary School being constructed east of the Town Homes at Fairway's Edge on lands donated to the Department of Education ("DOE") by an affiliate of Declarant, Declarant or its affiliates have no input, influence, or control over how the school district boundaries will be established for the school. Therefore, notwithstanding (a) the name of the school; (b) the dedication of the lands to the DOE by Declarant's affiliate; or (c) the current plan to allow residents of the current existing developments within Ocean Pointe, including Area IIE, to send their children to the Keone'ula Elementary School, Declarant is not making any representation or warranty that residents of the Town Homes at Fairway's Edge will be able to send their children to the Keone'ula Elementary School. In addition, a middle school is planned to be constructed on lands located immediately mauka of Area IIE. Declarant or its affiliates have no input, influence, or control over how the school district boundaries will be established for such middle school. The construction and operation of the school may result in increased noise, dust, traffic and other nuisances or annoyances affecting persons residing within the Project.

(5) Although not located adjacent to the Area IIE development, Declarant's affiliate is in the process of conveying or dedicating certain lands located north of Keone'ula Boulevard to be utilized for public purposes. Under current plans, certain lands will be conveyed or dedicated for the construction of a district park, fire station, child care facility, and elementary school. These public facilities or utility infrastructure, while located within Ocean Pointe, are intended to be utilized by the Ewa Beach community, including Ocean Pointe.

(b) Aircraft Noise. The Project is located within the vicinity of the Honolulu International Airport and Kalaeloa (the former Barbers Point Naval Air Station), and aircraft may fly in the proximity of or directly over the Project. The overflights and other airport-related activities may result in noise, vibrations, nuisances, disturbances, or hazards to persons and property on or within the Project, and each Unit owner, by accepting a conveyance of an interest in the Project, covenants and agrees for itself, its occupants, transferees, and any other party claiming by, through, or under it, that such Unit owner agrees to and shall be bound by the additional covenants and agreements set forth in **Exhibit "C"** attached hereto and incorporated herein by reference. In addition to the foregoing, Declarant hereby reserves for itself and its designees (including without limitation, Master Declarant) the right to grant from time to time perpetual noise and aviation easements over and across all or any portion of the Project in favor of any government or any agency thereof, all without notice to or joinder by any person (including any Unit owner).

(c) Marina; Ownership, Use. If constructed, the marina depicted in the Master Plan may initially be owned and controlled by the Master Declarant. The Master Declarant shall have the option to dispose of the marina in the manner determined by the Master Declarant in its sole discretion, including the sale or lease of same to a third-party operator. Each Unit owner, by accepting a conveyance of an interest in the Project, for itself and any occupant, transferee or other party claiming by, through or under it, understands and acknowledges that (i) no such person shall have any ownership interest in or right to use the marina solely by virtue of his or her membership in the Association, (ii) that neither the Master Declarant nor the Declarant have made any representations or warranties written or oral regarding such ownership or use rights (whether accruing presently or in the future) herein or in any promotional material pertaining thereto, and (iii) any such ownership or use rights in the marina shall only be conferred upon Unit owners and other such persons as and to the extent set forth in the Master Declaration (including any amendments thereto), a deed, or such other document filed of record in the Land Court and executed by the Master Declarant or other owner of the marina, as the case may be. Further, the ownership and/or operation of the marina may change at any time and from time to time by virtue of, but without limitation (a) the sale or assumption of operations of the marina to/by an independent person or entity, (b) the transfer of the marina to a club or association whereby the members of the club or association become the owner(s) and/or operator(s) of the marina, (c) the conveyance, pursuant to contract, option, or otherwise of the marina to one or more affiliates, shareholders, employees, or independent contractors of Master Declarant, (d) the conveyance of the marina to the Master Association or to another association composed of owners of property within Ocean Pointe, or (e) the conveyance of the marina to the state, city, or any other governmental entity, with or without consideration and subject or not subject to a mortgage(s) or other encumbrance. As to any of the foregoing or any

other alternative, no consent of the Association or any Unit owner shall be required to effectuate such transfer.

(d) Proposed Golf Course. The following disclosures, waivers, and agreements shall apply to the proposed Golf Course depicted on the Master Plan and located adjacent to portions of Area IIE (the "Golf Course"):

(1) Ownership, Use. Each Unit owner, by accepting a conveyance of an interest in the Project, for itself and any occupant, transferee or other party claiming by, through or under it, understands and acknowledges that no representations or warranties written or oral have been or are made by the Declarant, Master Declarant or any other person with regard to the existence timetable, size, ownership, or operation of the proposed Golf Course as depicted in the Master Plan and located adjacent to portions of Area IIE. No Unit owner shall have any ownership interest in or right to use the Golf Course solely by virtue of his or her membership in the Association. If constructed, the ownership or operation of the Golf Course may change at any time and from time to time by virtue of, but without limitation (i) the sale or assumption of operations of the Golf Course to/by an independent person or entity, (ii) the conversion of the Golf Course membership structure to an "equity" club or similar arrangement whereby the members of the Golf Course or an entity owned or controlled thereby become the owner(s) and/or operator(s) of the Golf Course, (iii) the conveyance of the Golf Course pursuant to contract, option, or otherwise to one or more affiliates, shareholders, employees, or independent contractors of the Master Declarant, (iv) the conveyance to the Association, or another association composed of owners of property within Ocean Pointe, or (v) the conveyance of the Golf Course to the state, city, or any other governmental entity with or without consideration and subject or not subject to a mortgage(s) or other encumbrance. As to any of the foregoing or any other alternative, no consent of the Association or any Unit owner shall be required to effectuate such transfer. Rights to use the Golf Course will be granted only to such persons, and on such terms and conditions, as may be determined from time to time by the owner or operator of the Golf Course. The owner or operator of the Golf Course shall have the right in its sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of the Golf Course, including, without limitation, eligibility for and duration of use rights, categories of use and extent of use privileges, and number of users and shall also have the right to reserve, qualify, limit and/or terminate usage rights altogether.

(2) Reserved Easements.

(i) Errant Golf Balls. Declarant hereby reserves a non-exclusive easement appurtenant to the Golf Course for the benefit of the owner of the Golf Course owner, its employees, agents, members and licensees and all individuals playing golf on the Golf Course, over and across those portions of Area IIE adjacent to or in the vicinity of the Golf Course and the air space above such areas for the purposes of accommodating the flight of golf balls through such air space and the entry of golf balls onto Area IIE and any building or improvement within Area IIE (the "Golf Ball Easement"). The Golf Ball Easement shall not be construed as (a) permitting the entry onto the Project by any individual for the purpose of retrieval of golf balls or for any other purpose; (b) limiting the construction of improvements within Area IIE; or (c) relieving golfers of liability for property damage, bodily injury or death caused by errant golf balls. Under no

circumstances shall any of the following persons be held liable for any property damage or bodily injury or death resulting from errant golf balls: Declarant, Master Declarant, the Association or its members (in their capacity as such), the owner, designer, lender, construction contractor or operator of the Golf Course, the Golf Course members (in their capacity as such) and their respective agents, representatives, successors or assigns; any successor Declarant; any officer, director, shareholder, member, partner or employee of any of the foregoing, or any officer, director, shareholder, member, partner or employee of any partner or member; provided, however, that this provision shall not be deemed to relieve any of the foregoing parties from any claim which is determined by a court of competent jurisdiction to have been caused by the intentional or willful misconduct of any such parties.

(ii) Overspray. There is hereby reserved to Declarant, and Declarant hereby grants to the owner of the Golf Course, a perpetual, non-exclusive easement appurtenant to the Golf Course burdening those parts of Area IIE immediately adjacent to the Golf Course for overspray (a) of water from any water features or aeration devices which may be included as part of the nearby irrigation lake, (b) of water from any irrigation system serving the Golf Course, and (c) chemicals applied to the Golf Course. Under no circumstances shall the Association or the owner or operator of the Golf Course, or their agents, lenders, employees or contractors, be held liable for any damage or injury resulting from such overspray or the exercise of this easement.

(3) View Impairment. Neither the Declarant, Master Declarant, the Association nor the owner or operator of the Golf Course guarantees or represents that any view over and across the Golf Course from Units adjacent to the Golf Course will be preserved without impairment. No provision of this Declaration shall be deemed to create an obligation of the owner or operator of the Golf Course to prune or thin trees or other landscaping. The owner or operator of the Golf Course may have the right, in its sole and absolute discretion, to add trees and other landscaping to the Golf Course from time to time. In addition, the owner or operator of the Golf Course may, in its sole and absolute discretion, change the location, configuration, size and elevation of the tees, bunkers, fairways, water features and greens on the Golf Course from time to time. Any such additions or changes to the Golf Course may diminish or obstruct any view from the portion of Area IIE adjacent to the Golf Course, and any express or implied views of specific or general portions of the Golf Course, or any easements for view purposes or for the passage of light and air are hereby expressly disclaimed. Each Unit owner, by acceptance of a deed, acknowledges that any view of the Golf Course which the Unit owner may enjoy as the date of the purchase of an interest in the Project may be impaired or obstructed by the natural growth of existing landscaping, the installation of additional trees, other landscaping or other types of improvements or barriers (both natural and artificial) on the Golf Course.

(4) Irrigation Lake. Each Unit owner, by acceptance of a conveyance of an interest in the Project, acknowledges that a lake or other man made pool may be constructed and situated immediately adjacent to the portion of the Project that borders the proposed Golf Course. It is anticipated that the lake will be filled with treated water/effluent. In addition to being an aesthetic feature of the Golf Course, the lake may also be utilized as a holding area for the water that will be used to irrigate the Golf Course. As part of the plans, the lake may also be equipped with water features or aeration devices. Each Unit Owner further acknowledges that, in addition to evaporation,

wind conditions may cause the water spray or mist from the lake to drift onto the Project, including the Units that may border the Golf Course as well as Units within the Project.

(5) Odors. Each Unit owner, by acceptance of a conveyance of an interest in the Project, acknowledges that periodically chemicals will be applied to the Golf Course (i.e., pesticides, fungicides, herbicides, fertilizers, etc.) and that odors may result. In addition, there may be occasions when the treated water/effluent utilized for the lakes, water features, and irrigation on the Golf Course may have odors. Each owner assumes the risk of all consequences of such odors, including personal injury and any economic damage arising from such activity upon the Golf Course, and hereby covenants not to bring any legal action, including, without limitation, any private nuisance action, against the owner or operator of the Golf Course or its employees or contractors, nor to lodge any complaint with the City or any other governmental agency based upon such odors.

(6) Treated Water/Effluent. Each Unit owner, by acceptance of a conveyance of an interest in the Project, acknowledges that the Golf Course may use treated wastewater or effluent for irrigation purposes and for any lakes and other water features and hereby covenants not to bring any legal action, including, without limitation, any private nuisance action, against the owner or operator of the Golf Course or the supplier of the treated wastewater or effluent or their employees or contractors, nor to lodge any complaint with the City or any other governmental agency based on the use of treated wastewater or effluent.

(7) Walls and Fences. Notwithstanding anything herein to the contrary, the owner of the Golf Course shall have no obligation for the maintenance, repair or replacement of any walls or fences on any common boundary between the Golf Course and the portions of Area IIE adjacent to the Golf course, irrespective of the fact that the walls or fences wholly or partially lie on the Golf Course or are immediately adjacent to the Golf Course. The owner or operator of the Golf Course shall have the right, however, to repair or maintain any wall or fence as reasonably necessary to preserve the aesthetic views from the Golf Course and to be reimbursed by the party responsible for such maintenance or repair.

(8) Special Events. Each Unit owner, by accepting a deed or other instrument conveying an interest in the Project, acknowledges and agrees that tournaments and other events may be held within the Golf Course from time to time which may result in a temporary increase in traffic, noise, gathering of crowds, and related inconveniences, and each such owner agrees on behalf of itself and the occupants of its Unit to take no action, legal or otherwise, which would interfere with the exercise of such easement or to recover damages for or as the result of any such activities.

(9) No Access to Golf Course. No owners of the Units shall be permitted to enter upon the Golf Course from any portion of Area IIE. The only entry to the Golf Course by any Unit owners and occupants of the Unit shall be in the same manner and at the same locations as all other users of the Golf Course. The Golf Course is private property and no Unit owners or occupants of the Project shall be allowed entry or to travel upon, landscape or otherwise use any portion of the Golf Course in conjunction with the ownership of the respective Units without the express written permission of the Golf Course owner/operator. Without limiting the generality of the

foregoing, no Unit owners or occupants shall have any right to go upon the Golf Course to trim, remove, maintain, or replace any landscaping located upon the Golf Course without the express written permission of the Golf Course owner/operator. Neither the Association nor any Unit owner shall have the right to install or create any gate or opening in any wall or fence located on the common boundary between the Golf Course portions of Area IIE adjacent thereto which creates any direct vehicular or pedestrian access between Area IIE and the Golf Course.

(10) Assumption of the Risk. Each Unit owner, by acceptance of a conveyance of an interest in the Project, agrees that owning property adjacent to a Golf Course has benefits as well as detriments and that the detriments include, but are not limited to (i) the risk of damage to property or injury to, or the death of, persons and animals from golf balls that are hit onto portions of Area IIE (including the Project), (ii) overspray and run-off from the application of chemicals on the Golf Course and the presence of the irrigation lakes, water features, and irrigation of the Golf Course with treated water/effluent, (iii) noise from golfers and the Golf Course maintenance and operation equipment (including, without limitation, compressors, blowers, mowers, mulchers, tractors, utility vehicles and pumps, all of which may be operated at all times of the day and night and/or continuously), (iv) odors arising from the application of chemicals on the Golf Course, (v) disturbance and loss of privacy resulting from golf cart traffic and golfers, including the trespass of golfers into the Project, (vi) disturbance, loss of privacy and disruption of views from lighting fixtures and improvements, lighting of the Golf Course or related facilities or nighttime play (if applicable) and related activities of golfers, (vii) noise, disturbance, and loss of privacy due to the use of the planned Golf Course maintenance road that will run immediately adjacent to and along the border of Area IIE and connect to Keoneula Blvd, (viii) the risk of damage to property or injury to, or the death of, persons and animals caused by flooding due to the fact that the Golf Course will also serve as a regional drainage channel for the Ewa plain area, and (ix) other nuisances associated with the Golf Course also functioning as a regional drainage channel including, without limitation, increased odors and mosquito activity that may result from the presence of standing water within the Golf Course from time to time. Additionally, each Unit owner acknowledges that pesticides, fungicides, herbicides, chemicals and other maintenance materials may be applied to the Golf Course throughout the year and that reclaimed water, treated wastewater or other sources of non potable water may be used for the lakes, water features, and irrigation of the Golf Course. Each Unit owner expressly assumes such detriments and risks and agrees that neither Declarant, Master Declarant, the owner or operator of the Golf Course, the Golf Course members (in their capacity as such) the Golf Course architect nor any of their lenders, agents, servants, employees, guests, invitees, directors, officers, affiliates, representatives, contractors, members, managers, partners, shareholders, successors and assigns shall be liable to the Unit owner or anyone for, or relating to, any Claims as defined in Section V.8(d)(11), below, (expressly excluding, however, any "Non-covered Claims" as that term is defined in Section V.8(d)(11) below.

(11) Waiver, Release and Indemnification. Each Unit owner waives, and releases Declarant, Master Declarant, the owner and operator of the Golf Course, the Golf Course architect, and any and all of their agents, servants, employees, guests, invitees, directors, officers, affiliates, representatives, contractors, members, managers, partners, shareholders, successors and assigns from and against, any and all claims, damages (including indirect, punitive, special or consequential), losses, demands,

liabilities, expenses (including attorney and expert fees and costs), obligations, actions or causes of action whatsoever, including, but not limited to, actions based on the following (hereinafter collectively referred to as "Claims") (i) trespass; (ii) nuisance; (iii) negligence; (iv) invasion of any Unit owner's use or enjoyment of any Unit or the Project; (v) improper design of the Golf Course; (vi) the level of skill of any golfer, regardless of whether such golfer has permission to use the Golf Course; (vii) matter referenced in Section V.8(d)(10) above, and (viii) any other claim, action, damage, loss, demand, liability, obligation or cause of action whatsoever that may result in property damage or destruction to any Unit or the Project or other property or personal injury to or the death of Unit owner or owner's tenant, invitee, guest or animal or any other person relating to or arising from the ordinary and reasonable operation and use of the Golf Course, including, without limitation, golf balls hit on or within any Unit or Area IIE, the use or non use of golf carts, Golf Course maintenance equipment or any other equipment relating to the Golf Course or the exercise of any rights under any easements granted hereunder by any golfer or the owner or operator of the Golf Course or any person acting for or on behalf of the owner or operator of the Golf Course, provided, however, that nothing set forth in this Section V.8(d) is intended to relieve any golfer of liability for property damage, personal injury, or death arising out of or resulting from the hitting of any errant golf ball (the "Non-covered Claims"). Each Unit owner hereby agrees to indemnify and hold harmless Declarant, Master Declarant, the owner and operator of the Golf Course, and their successors and assigns, from and against any and all losses, damages, liabilities, costs (including attorney and expert fees and costs) and expenses from, or relating to, Claims brought by any Unit owner or such owner's tenants, and their respective invitees or guests, provided, however, that the provisions of this sentence expressly excludes any Non-covered Claims.

(12) Limitations on Amendments. In recognition of the fact that the provisions of this Section are intended for the benefit of Declarant, Master Declarant and the owner of the Golf Course, no amendment to this Section and no amendment in derogation of any rights reserved or granted to the owner of the Golf Course by other provisions of this Declaration may be made without the prior and express written approval of Declarant, Master Declarant and the owner of the Golf Course.

(e) Non-Potable Water. Each Unit owner, by accepting a conveyance of an interest in the Project, for itself and any occupant, transferee, or other party claiming by, through, or under it, understands and acknowledges that (i) conditions imposed in connection with the development of the Project require that the Project be served by a dual water system consisting of potable and non-potable sources at some future date to be determined by the Board of Water Supply, or some other governmental or quasi-governmental agency or authority, (ii) the Project is not presently served by a non-potable water system, and (iii) when the use of non-potable water is required within the Project as aforesaid, or under any other law, regulation, ordinance, condition, or policy, that it will be the obligation of the Association to obtain and secure a source of non-potable water for the benefit of the Unit owners and the Association. EACH UNIT OWNER, BY ACCEPTING A CONVEYANCE OF AN INTEREST IN THE PROJECT, FOR ITSELF AND ANY OCCUPANT, TRANSFEREE OR OTHER PARTY CLAIMING BY, THROUGH OR UNDER IT, FURTHER UNDERSTANDS AND ACKNOWLEDGES THAT IT HAS NOT PAID FOR THE COSTS TO BUILD OR ACQUIRE ANY NON-POTABLE WATER SYSTEM IN ANY AMOUNTS PAID FOR ITS UNIT.

(f) Park Declaration. As a condition to the City and County of Honolulu (i) granting subdivision approval of the real property underlying Area IIE; or (ii) approving park dedication requirements related to the Area IIE lands, Declarant further reserves the right, without notice to, or the approval, consent or joinder of, the Association, or any Unit owner, lienholder or any other person, to record a Declaration of Restrictive Covenants (Private Park) against the Land (the "Private Park Declaration"). The Private Park Declaration may include, but is not limited to, covenants running with the lands that (a) restrict the use of the recreation area to recreation purposes, and not for residential purposes, and (b) require the Association to maintain the recreation area.

9. Invalidity; Conflict with Laws. The invalidity or partial invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such provision had never been included herein. In the event of any conflict or inconsistency between the provisions of the Declaration and the Condominium Property Act, the provisions of the Condominium Property Act shall prevail.

10. Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

11. Captions. The titles to the sections and paragraphs herein are for convenience of reference and shall in no way define, limit or describe the scope or intent of any provisions of this Declaration.

[The remainder of this page is intentionally left blank.]

12. Changes in Law. In the event any change in the Condominium Property Act shall result in a conflict or inconsistency between the provisions of the Declaration and the Condominium Property Act, the provisions of the Condominium Property Act shall prevail.

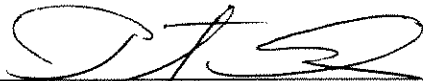
13. Compliance With Laws. The condominium property regime established under this Declaration is in compliance with all zoning and building ordinances and codes, and all other permitting requirements pursuant to Section 514B-5 of the Condominium Property Act.

IN WITNESS WHEREOF, the undersigned has executed these presents as of the date first above written.

FAIRWAY'S EDGE DEVELOPMENT, LLC, a
Hawaii limited liability company

By HASEKO HOMES, INC.,
a Hawaii corporation
Its Manager

By



Name: TSUTOMU SAGAWA

Title: EXECUTIVE VICE PRESIDENT

"Declarant"

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

On this 25th day of August, 2006, before me
personally appeared TSUTOMU SAGAWA, personally known to me -OR-
Name of Signer

proved to me on the basis of satisfactory evidence, who, being by me duly sworn or
affirmed, did say that such person executed the foregoing instrument as such person's free
act and deed as Executive Vice President of HASEKO HOMES, INC., a Hawaii
Corporate Title
corporation, that said corporation is the Manager of FAIRWAY'S EDGE DEVELOPMENT,
LLC, a Hawaii limited liability company, having been duly authorized to execute such
instrument in such capacity. Witness my hand and official seal.


Notary Public, State of Hawaii

Anna Maria Liu
Printed Name of Notary Public

My commission expires: 01/01/2010

EXHIBIT "A"

All of that certain parcel of land situate at Honouliuli, District of Ewa, City and County of Honolulu, State of Hawaii, more particularly described as follows:

LOT 16648, containing an area of 1.177 acres, as shown on Map 1294, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1069 of the Trustees Under the Will and of the Estate of James Campbell, deceased.

TOGETHER WITH non-exclusive, appurtenant easements for access to a public road, to wit: Fort Weaver Road, over and across Roadway Lot 16504, as shown on Map 1287, Roadway Lot 15422, as shown Map 1177, Roadway Lot 14673, as shown on Map 1135, and Roadway Lots 12588 and 12587, both as shown on Map 929, all maps being filed in said Office of the Assistant Registrar with Land Court Application No. 1069, and as set forth in Land Court Order No. 166213, recorded on May 22, 2006; SUBJECT, HOWEVER, to the rights of the fee simple owner(s) of such Roadway Lots, its designees, successors and assigns, to dedicate such Roadway Lots to any governmental authority, without the consent or joinder of any other party, and, PROVIDED, HOWEVER, that any easement and/or access rights over such Roadway Lots shall automatically terminate upon dedication.

TOGETHER ALSO WITH a non-exclusive, appurtenant easement for access purposes over, across, along, upon and through Easements 8871 through 8885, inclusive, and Easement 8888, all as shown on Map 1294, and as set forth in Land Court Order No. 166213, recorded on May 22, 2006.

Being the same premises described in and covered by Land Court Certificate of Title No. 798,808, issued to FAIRWAY'S EDGE DEVELOPMENT, LLC, a Hawaii limited liability company.

SUBJECT, HOWEVER, to the following:

1. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain unrecorded Second Amended and Restated Ewa Marina Agreement for Exchange, dated June 30, 1984, effective as of June 30, 1984, by and between F. E. Trotter, Inc., W. H. McVay, Inc., P. R. Cassidy, Inc., and H. C. Cornuelle, Inc., all Hawaii professional corporations, Trustees Under the Will and of the Estate of James Campbell, Deceased, acting in their fiduciary and not in their individual corporate capacities ("Estate"), as Vendor, and M.S.M. & Associates, Inc., a Colorado corporation ("MSM"), as Vendee; a short form of which is dated June 30, 1984, recorded as Land Court Document No. 1245392.

Said Agreement was assigned by MSM to HASEKO (Hawaii), Inc., a Hawaii corporation ("HASEKO"), with the consent of the Estate, by that certain

Assignment of Lease and Second Amended and Restated Ewa Marina Agreement for Exchange, dated December 30, 1988.

Said Agreement was amended and restated by the Estate and HASEKO by that certain unrecorded Ewa Marina Acquisition Agreement, dated as of December 15, 1988, of which a Short Form Acquisition Agreement is dated December 30, 1988, recorded as Land Court Document No. 1604009.

Said Agreement, as amended and restated, was assigned by HASEKO to HASEKO (Ewa), Inc., a Hawaii corporation, by that certain instrument dated September 3, 1993, but effective as of January 2, 1992, recorded in said Office of the Assistant Registrar as Land Court Document No. 2126832, with consent thereto given by the Estate by that certain instrument dated December 17, 1993, recorded as Land Court Document No. 2126833.

2. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Limited Warranty Deed, dated December 22, 1989, recorded as Land Court Document No. 1693437, including, but is not limited to, matters relating to water reservation and agricultural activities, including sugar cane burning on nearby lands.
3. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Unilateral Agreement and Declaration for Conditional Zoning, dated November 29, 1993, recorded as Land Court Document No. 2091140, as amended by that certain Amendment to Unilateral Agreement and Declaration for Conditional Zoning, dated February 12, 2002, recorded as Land Court Document No. 2778785, and further amended by that certain Second Amendment to Unilateral Agreement and Declaration for Conditional Zoning, dated October 23, 2002, recorded as Land Court Document No. 2857087, with Consent and Joinder dated November 1, 2002, attached thereto as Land Court Document No. 2857088.
4. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Document Listing Conditions to Reclassification of Land dated December 12, 1990, recorded as Land Court Document No. 1788412, as amended by instrument, dated March 28, 1994, recorded as Land Court Document No. 2131779, as further amended by instrument, dated June 17, 1994, recorded as Land Court Document No. 2159248; BUT ONLY as to those portions of said lots that are included in Exhibit A and shown on Exhibit B attached to said Land Court Document No. 1788412 and made a part hereof by reference.
5. Grant, dated January 3, 1996, recorded as Land Court Document No. 2284736, in favor of Hawaiian Electric Company, Inc., granting a nonexclusive perpetual right and easement to construct, reconstruct, operate, maintain, repair and remove poles, overhead wire lines, stub pole, guy wires, anchors, and/or underground power lines, etc. for the transmission and distribution of electricity; BUT ONLY as to those portions of said lots that are included in said Land Court Document

EXHIBIT "A"
(Page 2 of 3)

No. 2284736, and shown on the map attached thereto and made a part hereof by reference.

6. Construction Mortgage with Assignment of Rents, Security Agreement and Fixture Filing, dated as of September 12, 2003, recorded as Land Court Document No. 2993893, made by HASEKO Homes, Inc., and HASEKO (Ewa), Inc., both Hawaii corporations, as Mortgagors, in favor of Central Pacific Bank, a Hawaii corporation, successor by merger to City Bank, a Hawaii corporation, as Mortgagee, as amended by that certain Amendment to \$40,000,000 Mortgage dated October 19, 2004, recorded as Land Court Document No. 3188837.
7. The terms and provisions, including the failure to comply with covenants, conditions, and reservations, contained in that certain Agreement for Issuance of Conditional Use Permit Under Section 21-5.380 of the Land Use Ordinance (LUO), dated June 29, 2006, recorded in said Office of the Assistant Registrar as Land Court Document No. 3451811.
8. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential) dated September 15, 1998, recorded in said Office of the Assistant Registrar as Land Court Document No. 2486145, as amended by instruments dated October 30, 1998, recorded as Land Court Document No. 2498586, dated April 29, 2003, recorded as Land Court Document No. 2923437, dated May 13, 2003, recorded as Land Court Document No. 2930015, and as supplemented by instrument dated March 2, 2006, recorded as Land Court Document No. 3399278.
9. Designation of Easement 8881, for access and utility purposes, as shown on Map 1294, as set forth by Land Court Order No. 166213, recorded on May 22, 2006.

EXHIBIT "A"
(Page 3 of 3)

EXHIBIT "B"

BUILDINGS, UNITS AND PARKING

RESIDENTIAL BUILDING TYPES.

The Project includes four (4) detached residential buildings, designated as Buildings 10, 11, 20 and 21, as shown on the Condominium Map. None of the buildings will have basements.

There is one (1) residential building type in the Project, which is identified as TH21, as shown on the Condominium Map and is more particularly described below:

Type TH21. Each Type TH21 building contains a total of four (4) Units. The end units are two-story structures with interior stairways, and both are Unit Model Type 111 units. The remaining two (2) units are two-story structures with interior stairways, and both are Unit Model Type 110 units. The layout and location of each Unit are as shown on the Condominium Map.

GARAGE TYPES.

The Project includes an attached two-car enclosed garage for each Unit. Each two-car garage has a gross area of approximately 400 square feet. The layout and location of each garage are as shown on the Condominium Map.

UNIT TYPES.

The two (2) Unit types in the Project are as described below:

Model 110: Two-story three bedroom, three bathroom Unit. The Unit has a living room, dining room, kitchen, laundry area, a bedroom and a single bathroom on the first floor, connected by interior stairs to the second floor, containing two bedrooms, two bathrooms, and a walk-in closet. The Unit has an attached two-car garage. The net living area (which excludes the garage and second floor balcony) is approximately 1,455 square feet.

Model 110R: This Unit Type contains the reverse floor plan layout from that shown on the Condominium Map for Model Type 110, with the same rooms and net living area as said Model Type 110.

Model 111: Two-story three bedroom, three bathroom Unit. The Unit has a living room, dining room, kitchen, laundry area, a bedroom and a single bathroom on the first floor, connected by interior stairs to the second floor, containing two bedrooms, two bathrooms, a tech area, and a walk-in closet. The Unit has an attached two-car garage. The net living area (which excludes the garage and second floor balcony) is approximately 1,470 square feet.

Model 111R: This Unit Type contains the reverse floor plan layout from that shown on the Condominium Map for Model Type 111, with the same rooms and net living area as said Model Type 111.

EXHIBIT "B"
(Page 2 of 3)

UNIT NUMBERS, PARKING, FLOOR AREAS OF UNITS

The Unit numbers, parking stalls, and net living area attributable to each Unit are as follows:

Unit No.	Model Type	Bldg. No.	Parking Stall Nos.	Net Living Area and Balcony (sq. ft.)	Common Interest (%)
1001	111	10	183, 184	1,666	6.4097
1002	110	10	185, 186	1,583	6.0903
1003	110R	10	187, 188	1,583	6.0903
1004	111R	10	189, 190	1,666	6.4097
1101	111	11	191, 192	1,666	6.4097
1102	110	11	193, 194	1,583	6.0903
1103	110R	11	195, 196	1,583	6.0903
1104	111R	11	197, 198	1,666	6.4097
2001	111	20	263, 264	1,666	6.4097
2002	110	20	265, 266	1,583	6.0903
2003	110R	20	267, 268	1,583	6.0903
2004	111R	20	269, 270	1,666	6.4097
2101	111	21	271, 272	1,666	6.4097
2102	110	21	273, 274	1,583	6.0903
2103	110R	21	275, 276	1,583	6.0903
2104	111R	21	277, 278	1,666	6.4097

EXHIBIT "B"
(Page 3 of 3)

EXHIBIT "C"

Additional Covenants Regarding Aircraft Noise and Other Disturbances

The following covenants are required by various governmental agencies as conditions to land use reclassifications or rezoning of lands within Ocean Pointe including but not limited to, the State of Hawaii Land Use Commission (in Docket A83-558) and, the City and County of Honolulu (Ordinance 85-44). Accordingly, each Unit owner, by accepting a conveyance of an interest in the Project, for itself, its occupants, transferees, and any other party claiming by, through, or under it, covenants, acknowledges, and agrees along with Declarant as follows:

1. The Project (or portions thereof) is located within an area of potential exposure to aircraft noise as defined in Land Use Guidance Chart I, Airport-Land Use Compatibility Planning, AC 150/5050-6, U.S. Department of Transportation, Federal Aviation Administration, December 30, 1977, and said property may, on occasion, be subject to day-night average sound levels as defined therein and other forms of disturbances.

2. Each Unit owner as aforesaid, acknowledges that its use and enjoyment of such Unit owner's Unit as well as any portion of the Project may be subject to various effects which may result from the use and operation of government airports in the vicinity of the Project such as Honolulu International Airport, Barbers Point Naval Air Station, and all other such government airports, whether existing or to be built (the "government airports"), such effects to include noise, fumes, soot, smoke, vibration, and other intrusions from aircraft using the government airports.

3. Each Unit owner as aforesaid, hereby releases and agrees that he/she shall not file any claim, action or lawsuit for any kind of relief, whether legal or equitable, against the Declarant, Master Declarant, the City and County of Honolulu, the State of Hawaii, the Federal Government, or any agency or employee thereof, or any Person using the government airports, for costs or damages resulting from noise, fumes, soot, smoke, vibration or any other form of disturbance to such Unit owner's Unit and the Project caused by the establishment or operation of the government airports, or by any aircraft, now known or hereafter used in connection with operations to, from, or at the government airports.

4. Each Unit owner as aforesaid (other than a mortgagee of an insured mortgage who acquires title to any Unit through foreclosure or a deed in lieu of foreclosure), shall indemnify, forever hold harmless and defend Declarant, Master Declarant, the City and County of Honolulu, the State of Hawaii and the Federal Government and all users of the government airports, from any and all liability resulting from said noise, fumes, soot, smoke, vibration or any other form of disturbance to such Unit owner's Unit and the Project caused by the establishment or operation of the government airports, or by any aircraft, now known or hereafter used in connection with operations to, from, or at the government airports. The foregoing agreement to indemnify shall not extend to or obligate an institutional lender who holds a mortgage covering said property or who takes title to said property upon foreclosure or by way of deed in lieu of

EXHIBIT "C"

Page 1 of 2

foreclosure or otherwise, and PROVIDED FURTHER, that any person or entity that acquires said property from said institutional lender shall be subject to the aforementioned obligation to indemnify Grantor and other parties referred to above.

5. In consideration of the foregoing, Declarant hereby releases and agrees that it shall not file any claim, action or lawsuit for any kind of relief, whether legal or equitable, against the City and County of Honolulu, the State of Hawaii, the Federal Government, or any agency or employee thereof, or any Person using the government airports, for costs or damages resulting from noise, fumes, soot, smoke, vibration or any other form of disturbance to the Project (including any Unit) caused by the establishment or operation of the government airports, or by any aircraft, now known or hereafter used in connection with operations to, from, or at the government airports.

6. In consideration of the foregoing, Declarant shall indemnify, forever hold harmless and defend the City and County of Honolulu, the State of Hawaii and the Federal Government and all users of the government airports, from any and all liability resulting from said noise, fumes, soot, smoke, vibration or any other form of disturbance to the Project (including any Unit) caused by the establishment or operation of the government airports, or by any aircraft, now known or hereafter used in connection with operations to, from, or at the government airports.

EXHIBIT "Q"

**BYLAWS OF THE ASSOCIATION OF UNIT OWNERS OF
THE TOWN HOMES AT FAIRWAY'S EDGE, INCREMENT 2**

OFFICE OF THE
ASSISTANT REGISTRAR, LAND COURT
STATE OF HAWAII
(Bureau of Conveyances)

The original of this document was
recorded as follows:

DOCUMENT Doc 3474189
CTN 820,461
DATE AUG 29, 2006 01:00 PM

LAND COURT SYSTEM

REGULAR SYSTEM

AFTER RECORDATION, RETURN BY: MAIL () PICKUP (✓)

MORIHARA LAU & FONG LLP
841 BISHOP STREET, SUITE 400
HONOLULU, HAWAII 96813
TELEPHONE NO.: (808) 528-4200

TYPE OF DOCUMENT:

BYLAWS OF THE ASSOCIATION OF UNIT OWNERS OF
THE TOWN HOMES AT FAIRWAY'S EDGE, INCREMENT 2

PARTIES TO DOCUMENT:

DEVELOPER: FAIRWAY'S EDGE DEVELOPMENT, LLC, A HAWAII LIMITED LIABILITY COMPANY

TAX MAP KEY FOR PROPERTY: PORTIONS OF (1) 9-1-012:058

BYLAWS OF THE ASSOCIATION OF UNIT OWNERS
OF
THE TOWN HOMES OF FAIRWAY'S EDGE, INCREMENT 2

BYLAWS OF THE ASSOCIATION OF UNIT OWNERS
OF
THE TOWN HOMES OF FAIRWAY'S EDGE, INCREMENT 2

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BYLAWS OF THE ASSOCIATION OF UNIT OWNERS
OF
THE TOWN HOMES AT FAIRWAY'S EDGE, INCREMENT 2

WHEREAS, FAIRWAY'S EDGE DEVELOPMENT, LLC, a Hawaii limited liability company, whose address is 91-1001 Kaimalie Street, Suite 205, Ewa Beach, Hawaii 96706, (the "Developer"), owns in fee simple the land described in and covered by Land Court Certificate of Title No. 820,461 (the "Land") described in Exhibit A to the Declaration of Condominium Property Regime of The Town Homes at Fairway's Edge, Increment 2 (the "Declaration") recorded concurrently herewith in the Office of the Assistant Registrar of the Land Court of the State of Hawaii (the "Land Court");

WHEREAS, the Developer intends to develop the Land (which is subject to Developer's right to withdraw portions of the Land from the Condominium Property Regime pursuant to Section U of the Declaration) by the construction of certain improvements (the "Improvements") in accordance with plans and specifications filed concurrently herewith in the Land Court as Condominium Map No. 1842 (the "Condominium Map") which is incorporated herein by reference; and

WHEREAS, in order to create a condominium project consisting of the Land and the Improvements (the "Project"), to be known as The Town Homes at Fairway's Edge, Increment 2, the Developer wishes to submit the Project to a Condominium Property Regime by recording the Declaration and adopting these Bylaws of the Association of Unit Owners of the Project (the "Bylaws"), which shall be recorded in the same manner as the Declaration, as provided for by Chapter 514B, Hawaii Revised Statutes, as amended (the "Condominium Property Act");

NOW, THEREFORE, the Developer hereby declares that the Land and the Project are held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the following Bylaws all of which are declared and agreed to be in furtherance of the plan set forth in the Declaration, to constitute said property a Condominium Property Regime under the Condominium Property Act, and are established and agreed upon for said purposes and for the purposes of enhancing and perfecting the value, desirability and attractiveness of said property. These Bylaws shall run with the Land and Improvements and shall be binding upon all parties having or acquiring any right, title or interest therein.

ARTICLE I

INTRODUCTORY PROVISIONS

SECTION 1. Authority for Bylaws. The Developer, acting as the present Association of Unit Owners of the Project, hereby approves and adopts these Bylaws pursuant to the Condominium Property Act.

SECTION 2. Definitions. Unless otherwise stated herein, the terms used in these Bylaws shall have the same meaning given to them in the Declaration and in the Condominium Property Act, unless it is plainly evident from the context that a different meaning is intended. As used in these Bylaws:

- Land Court.
- (a) "Agreement of Sale" means an Agreement of Sale recorded in the
 - (b) "Association" means the Association of Unit Owners of the Project.
 - (c) "Board" means the Board of Directors of the Association.
 - (d) "Capital Improvements Reserve Fund" means the fund established by the Board pursuant to Article VII, Section 1(e) of these Bylaws to provide for specific capital improvements for the Project.
 - (e) "Common Elements" means those parts of the Project which are defined in the Declaration as Common Elements. The term "Common Elements" includes those portions of the Project designated in the Declaration as Common Elements and as Limited Common Elements.
 - (f) "Common Expenses" means and includes (i) all expenses of the administration, management, and operation of the Project and the maintenance, repair, and replacement of, and the making of any additions and improvements to, the Common Elements, and (ii) all expenses authorized to be made by the Association pursuant to the Declaration or these Bylaws pursuant to the Condominium Property Act.
 - (g) "Common Interest" means the undivided percentage interest set forth in the Declaration which is appurtenant to a Unit and which is permanent in character and, except as amended in the Declaration, not subject to alteration without the consent of all Owners affected. The distribution of the share of ownership of the Common Elements, rights and obligations with respect to the common profits and Common Expenses, and voting rights is determined by the percentage of the Common Interest. The Common Interest shall not be separated from the Unit to which it appertains and shall be deemed to be conveyed or encumbered with the Unit, even though not expressly mentioned or described in the document of conveyance or encumbrance.
 - (h) "Condemnation Trustee" means the bank or trust company having a principal place of business in the State of Hawaii designated to hold and administer condemnation proceeds for the Project.
 - (i) "Condominium Property Act" or "Act" means Chapter 514B, Hawaii Revised Statutes, as amended.
 - (j) "Condominium Property Regime" means the ownership of two (2) or more Units and Common Elements in a project in accordance with the Condominium Property Act.
 - (k) "Director" means a member of the Board of Directors of the Association.
 - (l) "Eligible First Lien Holder" means a holder, insurer or guarantor of a first mortgage on any Unit, which had made written request to the Association (which request states the name and address of such holder, insurer or guarantor, and the Unit number of the Units to which its mortgage pertains), for notice of all or those meetings of the Association at

which any proposed amendment to the Declaration or these Bylaws will be considered by the Unit Owners.

(m) "General Operating Reserve" means that fund established by the Board to provide financial stability for the Project as is more fully described in Article VII, Section 1(c) of these Bylaws.

(n) "House Rules" means the administrative rules and regulations adopted by the Board as provided in these Bylaws governing the conduct of Owners and occupants of the building and the use and operation of the Common Elements.

(o) "Limited Common Elements" means those Common Elements as designated in the Declaration reserved for the exclusive use of one or more Units to the exclusion of other Units; provided that no amendment of the Declaration affecting the Limited Common Elements appurtenant to a Unit or Units shall be effective without the consent of the Unit Owner or Owners affected.

(p) "Majority of Owners" or "Majority of Unit Owners" means the Owners of Units holding more than fifty percent (50%) of the total Common Interests appurtenant to Units owned by those Owners who are present at the meeting, either in person or by proxy, and are authorized to vote.

(q) "Managing Agent" means an entity employed by the Association pursuant to written contract to manage the operation of the Project.

(r) "Master Declaration" means the Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated September 15, 1998, recorded as Land Court Document No. 2486145, as the same has been and/or may hereafter be further amended and/or supplemented from time to time.

(s) "Opinion of Counsel" means a written opinion of an attorney licensed to practice before the Courts of the State of Hawaii advising the Association regarding the legality of certain action taken or proposed to be taken by the Association.

(t) "Owner," "Unit Owner," and "Owners of Units" mean the person owning, or the persons owning jointly or in common, a Unit and the Common Interest appertaining thereto to the extent of such interest so owned. A lessee or sublessee of a Unit or interest therein shall be deemed to be the Owner of such Unit to the extent provided by such lease if such lease is recorded pursuant to Chapter 502, Hawaii Revised Statutes, and recorded with the Board. The purchaser of a Unit pursuant to an Agreement of Sale shall have the rights of a Unit Owner, including the right to vote; provided that the Seller under the Agreement of Sale may retain the right to vote on matters substantially affecting such Owner's security interest in the Unit as provided in Section 514B-124 of the Condominium Property Act. Where the Owner is a corporation or partnership, the method for designating the natural person who shall act as and for the Owner is as set forth in these Bylaws.

In the event that any interest in a Unit and the Common Interest appertaining thereto is transferred to a trustee under a land title holding trust under the Land Trust Act, Chapter 558, Hawaii Revised Statutes, as amended from time to time, or any substitute or

successor statute, under which substantially all powers of management, operation and control of the Unit remain vested in the trust beneficiary or beneficiaries, the beneficiary or beneficiaries of any trust shall be deemed to be the Owner or Owners of said Unit and appurtenant Common Interest to the extent of their interest therein and shall have all the rights and obligations of ownership, including the right to vote. A transferee of the beneficial interest in any such trust shall have all the rights and obligations of a Unit Owner when notice of such transfer is given to the Association by the transferor. Unless and until such notice is given, the Association shall not be required to recognize the transferee for any purpose, and the transferor may continue to be recognized by the Association as the Owner and shall have all of the rights and obligations of ownership.

(u) "Project Architect" means such architect for the Project as the Board may select from time to time; provided that prior to the time that the Association shall be formed, the Developer shall have the power to select the Project Architect.

(v) "Quorum" means, except as otherwise stated in these Bylaws, the presence at any meeting in person or by proxy of Owners holding more than thirty percent (30%) of the total Common Interests in the Project.

(w) "Unit" means a part of the Project designated for separate ownership or occupancy, as described in the Declaration and shown on the Condominium Map.

(x) "Unit Deed" means the legal instrument signed by the Developer in conveying the Unit and an undivided interest in the Common Elements to Owner.

ARTICLE II

ASSOCIATION OF OWNERS

SECTION 1. Purpose. The Association shall be organized and operated for the purposes of managing, maintaining, acquiring, constructing, and caring for the Project, funds and other property held by the Association or the nominee of the Association, property owned in common by one (1) or more Unit Owners but held by the Association, property within or forming part of the Project privately held by one (1) or more Unit Owners but which may be subject to a common maintenance assessment by the Association for such purposes as insurance, and property owned by a government agency, public utility or other third party and used for the benefit of the Association or one (1) or more Unit Owners. The Association may be incorporated by act of the Board.

SECTION 2. Membership. All Owners of Units of the Project shall constitute the Association of Unit Owners. The Owner of any Unit, upon acquiring title thereto, shall automatically become a member of the Association and shall remain a member thereof until such ownership ceases for any reason, at which time membership of such Unit Owner in the Association shall automatically cease. Notwithstanding anything in these Bylaws to the contrary, until the Board is elected by the Owners for the first time at a meeting of the Association, the Developer shall have the right and authority to exercise all of the powers of the Association and the Board and officers of the Association, including voting.

SECTION 3. Record of Ownership. Every Owner and every vendee of a Unit under an Agreement of Sale shall promptly cause to be duly recorded in the Land Court the deed,

agreement of sale or other conveyance of such Unit or other evidence of such Owner's or vendee's title thereto and shall present such evidence to the Board through the Secretary or the Managing Agent. Every Owner and vendee as aforesaid shall file with the Board or the Managing Agent a copy of any rental agreement or lease in respect of the Unit which such Owner or vendee may have executed with a tenant or lessee and shall file with the Board or the Managing Agent written notice of termination of such rental agreement or lease in the event of termination or expiration of the same. The Board shall keep an accurate and current list of members of the Association and their current addresses and the names and addresses of the vendees under Agreements of Sale, if any. The list shall be maintained at a place designated by the Board and a copy shall be available, at cost, to any member of the Association who furnishes to the Board a duly executed and acknowledged affidavit stating that the list (a) will be used by such Owner personally and only for the purpose of soliciting votes or proxies or providing information to other Owners with respect to matters of the Association, and (b) shall not be used by such Owner or transferred, loaned, sold, distributed, or furnished to anyone else (including any other member of the Association) for any other purpose.

SECTION 4. Place of Meetings. All meetings of the Association shall be held in accordance with Section 514B-121(e) of the Condominium Property Act.

SECTION 5. Annual Meetings. The first annual meeting of the Association shall be held as called by the Developer and shall be held not later than one hundred eighty (180) days after the date of recordation of the first Unit Deed, provided that Unit Deeds for not less than forty percent (40%) of the Units in the Project have been sold and recorded. If Unit Deeds for forty percent (40%) or more of the Units in the Project are not sold and recorded within one (1) year of the recordation of the first Unit conveyance, the first annual meeting shall be held as soon as practicable thereafter upon the request of Unit Owners holding at least ten percent (10%) of the total Common Interests in the Project. The term "sold and recorded" as used in this Section shall mean and refer to the sale of Units in the Project and the recordation of Unit Deeds in the Land Court. Thereafter, the annual meetings of the Association shall be held within one hundred twenty (120) days following the close of the fiscal year as selected by the Board or the Association or at such time as the Board shall from time to time determine. At such annual meetings and provided the period of Developer control (as provided in the Declaration) has expired, the Board shall be elected by ballot of the Unit Owners in accordance with the requirements of Article III, Section 3 of these Bylaws. The Association may transact such other business at such meetings as may properly come before them.

SECTION 6. Regular Meetings. In addition to the annual meetings of the Association, the Board, by resolution or by a Majority of Unit Owners by petition, may establish regular meetings at semi-annual, quarter-annual, or other regular intervals.

SECTION 7. Special Meetings. Special meetings of the Association may be held at any time in accordance with Section 514B-121 of the Condominium Property Act.

SECTION 8. Notice of Meetings. Written notice of all meetings, annual, regular, or special, shall be given in accordance with Section 514B-121 of the Condominium Property Act. If notice is given pursuant to the provisions of this Section, the failure of any Unit Owner or mortgagee to receive actual notice of any meeting shall in no way invalidate such meeting or any proceedings thereat. The presence of a Unit Owner or first mortgagee in person or by proxy at any meeting shall be deemed a waiver of any required notice to such owner or first mortgagee unless such owner or first mortgagee shall at the opening thereof object to the holding of such

meeting because of the failure to give notice in accordance with the provisions of this section. Upon written request for notices delivered to and received by the Board from the holder of any duly recorded mortgage from any Unit Owner, such holder of the recorded mortgage may obtain a copy of any and all notices permitted or required to be given to the Unit Owner whose interest is subject to such mortgage. Each Unit Owner shall by writing promptly notify the Board of any change of address, facsimile number, and/or electronic mail address (if applicable).

SECTION 9. Voting. Voting shall be on a percentage basis, and the percentage of the total vote to which each Unit is entitled shall be the percentage Common Interest assigned to such Unit in the Declaration. Votes may be cast in person or by proxy by the respective Unit Owners as shown in the Association's record of ownership. The vendee of a Unit pursuant to a recorded Agreement of Sale shall have the right to vote unless the vote is retained by the vendor as may be provided in said Agreement of Sale pursuant to Section 514B-124 of the Condominium Property Act. An executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the Association the percentage of vote for any Unit owned or controlled by such person in such capacity, whether or not the same shall have been transferred to such person in the Association's record of ownership, provided that evidence satisfactory to the Secretary that such person owns or controls such Unit in such capacity has been presented. The vote for any Unit owned or recorded by two or more persons may be exercised by any one of them present at any meeting in the absence of protest by the other or others, and in case of protest, each co-tenant shall be entitled to only a share of such vote equal to the share of such co-tenant's ownership in such Unit. Corporations and general partnerships and limited partnerships which are Owners shall designate a corporate officer or a general partner for the purpose of exercising the vote, and such representative of an Owner which is a corporation, general partnership or limited partnership shall present written evidence satisfactory to the Secretary of such representative's designation as representative not later than the commencement of the meeting. Any votes allocated to the Common Elements shall not be cast at any meeting of the Association.

SECTION 10. Proxies and Pledges.

(a) A proxy, to be valid, must be delivered to the Secretary of the Association or the Managing Agent, if any, no later than 4:30 p.m. on the second business day prior to the date of the meeting to which it pertains, and must contain at least: (1) the name of the Association; (2) the date and location of the meeting of the Association; (3) the printed name and signature of the person or persons giving the proxy or the printed name and signature of a duly authorized officer(s) or representative(s) of the entity (including the name of the entity) giving the proxy; (4) the Unit or Units for which the proxy is given; (5) the printed name of the person or entity to whom the proxy is given; and (6) the date the proxy is given. A copy, facsimile telecommunication, or other reliable reproduction of a proxy may be used in lieu of the original proxy for any and all purposes for which the original proxy could be used; provided that any copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire proxy.

(b) No proxy shall be irrevocable unless coupled with a financial interest in the Unit. Notwithstanding any provision hereof to the contrary, a proxy: (1) shall be valid only for the meeting to which the proxy pertains and its adjournment; (2) may designate any person as proxy; and (3) may be limited as the Owner(s) desires and indicates.

(c) The resident manager or the Managing Agent of the Project shall not solicit, for use by such resident manager or the Managing Agent, any proxies from any Owner,

nor shall such resident manager or the Managing Agent cast any proxy vote at any meeting of the Association except for the purpose of establishing a quorum.

(d) A proxy must contain boxes prescribed under Section 514B-123 of the Condominium Property Act. In those instances where the Owner fails to indicate such Owner's election, the entire proxy shall be voted by the Majority of the Board, if not otherwise prohibited by the Condominium Property Act.

(e) No member of the Board shall use funds of the Association to solicit proxies except for the distribution of proxies under Section 514B-123(h) of the Condominium Property Act, provided that this shall not prevent any Director from exercising such Director's right as an Owner under said Section 514B-123(h).

SECTION 11. Majority Vote. The vote of a Majority of Unit Owners at a meeting at which a quorum exists shall be binding upon all Owners for all purposes, except where a higher percentage is required in the Declaration, these Bylaws or in the Condominium Property Act.

SECTION 12. Adjournment of Meetings. Any meeting of the Association may be adjourned to a time not less than forty-eight (48) hours from the time the original meeting was called upon the vote of a Majority of Unit Owners, whether or not a quorum is present, without notice other than the announcement at such meeting. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

SECTION 13. Conduct of Meetings and Order of Business. All meetings of the Association shall be conducted in accordance with the most current edition of Robert's Rules of Order. The order of business at all meetings of the Association shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers;
- (e) Report of Board;
- (f) Report of committees;
- (g) Election of inspectors of election (when so required);
- (h) Election of Directors (when so required);
- (i) Unfinished business; and
- (j) New business.

SECTION 14. Minutes of Meetings. The minutes of all meetings of the Association shall be taken, approved, and available in accordance with Section 514B-122 of the Condominium Property Act.

ARTICLE III

BOARD OF DIRECTORS

SECTION 1. Number and Qualifications. The affairs of the Project shall be governed by the Board which shall be composed of three (3) members; provided, however, that if the Project is merged with an additional increment or increments pursuant to Section S of the Declaration, upon such merger, the Board shall consist of five (5) Directors (provided that the Developer control period has expired). Notwithstanding the foregoing, if the merged increments have more than one hundred (100) apartment units, the number of Directors shall be increased to nine (9), unless the owners of Units in the merged increments amend these bylaws, to reduce the number of Directors, and provided further that if the merged increments have more than one hundred (100) Units where at least seventy percent (70%) of the Unit Owners do not reside at the Project these Bylaws may be amended to reduce the Board to as few as five (5) members by the written consent of a majority of Owners or the vote of a majority of a quorum at any annual meeting or a special meeting called for that purpose or as otherwise may be prescribed in Section 514B-106(e) of the Condominium Property Act. The Association may rely on its membership records in determining whether a Unit is owner-occupied. A decrease in the number of Directors shall not deprive an incumbent Director of any remaining term of office. Each member of the Board shall be an Owner, co-owner, vendee under an Agreement of Sale, designated general partner of a general partnership or limited partnership or an officer of an Owner which is a corporation. There shall be not more than one (1) member on the Board from any one (1) Unit. Neither the resident manager of the Project, if any, nor any employee of the Managing Agent shall serve on the Board.

SECTION 2. Powers and Duties. The Board shall have all powers and duties necessary for the administration of the affairs of the Project and may do all such acts and things therefor except those that are by law or by the Declaration or by these Bylaws not to be delegated to the Board by the Unit Owners. Each member of the Board shall owe the Association a fiduciary duty and exercise the degree of care and loyalty required of a director of a corporation organized under Chapter 414D, Hawaii Revised Statutes, as amended, in the performance of such member's responsibilities.

SECTION 3. Election and Term of Office. The Directors shall be elected by the Developer during the Developer control period as provided in the Declaration, and thereafter by the Unit Owners; provided, however, that not later than the termination of the period of the Developer's control under the Declaration, the Unit Owners shall elect the Board to take effect upon the termination of the Developer control period at any annual meeting, regular meeting, or special meeting called for that purpose. Election of Directors shall be by secret written ballot at each annual meeting. Cumulative voting is permitted. At the first meeting of the Association held for the purpose of electing Directors (whether annual, regular, or special), the initial Directors shall be elected. At such first meeting, a majority of the Directors shall be elected for a term that will expire one (1) year following the date of the next annual meeting and the balance of the Directors shall be elected for a term that will expire at the next annual meeting. At the expiration of the term of office of each Director, such Director's successor shall be elected to serve a term of two (2) years. Notwithstanding the foregoing, to the extent the Project is merged with an additional

increment or increments pursuant to Section S of the Declaration and the number of directors is increased to five (5), then a majority of the Directors shall be elected for a term of two (2) years and the balance of the Directors shall be elected for a term of one (1) year. At the expiration of the term of office of each Director, such Director's successor shall be elected to serve a term of two (2) years. When the number of directors of the merged association is increased to nine (9), one-third of the directors shall be elected for one (1) year, one-third for two (2) years, and one-third for three (3) years. At the expiration of the term of office of each Director, such Director's successor shall be elected to serve a term of three (3) years. Subject to removal as provided herein, each Director shall continue to exercise the powers and duties of the office until such Director's successor has been elected.

SECTION 4. Removal of Directors. At any regular or special meeting of the Association, duly called, any one (1) or more of the Directors may be removed with or without cause by a Majority of Unit Owners and a successor shall then and there be elected to fill the vacancy thus created for the remainder of the term; provided, however, that a Director may not be removed if Owners having sufficient votes to elect one member of the Board by cumulative voting present at such meeting shall vote against such Director's removal. If such removal and replacement is to occur at a special meeting of the Association, the call for such meeting shall be in accordance with Section 514B-121(b) of the Act. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

SECTION 5. Vacancies. Vacancies in the Board caused by any reason other than removal of a Director by the Association shall be filled by vote of a majority of the remaining Directors, even though they may constitute less than a quorum. Such election shall be held promptly after the occurrence of the vacancy and the person so elected shall be a Director until a successor is elected at the next annual meeting of the Association, unless sooner removed. A vacancy shall occur upon the death, incapacity, or voluntary resignation of a Director, or if a Director ceases to qualify to be a Director as set forth in Article III, Section 1. A Director who is unexcusably absent without prior notice to the Secretary for more than three (3) meetings of the Board in any twelve (12) month period shall be deemed to have voluntarily resigned from the Board.

SECTION 6. Annual Meetings. The Board shall meet at least once a year. This annual meeting of the Board shall be held at the place of and immediately following each annual meeting of the Association. Notice of the meeting of the Board shall be provided in accordance with Section 514B-125(d) of the Act, and may also be included with the notice of the annual meeting of the Association. At each annual meeting of the Board, the Board shall elect the officers of the Association for the ensuing year.

SECTION 7. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least one (1) such meeting shall be held during each calendar quarter of every year. Notice of regular meetings of the Board shall be given to each Director personally, or by mail, telephone, messenger service, electronic mail, or facsimile at least fourteen (14) days, if practicable, prior to the date of such meeting.

SECTION 8. Special Meetings. Special meetings of the Board may be called by the President on twenty-four (24) hours notice to each Director, given personally or by mail, telephone, messenger service, electronic mail, or facsimile, which notice shall state the time, place and purpose of the meeting and on posting of notice as provided in Section 11 of this Article

III. Special meetings of the Board shall be called by the President or the Secretary in like manner and with like notice upon the written request of at least two (2) Directors.

SECTION 9. Waiver of Notice. Before any meeting of the Board, any Director may in writing waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice to the Director of such meeting.

SECTION 10. Quorum of Board. At all meetings of the Board a majority of the total number of Directors established by these Bylaws shall constitute a quorum for the transaction of business, and the acts of a majority of Directors present at any meeting at which a quorum is present shall be the acts of the Board. If less than a quorum shall be present at any meeting of the Board, a majority of those present may adjourn the meeting from time to time without notice other than the announcement at such meeting. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

SECTION 11. Notice of Meetings: Open Meetings. Notice of all Board meetings shall be posted in accordance with Section 514B-125(d) of the Act. All meetings of the Board, except for executive sessions, shall be open to all members of the Association, and representatives of the board of directors for the Ocean Pointe Residential Community Association, Inc. and Association members who are not Directors may participate in any deliberation or discussion (other than executive sessions) unless a majority of a quorum of the Board determines that such non-Board member shall not so participate; provided that participation by non-Board members shall not include participation in any decision-making.

SECTION 12. Executive Session. The Board, with the approval of a majority of the quorum of its members, may adjourn a meeting and reconvene in private in executive session to discuss and vote on matters described in Section 514B-125(b) of the Act. The nature of any and all business to be considered in executive session shall first be announced in open session.

SECTION 13. Meetings by Phone, Other Means, or Written Consent. Provided all requirements of notice as provided in this Article III have been complied with (or that the same have been waived as provided herein), and provided further that the provisions contained herein for meetings of the Board to be open to the Association members have been complied with, the Board may conduct meetings by telephone conference call, by any means of communication through which all Directors participating may simultaneously hear each other during the meeting, or by unanimous decision in writing signed by all Board members.

SECTION 14. Minutes of Board Meetings. The minutes of all meetings of the Board shall be kept, approved and available in accordance with Section 514B-126 of the Condominium Property Act.

SECTION 15. Conduct of Meetings. All meetings of the Board shall be conducted in accordance with the most current edition of Robert's Rules of Order. The Association shall at its expense provide each Director with a current copy of the Declaration, these Bylaws, the House Rules, and, annually, the Condominium Property Act.

SECTION 16. Conflict of Interest. A Director shall not cast any proxy vote at any meeting of the Board, nor shall a Director vote at any meeting of the Board, on any issue in which

the Director has a conflict of interest. A Director who has a conflict of interest on any issue before the Board shall disclose the nature of the conflict of interest prior to a vote on that issue at the meeting of the Board, and the minutes of the meeting shall record the fact that a disclosure was made. The determination of whether a conflict of interest exists as to a particular Director or Directors shall be made by a majority of the noninterested Directors, which determination shall be conclusive and binding on all parties.

SECTION 17. Compensation. No Director shall receive any compensation for acting as such.

SECTION 18. Expenditure of Association Funds.

(a) Members of the Board shall not expend Association funds (or receive any reimbursement) for their travel, Directors' fees and per diem expenses, unless the Owners are informed of the expenditures and such expenses are approved by a Majority of Unit Owners at any meeting. To the extent not otherwise prohibited by law, Directors may be reimbursed for actual expenses incurred on behalf of the Association if approved by the Board. The Minutes of the Board meeting shall reflect in detail the items and amounts of the reimbursements.

(b) Members of the Board may expend Association funds, which shall not be deemed to be compensation to the Board members, to educate themselves in subject areas directly related to their duties and responsibilities as Board members; provided that the approved annual operating budget include these expenses as separate line items. These expenses may include registration fees, books, videos, tapes, other educational materials, and economy travel expenses. Except for economy travel expenses within the State of Hawaii, all other travel expenses incurred under this subsection shall be subject to the requirements of the foregoing subsection 18(a).

SECTION 19. Fidelity Bonds. The Board shall purchase and at all times maintain a fidelity bond meeting the requirements of Section 514B-143(a)(3) of the Act. If the Managing Agent is responsible for handling or administering funds of the Association, the Board shall also require that the Managing Agent purchase and at all times maintain a fidelity bond meeting the requirements of Section 514B-132(a)(3) of the Act. All such fidelity bonds shall name the Association as an obligee. Every such bond shall (unless unobtainable at a reasonable cost):

(a) Provide that such bond may not be canceled or materially or substantially modified (whether or not requested by the Board) except by the insurer giving at least ninety (90) days prior written notice thereof to the Board, every first mortgagee of a Unit, and every other person in interest who shall have requested such notice of the insurer; and

(b) Contain a waiver by the insurer of all defenses based upon the exclusion of persons serving without compensation from the definition of "employee" or similar terms or expression.

SECTION 20. Liability and Indemnity of the Board and Officers. The Directors and officers shall not be liable to the Owners for any mistake of judgment or otherwise except for their own individual gross negligence or willful misconduct. The Association shall obtain and maintain at the Association's expense a policy of Directors' and officers' liability insurance covering the Directors and officers of the Association and shall defend and indemnify each

Director and officer of the Association against all costs, expenses and liabilities, including the amount of judgments, amounts paid in compromise settlements, amounts paid pursuant to any arbitration award or amended award, and amounts paid for services of counsel and other related expenses which may be incurred or imposed on the Director or officer in connection with any claim, action, suit, proceeding, investigation or inquiry made, instituted, or threatened in which such Director or officer may be involved as a party or otherwise by reason of such person being or having been a Director or officer, or by reason of any action taken or authorized or approved by such person or any omission or failure to act as Director or officer, whether or not such person continues to be a Director or officer at the time of the incurring or imposition of such costs, expenses, or liabilities, except such costs, expenses, or liabilities as shall relate to matters at to which such person is liable by reason of such person's gross negligence or willful misconduct toward the Association in the performance of such person's duties as such Director or officer. In the absence of a final adjudication of the existence of such liability, the Board and each Director and officer may conclusively rely upon an Opinion of Counsel obtained by the Board. The foregoing right of indemnification shall not be exclusive of other rights to which any such Director or officer may be entitled as a matter of law or otherwise, and shall inure to the benefit of the heirs, executors, administrators, personal representatives and assigns of each such Director and officer.

ARTICLE IV

OFFICERS

SECTION 1. Designation. The principal officers of the Association shall be the President, the Vice President, the Secretary, and the Treasurer, all of whom shall be members of the Association and shall be elected by the Board. The President and Vice President shall, but no other officers need be, members of the Board. The Board may appoint an Assistant Secretary, Assistant Treasurer, and such other officers, who shall also be members of the Association, as in its judgment may be necessary. The Secretary and Treasurer may be the same person, and the Assistant Secretary and Assistant Treasurer may be the same person. Neither the resident manager of the Project, if any, nor any employee of the Managing Agent shall act as an officer of the Association. An Owner shall not act as an officer of the Association and an employee of the Managing Agent employed by the Association. Any two (2) of the principal officers of the Association described above may prepare, execute, certify, and record amendments to the Declaration and these Bylaws on behalf of the Association.

SECTION 2. Election and Term. The officers of the Association shall be elected annually by the Board at its annual meeting and shall hold office at the pleasure of the Board.

SECTION 3. Removal. Any officer may be removed, either with or without cause, by vote of a majority of the members of the Board, and a successor elected, at any regular meeting of the Board or any special meeting called for such purpose. Vacancy of an office caused by any reason other than removal by the Board shall be filled by election of the Board; such election to be held promptly after the occurrence of the vacancy and the person so elected shall hold office until the next annual meeting of the Board, unless sooner removed. A vacancy shall occur upon the death, incapacity, or voluntary resignation of an officer, or if an officer ceases to be a member of the Association

SECTION 4. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board. Subject to the

control of the Board, the President shall exercise general supervision and direction over the management and conduct of the business and affairs of the Association. The President shall also have such other powers and duties as may be provided by these Bylaws or assigned to the President from time to time by the Board, including but not limited to, the power to appoint committees comprised of members of the Association from time to time as the President may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

SECTION 5. Vice President. The Vice President shall assume and perform the duties of the President in the absence or disability of the President or whenever the office of the President is vacant. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to act in the place of the President on an interim basis. The Vice President shall also have such other powers and perform such other duties as may be assigned from time to time by the Board or imposed upon the Vice President by the President.

SECTION 6. Secretary. The Secretary shall attend and keep the minutes of all meetings of the Association and the Board, give all notices thereof as provided by these Bylaws, maintain and keep a continuous and accurate record of ownership of all Units, have charge of such books, documents, and records of the Association as the Board may direct, keep the minute book wherein resolutions shall be recorded, and in general perform all the duties incident to the office of Secretary of a corporation organized under the laws of the State of Hawaii. The duties of the Secretary may be delegated to and performed by the Assistant Secretary or the Managing Agent under the Secretary's supervision.

SECTION 7. Treasurer. The Treasurer shall be responsible for the keeping of full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data and reports. The Treasurer shall be responsible for the deposit of all moneys and other valuable effects in such depositories as may from time to time be designated by the Board, and the Treasurer shall, in general, perform all the duties incident to the office of Treasurer of a corporation organized under the laws of the State of Hawaii. The duties of the Treasurer may be delegated to and performed by the Assistant Treasurer or the Managing Agent under the Treasurer's supervision.

ARTICLE V

ADMINISTRATION

SECTION 1. Management: Powers and Duties of the Board. Except as otherwise expressly provided in the Declaration, these Bylaws, and the Condominium Property Act, the Board may act in all instances on behalf of the Association and shall at all times manage and operate the Project, including the Common Elements, and have all powers and duties as may be necessary or proper therefor including, without limitation, the following:

(a) Supervise. The Board shall have the power and duty to supervise the Project's immediate management and operation;

(b) Enforcement. The Board shall have the power and duty to enforce the provisions of the Declaration, these Bylaws, and the House Rules;

(c) Maintenance of Common Elements. The Board shall keep all Common Elements (including such Limited Common Elements as the Board has elected to

maintain at the affected Owner(s)' expense as provided in the Declaration) of the Project in a strictly clean and sanitary condition, and shall have the power and duty to substantially maintain, repair, replace and restore the Common Elements and any additions and alterations thereto; provided, however, that the Owner of each Unit shall be responsible to keep such Owner's Unit and all appurtenant Limited Common Elements (other than those that may be maintained by the Board as aforesaid) in such clean and sanitary condition and substantially maintain and keep such Unit and appurtenant Limited Common Elements in good order and condition as provided in the Declaration;

(d) Taxes and Assessments. The Board shall pay all taxes and assessments which are or could become a lien on the Project, the Common Elements, or Limited Common Elements, or some portion thereof. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging such lien and the costs incurred by the Board by reason of such lien or liens;

(e) Supplies; Services. The Board shall purchase, maintain, repair, replace, and restore any supplies, materials, or equipment, and provide all water and utility services required for the Board's maintenance of the Common Elements;

(f) Utilities. The Board shall provide each Unit with water, sewer, electricity and such other utility services and utilities as the Board shall deem necessary either at the expense of such Unit or as a Common Expense as determined by the Board;

(g) Personnel. The Board shall have the power to employ, designate, supervise, and dismiss of such personnel as may be necessary for the maintenance, repair, replacement, and restoration of the Common Elements and Limited Common Elements and any additions and alterations thereto, and may conduct a background check of any applicants for employment as provided in the Condominium Property Act;

(h) Contract for Materials and Services. The Board shall have the power to contract for materials and/or services for the Common Elements or the Association, provided that except as provided in Section 2 of this Article V and Section 514B-135 of the Condominium Property Act, any contract for goods or services shall provide that such contract may be terminated by either party thereto, without the necessity of cause and without penalty, upon not more than ninety (90) days written notice;

(i) Hazard and Liability Insurance. The Board shall purchase and maintain in effect all policies of hazard and liability insurance for the Project required by the Declaration and such other insurance and bonds as may be required or authorized by the Declaration or by the Board to the extent reasonably practical in terms of cost and other relevant factors as determined by the Board;

(j) Right of Entry. The Board shall have the power to exercise the right of entry in or upon any privately owned Unit and Limited Common Element from time to time and without liability to any Owner for trespass during reasonable hours and after notice is given to the Unit Owner or any current lessee of the Unit as may be necessary for the operation of the Project, to ensure compliance with the provisions of the Declaration, these Bylaws, and the House Rules of the Association, or for the inspection, maintenance, installation, restoration, repair or replacement of any Common Elements, or at any time for making emergency repairs,

improvements or to correct defects therein required to prevent damage to any Units, Common Elements, or Limited Common Elements or injury to person;

(k) Repairs to Units and Limited Common Elements. The Board shall have the power to make repairs to Units and Limited Common Elements if for any reason an Owner fails or refuses to maintain and repair such Unit or Limited Common Elements within a reasonable time after written notice of the necessity of such maintenance or repair is delivered by the Board to said Owner; provided that the Board shall levy a special assessment against such Unit or Units for the cost of such maintenance and repair;

(l) Annual Operating Budget. The Board shall prepare or cause to be prepared and adopt an annual operating budget and distribute the same to all Unit Owners. The Board shall adopt such annual operating budget at least sixty (60) days prior to the commencement of the next fiscal year or calendar year, as the case may be. At a minimum, the adopted annual operating budget shall include the items described in Section 514B-148(a) of the Condominium Property Act. The Board may not exceed its adopted annual operating budget by more than twenty percent (20%) in a fiscal year, except in emergency situations;

(m) Schedule of Assessments. The Board shall prepare a schedule of assessments for each fiscal year and collect all installments of assessments levied and payments of all Common Expenses authorized by the Board;

(n) Custody and Control of Funds; Records. The Board shall have custody and control of all funds of the Association, maintain full and accurate books of accounts and records of such funds with the guidance of the Secretary and the Treasurer, and prepare and file regular financial reports and returns as required by governmental agencies;

(o) Bank Accounts. The Board shall have the power and duty to open bank accounts on behalf of the Association and designate the signatories required therefor;

(p) Audit.

(i) Annual Audit; Unannounced Verification. The Association shall require an annual audit of the books and accounts of the Association and no less than one annual unannounced verification of the Association's cash balance by a public accountant. The Association shall annually appoint a public accountant or accounting firm as auditor, who shall not be an officer or Director of the Association nor own any interest in any Unit, to audit the books and financial records of the Association as required by law or directed additionally by the Board. The members of the Association may, by vote of a Majority of Unit Owners at any annual meeting, require that the annual audit be conducted by a certified public accountant or a firm of certified public accountants. Any institutional holder of a first mortgage on a Unit may request, and the Association shall provide said mortgagee with, a copy of said annual audited financial statement within ninety (90) days following the end of any fiscal year of the Association; and

(ii) Copy of Annual Audit. The Board shall make available a copy of the annual audit of the Association's financial accounts to each Owner at least thirty (30) days prior to the annual meeting of the Association which follows the end of the Association's fiscal year. All official proxy forms shall notify the Owner of such Owner's right to obtain either a summary of the annual audit report or an unabridged copy of the annual audit report and shall provide the means whereby the Owner may indicate such Owner's desire to receive such. The

Board shall not be required to submit a summary of the annual audit report or a copy of the audit report to the Owner if the proxy form is not marked to indicate that the Owner wishes to obtain a copy of the report. If the annual audit has not been completed by that date, the Board shall make available:

(A) An unaudited year-end financial statement for the fiscal year to each Owner at least thirty (30) days prior to the annual meeting; and

(B) The annual audit to all Owners at the annual meeting or as soon as the audit is completed, whichever occurs later, but not later than six (6) months after the annual meeting.

If the Association's fiscal year ends less than two (2) months prior to the convening of the annual meeting, the year-to-date unaudited financial statement may cover the period from the beginning of the Association's fiscal year to the end of the month preceding the date on which the notice of the annual meeting is given;

(q) Notify Owners on Record. The Board shall notify all persons having any interest in any Unit, according to the Association's record of ownership, of any delinquency exceeding sixty (60) days in the payment of any assessment against such Unit;

(r) Notify First Mortgage Institutional Holders; Common Elements. The Board shall notify in writing all institutional holders of first mortgages on Units, as shown in the Association's record of ownership or of which the Secretary has been given written notice, of any loss to, or taking of, the Common Elements or the Limited Common Elements if the value of such loss or taking exceeds Twenty Thousand and No/100 Dollars (\$20,000.00);

(s) Notify First Mortgage Institutional Holders; Units. The Board shall notify in writing the institutional holder of the first mortgage on any Unit, as shown in the Association's record of ownership or of which the Secretary has been given written notice, of any loss to such Unit which exceeds Five Thousand and No/100 Dollars (\$5,000.00);

(t) Penalties and Fines. The Board shall have the power to establish such penalties (both monetary and non-monetary) and fines as it deems appropriate with respect to enforcement of the provisions of the Declaration, these Bylaws, and the House Rules; provided such penalties and fines are not inconsistent with law or with the provisions herein, and the unpaid amount of such penalties and fines against any Unit Owner shall constitute a lien against such Owner's Unit which may be foreclosed by the Board or the Managing Agent in the same manner as provided in the Condominium Property Act for common expenses; provided, however, that said lien for such penalties and fines shall be subordinate to liens for taxes and assessments lawfully imposed by governmental authority against the Unit and to all sums unpaid on mortgages of record;

(u) Rules and Regulations. The Board shall have the power to adopt, amend or repeal any rules and regulations (herein the "House Rules") governing details of the operation and use of the Project not inconsistent with any provision of law, the Declaration, or these Bylaws. Notice of any proposed adoption, amendment or repeal of any of the House Rules shall be given or posted in accordance with Section 514B-125(d) of the Condominium Property Act with the notice of the next Board meeting at which time Owners shall have the opportunity to be heard regarding such proposed adoption, amendment or repeal of a House Rule. Upon the

adoption of the House Rules and each amendment thereof, a copy thereof shall be sent to each Owner in the manner set forth for notices under Article X, Section 4 of these Bylaws. Until such time as the Board shall amend the House Rules, the House Rules adopted by the Developer shall be in effect and each Owner shall be bound thereby;

(v) Legal and Accounting Services. The Board shall have the power to procure legal and accounting services necessary or proper for the operation of the Project or enforcement of the Declaration, these Bylaws, or the House Rules; provided that no legal proceeding concerning or relating to any renovation of the Project may be filed against an Owner more than two (2) years after the date of completion of any such renovation, as the date of completion is defined in Section 507-43, Hawaii Revised Statutes, as amended, and the Board shall not institute any legal proceeding against the Owner without the prior approval of a Majority of the Board;

(w) Right to Purchase or Lease Units. To the extent permitted by law, the Board shall have the power to purchase or lease or otherwise acquire in the name of the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, the Units offered for sale or lease for use by a resident manager or other person or persons engaged in the operation, repair or maintenance of the Project, but only with the prior approval of Unit Owners holding at least sixty-five (65%) of the total Common Interests in the Project. The expense of any leasing, acquiring, maintaining or operation of any such Unit by the Board shall be a Common Expense;

(x) Foreclosure; Judicial Sale. To the extent permitted by law, the Board shall have the power to purchase Units at foreclosure or other judicial sale in the name of the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, but only with the prior approval of Unit Owners holding at least sixty-five percent (65%) of the total Common Interests in the Project;

(y) Units Acquired by the Board. To the extent permitted by law, the Board shall have the power to sell, lease, sublease, mortgage, vote the votes appurtenant to (other than for the election of Directors), or otherwise deal with Units acquired by the Board or its designee, corporate or otherwise, on behalf of all Unit Owners;

(z) Organize Corporations. The Board shall have the power to organize corporations to act as designees of the Board in acquiring title to, or leasing of, Units on behalf of all Unit Owners;

(aa) Borrow Money. Subject to any approval requirements and spending limits contained in the Declaration or these Bylaws, the Board shall have the power to borrow money to be used by the Association for the repair, replacement, maintenance, operation, or administration of the Common Elements and Limited Common Elements and personal property of the Project, or the making of any additions, alterations and improvements thereto in accordance with the requirements of Section 514B-105(e) of the Condominium Property Act;

(bb) List of Association Members. The Board shall keep, or cause the Managing Agent to keep, an accurate and current list of members of the Association and their current addresses and names and addresses of the vendees under Agreements of Sale, if any, as provided in these Bylaws;

(cc) File of Unit Deeds. The Board shall maintain an accurate and current file of all Unit Deeds for resolution of such questions as ownership and voting rights;

(dd) Alterations to Units. The Board shall have the power and duty to review for the purpose of approval or disapproval any Unit Owner's request to alter such Owner's Unit;

(ee) High Risk Components. The Board shall have the power to determine certain portions or items of the Units to be "high risk components" as described in and in accordance with Section 514B-138 of the Condominium Property Act; and

(ff) Reasonable Accommodation. The Board shall have the power to make reasonable accommodations in the practices and procedures of the Association for handicapped occupants of Units to the extent required to comply with Chapter 515, Hawaii Revised Statutes and the federal Fair Housing Act.

SECTION 2. Managing Agent. The Board shall employ a responsible corporate managing agent authorized to do business in the State of Hawaii and meeting the licensing, registration, bonding, and other managing agent requirements of the Condominium Property Act and the Declaration to manage and operate the Project, subject at all times to the direction and supervision of the Board, with all of the administrative functions specifically set forth in the preceding Section 1 of this Article, and with such powers and duties and at such compensation as the Board may establish from time to time. In no event shall such employment contract be for a fixed term exceeding two (2) years.

SECTION 3. Deposit of Funds. The funds in the general operating account of the Association shall not be commingled with funds of other activities such as lease rent collections and rental operations, nor shall the Managing Agent commingle any funds of the Association with its own funds. For purposes of this subsection, lease rent collections and rental operations shall not include the rental or leasing of Common Elements that is conducted on behalf of the Association if collected in accordance with Section 514B-149(b) of the Act. All funds collected by the Board or the Managing Agent shall be deposited, purchased, held, transferred, invested and paid out in accordance the requirements of the Condominium Project Act. Neither the Board nor the Managing Agent shall transfer funds of the Association by telephone between accounts, including but not limited to the general operating account and any reserve fund account. The Managing Agent shall keep and disburse funds collected on behalf of the Association in strict compliance with any agreement made with the Association, Chapter 467 of the Hawaii Revised Statutes, as amended, the rules of the Real Estate Commission, and all other applicable laws and rules.

SECTION 4. Books of Receipt and Expenditures. The Board or the Managing Agent shall keep detailed, accurate records in chronological order, of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred and shall also keep monthly statements indicating the total current delinquent dollar amount of any unpaid assessments for Common Expenses. Subject to the requirements of Section 514B-152 of the Condominium Property Act, all records and vouchers authorizing the payments and statements shall be kept and maintained at the address of the Project, or elsewhere within the State of Hawaii as determined by the Board. The Managing Agent may dispose of the records of the Association in accordance with the requirements of Section 514B-154(h) of the Act. No person shall

knowingly make any false certificate, entry, or memorandum upon any of the books or records of the Managing Agent or the Association. Except as otherwise provided herein, no person shall knowingly alter, destroy, mutilate, or conceal any books or records of the Managing Agent or the Association.

SECTION 5. Documents of Association; Right to Inspect.

(a) The Association's most current financial statement and minutes of the Board's meetings, once approved, shall be available to any Owner, lender or the holder and insurer of the first mortgage on any Unit at no cost or on twenty-four (24) hour loan, at a convenient location designated by the Board.

(b) Minutes of meetings of the Board and the Association for the current and prior year shall be made available for examination by the Owners, lenders and the holders and insurers of the first mortgage on any Unit at convenient hours at a place designated by the Board.

(c) Financial statements, general ledgers, the accounts receivable ledger, accounts payable ledgers, check ledgers, insurance policies, contracts, and invoices of the Association for the current and prior year and delinquencies of ninety (90) days or more shall be available for examination by Owners, lenders and the holders and insurers of the first mortgage on any Unit at convenient hours at a place designated by the Board; PROVIDED: (i) that the Board may require the same to furnish to the Association a duly executed and acknowledged affidavit stating that the information is requested in good faith for the protection of the interests of the Association or its members or both; and (ii) that the same pay for administrative costs in excess of eight (8) hours per year.

(d) Owners shall also be permitted to view proxies, tally sheets, ballots, Owners' check-in lists, and the certificate of election for a period of thirty (30) days following any meeting of the Association; provided: (i) that the Board may require the Owner to furnish to the Association a duly executed and acknowledged affidavit stating that the information is requested in good faith for the protection of the interests of the Association or its members or both; and (ii) that the same pay for administrative costs in excess of eight (8) hours per year. Proxies and ballots may be destroyed following the thirty (30) day period subject to the provisions of Section 514B-154(c) of the Act.

(e) Any Owner, lender and the holders and insurers of the first mortgage on any Unit may file a written request with the Board to examine other documents. The Board shall give written authorization or written refusal with an explanation of the refusal within thirty (30) days of receipt of the request.

(f) Copies of any of the items listed in this Section which an Owner, lender or holder and insurer of the first mortgage on any Unit has a right to inspect shall be provided to the same upon such Owner's, lender's or holder and insurer's request, provided that such Owner, lender, or holder and insurer pay a reasonable fee for duplicating, postage, stationery, and other administrative costs associated with handling the request.

SECTION 6. Books and Records; Directors' Right to Inspect. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the

Association and of the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and copies of documents.

SECTION 7. Availability of Project Documents. An accurate copy of the Declaration, these Bylaws, the House Rules, the Master Declaration, a sample original conveyance document, all public reports issued by the Real Estate Commission and any amendments thereto, shall be kept at the Managing Agent's office. The Managing Agent shall provide copies of these documents and other records maintained pursuant to Section 514B-152 and Section 514B-153 of the Condominium Property Act to Owners, prospective purchasers, their respective agents, lenders and the holders and insurers of the first mortgage on any Unit during normal business hours, upon payment to the Managing Agent of a reasonable fee to defray any administrative or duplicating costs. In the event the Project is not managed by a Managing Agent, the foregoing requirements shall be undertaken by a person or entity employed by the Association to whom this function is delegated. The Association, at its own expense, shall provide all Board members with a current copy of the Declaration, Bylaws, House Rules, the Master Declaration, and a copy of the Condominium Property Act, with amendments.

SECTION 8. Representation. The President or the Managing Agent, acting on behalf of and subject to the direction of the Board, shall represent the Association or any two (2) or more Owners similarly situated as a class in any action, suit, hearing or other proceeding concerning the Association, the Common Elements, or more than one Unit, and on its or their behalf may institute, defend, intervene in, prosecute, and settle any such action, suit, hearing, or other proceeding without prejudice to the rights of any Unit Owner individually to appear, sue, or be sued; provided that the Managing Agent shall not represent any Owner or Owners in any matter unless such matter directly concerns the Association or the Common Elements (not including the Limited Common Elements) and not merely the interest of such Owner(s). Service of process on two (2) or more Owners in any such action, suit, hearing, or other proceeding may be made on the President or the Managing Agent.

SECTION 9. Execution of Instruments. All checks, drafts, notes, acceptances, conveyances, contracts, agreements, and other instruments shall be signed on behalf of the Association by such officer or officers as shall be provided by general or special resolution of the Board, or, in the absence of any such resolution applicable to such instrument, by the President and the Vice President, or by the President or Vice President and the Treasurer or the Secretary.

ARTICLE VI

ENFORCEMENT

SECTION 1. Responsibilities of Unit Owners. A Unit Owner shall be responsible for the conduct of such Owner's lessee(s), renter(s), tenant(s), invitee(s), employee(s), and guest(s) (sometimes hereinafter collectively referred to as "occupant") and shall, upon request of the Board or the Managing Agent, immediately abate and remove, at such Owner's expense, any structure, thing, or condition that may exist with regard to the occupancy of the Unit which is a violation hereof, or of the Declaration or the House Rules, or, if the Unit Owner is unable to control the conduct of the occupant, the Owner shall, upon request of the Board or the Managing Agent, immediately remove such occupant from the premises, without compensation for lost rentals or other loss or damage therefrom. If the Unit Owner's lessee(s), renter(s), or tenant(s) violates the Declaration, these Bylaws or the House Rules, in addition to exercising any of the Association's powers against the Unit Owner, the Association may also exercise and enforce rights granted to

the Association under Section 514B-104 of the Condominium Property Act in accordance with the provisions of such Section.

SECTION 2. House Rules. Each Owner shall recognize and be bound by the House Rules and fully observe and perform the same and be responsible for the strict observance and performance of the House Rules by the Owner's occupants.

SECTION 3. Abatement of Violations and Expenses of Enforcement.

(a) Any violation of the House Rules or breach of any provisions of the Declaration or these Bylaws shall give the Board the right, power, and authority, in addition to any other rights or powers set forth in the Bylaws, to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach, and all costs thereof, including attorneys' fees, shall be borne by the defaulting Owner; provided that any item of construction made by an Owner or occupant which is claimed by the Board to be in violation of any provisions of the House Rules, the Declaration, or these Bylaws may be altered or demolished only upon final order of a court issued pursuant to judicial proceeding.

(b) All costs and expenses, including reasonable attorneys' fees and costs, incurred by or on behalf of the Association by the Board for (i) collecting any delinquent assessments against any Owner's Unit; (ii) foreclosing any lien thereon; or (iii) enforcing any provision of the Declaration, these Bylaws, House Rules, the Condominium Property Act, and the Rules of the Real Estate Commission of the State of Hawaii, against an Owner, occupant, tenant, employee of Owner, or any person who may in any manner use the Project shall be promptly paid on demand to the Board by such person or persons to whom the demand is made.

(c) If any claim by an Owner is substantiated in any action against the Association, any of its officers or Directors, or the Board to enforce any provision of the Declaration, these Bylaws, the House Rules, or the Condominium Property Act, then all reasonable and necessary expenses, attorneys' fees and costs incurred by such Owner shall be awarded to such Owner to the extent allowed by law; provided that no such award shall be made in any derivative action unless the requirements of Section 514B-157 of the Condominium Property Act are complied with.

(d) Any holder, insurer, or guarantor of a mortgage on any Unit may file a written demand for notice with the Board. Upon filing such demand, such party shall be entitled to receive written notice from the Board of any default by the Owner of the Unit in question arising under the Declaration, Bylaws, House Rules, or the Condominium Property Act, which default has continued for not less than sixty (60) days.

SECTION 4. Waiver. The failure of the Board to insist in any one or more instances upon strict performance of or compliance with any of the obligations of an Owner hereunder or to exercise any right or option herein contained, or to serve any notice or to institute any action or summary proceeding, shall not be construed as a waiver or a relinquishment for the future of such obligation or option or right, but such obligation or option or right shall continue and remain in full force and effect. The receipt by the Board of any sum paid by the Owner hereunder, with or without the knowledge by the Board of the breach of any obligation hereof, shall not be deemed a waiver of such breach, and no waiver, express or implied, by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the President pursuant to authority contained in a resolution of the Board.

ARTICLE VII

COMMON EXPENSES, UNIT EXPENSES AND TAXES

SECTION 1. Common Expenses.

(a) Calculation of Common Expenses. Each Unit Owner shall be liable for and pay a share of the Common Expenses in proportion to the Common Interest appertaining to each Owner's Unit. In the event the Owner is a vendee under an Agreement of Sale, the vendor shall also be liable, along with vendee, for the payment of the share of the Common Expenses appertaining to the Unit. Without limitation to the provisions for Common Expenses contained in the Declaration, Common Expenses shall include all charges, costs and expenses whatsoever incurred by the Association for and in connection with the administration, management, and operation of the Project including, but not limited to, all charges for taxes (except real property taxes and other such taxes and assessments which are or may hereafter be assessed separately on each Unit and the Common Interest appertaining thereto or the personal property or any other interest of the Owner), assessments, insurance (including fire, errors and omission covering the Directors and officers of the Association, and liability insurance), any liability whatsoever for loss or damage arising out of or in connection with the Common Elements or any fire, accident, or nuisance thereon, cost of repair, restoration, rebuilding, and replacement of the Common Elements, yard, janitorial, and other similar services, wages, accounting and legal fees, management fees, start-up fees, and other necessary expenses of upkeep, maintenance, repair, management, and operation actually incurred on or for the Common Elements, and the cost of all utility services, including water, electricity, gas, waste or garbage disposal, sewer services, telephone, and any other similar services, unless separately metered or otherwise separately attributable to a Unit or group of Units, in which case, the amounts charged or attributable to each Unit or group of Units, as determined by the Board with the advice of an engineer or a certified public accountant or other such consultant, shall be payable by the Owner of such Unit or Owners of Units, as the case may be, as a surcharge or special assessment. The Board may levy special assessments against Unit Owners in any fiscal year for payment of nonrecurring expenses of the Association; provided that such special assessments in the aggregate do not exceed the annual operating budget adopted by the Board in that particular fiscal year by more than twenty percent (20%). If there remain any excess assessments on hand at the end of any accounting year, such excess shall be applied and/or distributed in accordance with the terms of the Declaration.

(b) Limited Common Elements. All costs, fees, charges, and expenses incurred by the Association for or in connection with the administration, management, and operation of the Limited Common Elements including, but not limited to, costs of maintenance, repair, restoration, replacement, additions, alterations, and improvements, shall be assessed against and borne entirely by the Unit or Units to which such Limited Common Element is appurtenant.

(c) General Operating Reserve. The Board shall establish and maintain a General Operating Reserve by monthly assessment against and payment by all Owners, in proportion to their respective Common Interests to cover replacement reserves those portions of the Project that the Association is obligated to maintain under the Condominium Property Act and Title 16, Chapter 107, Subchapter 6 of the Hawaii Administrative Rules, as amended (and including any successor rules governing replacement reserves as may be promulgated from time to time)("Hawaii Administrative Rules"). Such replacement reserves shall

be established in such amounts and shall be maintained in accordance with the requirements of the Condominium Property Act and the Hawaii Administrative Rules, provided that the Board shall have the authority to establish and collect replacement reserves in excess of the amounts required by law in the exercise of its reasonable discretion. At the discretion of the Board, the Board may establish within the General Operating Reserve separate contingency reserve account(s) in compliance with the applicable requirements of the Condominium Property Act and the Hawaii Administrative Rules for the purpose of meeting any deficiencies in operating funds from time to time resulting from delinquency by Owners in the payment of assessments for Common Expenses (provided such Owners shall not be exempt from liability to contribute their proportionate shares of such expenses or to pay any such assessments therefor) and for any other purposes determined by the Board in the exercise of its reasonable discretion and as otherwise allowed by law. The proportionate interest of each Owner in the General Operating Reserve shall not be withdrawn, partitioned, or assigned separately but shall be deemed to be transferred with each Unit even though not mentioned or described expressly in the instrument of transfer. If the Condominium Property Regime established by the Declaration is terminated, the General Operating Reserve remaining after payment of all Common Expenses shall be distributed to all Owners in proportion to their respective Common Interests, provided that in the event the Condominium Property Regime shall be reconstituted after termination as a Condominium Property Regime as to less than the entire original Project, the share of the Unit Owners who will become Unit Owners under the reconstituted Condominium Property Regime shall be paid to the Association for the reconstituted Condominium Property Regime.

(d) Initial Purchaser of Unit. The Developer shall collect from each initial purchaser of a Unit at closing a sum equal to two (2) months' assessment of maintenance fees, which shall be a one-time non-transferable, non-refundable assessment at sale and a Common Expense and shall be in addition to the normal monthly maintenance fees and shall be held, accounted for, and expended, as funds of the Association for the benefit of all Owners. The Developer shall not use such funds to defray construction costs or other expenses of the Developer.

(e) Capital Improvements Reserve Fund. From time to time, as specifically directed by the Association at any annual or special meeting, the Board may establish and maintain a Capital Improvements Reserve Fund in accordance with any applicable requirements of the Condominium Property Act and the Hawaii Administrative Rules, and one (1) or more subparts thereof, by the monthly assessment against and payment by all Owners in proportion to their respective Common Interests. Each subpart, if any, of the Capital Improvements Reserve Fund shall be earmarked for specific new improvements or additions to the Project which shall have been specifically authorized by the Association at any annual or special meeting, and the amount of each such subpart of the Capital Improvements Reserve Fund shall be such annual amount as the Association determines to be adequate (and no more) to provide for the specific new improvement or addition to the Project. The assessments for each such subpart of the Capital Improvements Reserve Fund shall be deemed conclusively to be savings of the Owners held for their benefit for Common Expenses of a capital nature. Disbursements from said Capital Improvements Reserve Fund shall be made only upon authorization of the Board. The proportionate interests of each Owner in the Capital Improvements Reserve Fund and all interest earned thereon shall not be withdrawn, partitioned, or assigned separately but shall be deemed to be transferred with each Unit even though not mentioned or described expressly in the instrument of transfer. If the Condominium Property Regime established by the Declaration is terminated, or if the Capital Improvements Reserve Fund or any subpart thereof exceeds the cost of the particular new improvement or addition to the

Project, or if the planned improvement is for any reason not implemented within a reasonable time (in any event not more than ten (10) years) after creation of said Capital Improvements Reserve Fund or subpart thereof, said Capital Improvements Reserve Fund and/or subparts thereof, as the case may be, remaining shall be distributed to all Owners in proportion to their respective Common Interests.

(f) Special Assessment. The Board may also levy a special assessment against Unit Owners for the purchase or lease of any Unit by the Board or its designee, corporate or otherwise, on behalf of the Association, as permitted under Hawaii law and these Bylaws; provided, however, that the Board shall first obtain an Opinion of Counsel prior to purchase of a Unit, and provided further that the Board may not acquire and hold by way of lease or purchase any Unit without first obtaining the approval of Owners holding at least sixty-five percent (65%) of the total Common Interests of the Project.

(g) Excess Funds. At the end of any year, if there shall be any excess assessments or excess funds remaining in the General Operating Reserve or Capital Improvements Reserve Fund on hand, and if such funds shall be qualified to be treated as "exempt function income," as that term is defined by the Internal Revenue Code, then the Association may file such documents as may be required to have such income treated as tax exempt.

(h) Notification of Increased Fees or Assessments. The Board or the Managing Agent shall notify the Owners in writing of any increases in any fees or assessments at least thirty (30) days prior to such increase.

SECTION 2. Collection and Payment of Common Expenses. Each Owner shall pay to the Association or to the Managing Agent all monthly and special assessments of the Common Expenses against such Owner's respective Unit as the Board from time to time may approve as being necessary or advisable for the payment of or other provision for the Common Expenses of the Project. Except as otherwise provided in the Declaration or these Bylaws, all such assessments shall be assessed among and against the Units in proportion to their respective Common Interests. Regular monthly assessments shall be payable in advance on or before the first day of each and every month and without notice or demand. Special assessments for Common Expenses and costs, expenses, and fees recoverable by the Association pursuant to Section 514B-157 of the Condominium Property Act, and the provisions of these Bylaws, and any penalties and late charges shall be payable on written statements therefor as from time to time rendered by the Board or the Managing Agent. The Board shall pay or cause to be paid, for and on behalf of the Owners, all Common Expenses. The Board shall maintain or cause to be maintained separate books of account of Common Expenses in accordance with recognized accounting practices, and shall have such books of account available for inspection by each Owner at reasonable business hours. The Board shall annually render or cause to be rendered a statement to each Owner of all receipts and disbursements during the preceding year, which statement shall be certified by an independent public accountant. Each Unit Owner, as principal, shall pay and be liable for such Owner's share, determined as aforesaid, of all Common Expenses and the Board or the Managing Agent collecting the Common Expenses, shall be responsible, as agent for each Unit Owner, only to transmit the payments made by the Unit Owner to third persons or entities to whom such payments must be made by the Unit Owner.

SECTION 3. Taxes and Assessments. Each Unit Owner shall be obligated to have the real property taxes for such Owner's Unit and its appurtenant interest in the Common

Elements assessed separately by the proper governmental authority and to pay the amount of all such real property taxes so determined. The foregoing shall apply to all types of taxes which are now or may hereafter be assessed separately by law on each Unit, the personal property, or any other interest of the Unit Owner. Each Owner shall execute such documents and take such action as may be reasonably specified by the Board to facilitate dealing with the proper governmental authority regarding such taxes, other taxes and assessments. Each Owner shall be obligated to pay to, and as directed by, the Board such Owner's proportionate share of any assessment by the Board for any portion of taxes or assessment, if any, assessed against the entire premises or any part of the Common Elements as a whole and not separately. If, in the opinion of the Board, any taxes or assessments may be a lien on the entire premises or any part of the Common Elements, the Board may pay such taxes or assessments and shall assess the same to the Owners in their proportionate share. Such assessments by the Board shall be secured by a lien created pursuant to Section 4 of this Article VII.

SECTION 4. Default in Payment of Assessments. Each monthly assessment, each special assessment, and each obligation of an Owner under these Bylaws which is enforceable as a special assessment shall be separate, distinct and personal debts and obligations of the Owner against whom the same are assessed. All sums chargeable to a Unit for Common Expenses which have been assessed but which are unpaid shall constitute a lien against the Unit; the priority of such lien shall be as set forth in the Condominium Property Act. If the Owner shall fail to pay such Owner's assessment when due, then such Owner shall pay all costs and expenses recoverable by the Association under the Condominium Property Act for each such failure. All delinquent assessments shall bear interest at the rate of one percent (1%) per month or such maximum rate as may from time to time be permitted by law from the assessment due date. In the event of a default or defaults in payment of any such assessment or assessments and in addition to any other remedies herein or by law provided, the Board may enforce each such obligation as follows:

(a) By suit or suits at law to enforce each such assessment obligation and to recover all costs and expenses recoverable by the Association under the Condominium Property Act. Such action or actions shall be authorized by resolution adopted by a majority of the Board at a regular or special meeting of the Board (which resolution may be a general and continuing resolution authorizing the giving of notice to the defaulting owner and such owner's mortgagee, the filing of legal actions, the filing of claims of liens, and enforcement of such claims of lien or liens), and any such suit may be instituted by any one (1) Director or by the Managing Agent if the latter is authorized in writing. Each such action shall be brought in the name of the Association and the Board shall be deemed to be acting on behalf of the Association. Each such action shall seek judgment for the amount of unpaid assessments, interest, and all costs and expenses recoverable by the Association under the Condominium Property Act. Upon full satisfaction of any such judgment, it shall be the duty of the Board to authorize any two (2) members thereof, acting in the name of and on behalf of the Board, to execute and deliver to the judgment debtor an appropriate satisfaction thereof.

(b) At any time upon the occurrence of any such default, the Board, acting upon such resolution hereinbefore described in Section 4(a) immediately preceding, may give notice to the defaulting Owner, with a copy to the mortgagee of such Owner, if such mortgagee has furnished its name and address to the Board, which said notice shall state the date of the delinquency and the amount of the delinquency, and shall make a demand for payment thereof. If such delinquency is not paid within thirty (30) days after the date of delivery of such notice, the Board may elect to file a claim of lien against the Unit of such delinquent Owner.

Such claim of lien shall state (i) the name of the delinquent Owner or reputed Owner, (ii) a description of the Unit against which claim of lien is made, (iii) the amount claimed to be due and owing (with any proper offset allowed), (iv) that the claim of lien is made by the Board pursuant to the terms of these Bylaws and of the Condominium Property Act, and (v) that a lien is claimed against said described Unit in an amount equal to the amount of the stated delinquency, plus accrued interest and all costs and expenses recoverable by the Association under the Condominium Property Act. Any such claims of lien shall be signed and acknowledged by any two (2) or more Directors or by the Managing Agent acting on the written direction of the Board and shall be dated as of the date of the execution by the last such Director to execute said claim of lien. Upon recordation of a duly executed original or copy of such claim of lien with the Land Court, the Board shall have all remedies provided in the Condominium Property Act. Each default shall constitute a separate basis for a claim of lien or a lien. Such lien may be foreclosed as provided by law and the Association shall be entitled to all such fees and expenses as may be allowed by law. In the event the foreclosure is under power of sale, the Board, or any person designated by it in writing, shall be entitled to actual expenses and such fees as may be allowed by law or as may be prevailing at the time the sale is conducted. The certificate of sale shall be executed and acknowledged by any two (2) Directors or by the person conducting the sale.

(c) For purposes of this Section 4, a certificate executed and acknowledged or made under penalty of perjury by any two (2) Directors or by the Managing Agent at the written direction of the Board shall be conclusive evidence upon the Board and the Unit Owners in favor of any and all persons who rely thereon in good faith as to the matters therein contained, and any Owner shall be entitled to such a certificate setting forth the amount of any due and unpaid assessments with respect to the Owner's Unit (or the fact that all assessments due are paid, if such is the case) within fifteen (15) days after demand thereof and upon payment of a reasonable fee. In the event any claims of liens have been recorded and thereafter the Board shall receive payment in full of the amount claimed to be due and owing, then upon demand of the Owner or the Owner's successor, and payment of a reasonable fee, the Board, acting by any two (2) members, or the Managing Agent, acting upon the written direction of the Board, shall execute and acknowledge (in the manner provided above) a release of lien, stating the date of the original claim of lien, the amount claimed, the date and the Land Court's document number of the claim of lien, the fact that the lien has been fully satisfied, and that the particular lien is released and discharged. Such release of lien shall be delivered to the Owner or his successor upon payment of the fee.

SECTION 5. Collection from Tenants. If the Owner shall at any time rent or lease such Owner's Unit and shall default for a period of thirty (30) days or more in the payment of the Owner's monthly or special assessments, the Owner hereby authorizes and agrees that the Board may, at its option, so long as such default shall continue, demand and receive from any such renter or lessee (hereinafter in this Section referred to as "tenant") of the Owner occupying the Unit or the rental agent renting the Unit, the rent due or becoming due from such tenant to the Owner up to an amount sufficient to pay all sums due from the Owner, including interest and late fees, if any, and any such payment of such rent to the Board by the tenant shall be sufficient discharge of such tenant, as between such tenant and the Owner to the extent of the amount so paid; provided that any such demand or acceptance of rent from any tenant shall not be deemed to be a consent or approval of the Association of any lease by the Owner or a release or discharge of any other obligations of the Owner or an acknowledgment of surrender of any rights or duties hereunder. If the Board makes demand upon the tenant as aforesaid, the tenant shall not have the right to question the right of the Board to make such demand, but shall be obligated to make the said payments to the Board as demanded by the Board with the effect as aforesaid;

provided, however, that the Board may not exercise this right if a receiver or commissioner has been appointed to take charge of the premises pending a mortgage foreclosure; if a mortgagee is in possession pending a mortgage foreclosure; or if the tenant is served with a court order directing payment to a third party.

ARTICLE VIII

REPAIR, MAINTENANCE, AND USE

SECTION 1. Repair and Maintenance.

(a) Every Unit Owner shall, at such Owner's own expense, at all times well and substantially repair, maintain, amend, and keep such Owner's Unit and the Limited Common Elements appurtenant thereto, including, without limitation (i) all internal installations therein such as water, electricity, gas, telephone, sewer, sanitation, air conditioning or ventilation ducts, lights and all other fixtures and accessories belonging to such Unit; and (ii) the interior decorated or finished surfaces of all walls, floors, and ceilings of such Unit, with all necessary reparations and amendments whatsoever in good order and condition except as otherwise provided by law, the Declaration, or the House Rules, and shall be liable for all loss or damage whatsoever caused by such Owner's failure to perform any such work diligently, and in case of such failure after reasonable notice to perform, shall reimburse to the Association promptly on demand all expenses incurred by the Association in performing any such work authorized by the Board or the Managing Agent. Every Owner and occupant shall reimburse the Association promptly on demand all expenses incurred by the Association in repairing or replacing any uninsured loss or damage to the Common Elements of any furniture, furnishings, and equipment thereof caused by such Owner or occupant or any person under either of them and shall give prompt notice to the Board or the Managing Agent of any such loss or damage or other defect in the Project when discovered.

(b) Any repair, maintenance, or alteration work which may affect the Common Elements in any material way shall be performed by a licensed contractor.

SECTION 2. Use of Project.

(a) The use of the Project, including but not limited to the Units, Common Elements, and Limited Common Elements, shall be used only for their respective purposes as designed or otherwise provided in the Declaration and the House Rules, and for no other purpose.

(b) Pets will be permitted in the Project, but subject to the provisions set forth in the Declaration and the House Rules.

(c) No Owner or occupant of a Unit shall place, store or maintain on walkways, roadways, grounds, or other Common Elements any furniture, packages, or objects of any kind or otherwise obstruct transit through such Common Elements or in any way hinder the full use and enjoyment of such Common Elements by any other Owner or occupant.

(d) Every Owner and occupant of a Unit shall at all times keep such Unit and appurtenant Limited Common Elements in a strictly clean and sanitary condition and

observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority during the period that they are applicable to the Project or the use thereof.

(e) No Owner or occupant of a Unit shall make or suffer any strip or waste or unlawful, improper, or offensive use of such Unit, appurtenant Limited Common Elements, or the Project, nor alter or remove any furniture, furnishings, or equipment of the Common Elements.

(f) No Owner or occupant of a Unit shall decorate or landscape any entrance of such Unit or any other portion of the Project, nor do anything to change the exterior appearance of the Buildings, except in accordance with standards therefor established by the Board or specific plans approved in writing by the Board and as may otherwise be required under the Declaration.

(g) No refuse, garbage, or trash of any kind shall be thrown, placed, or kept on any Common Elements of the Project, with the exception that designated trash receptacles may be placed in the service lanes as permitted in the House Rules.

(h) Except as may otherwise be provided in the Declaration, no Owner or occupant of a Unit shall, without the prior written approval of the Board and, where applicable, the Design Review Committee, install any wiring for electrical or telephone installations, machines or air conditioning units, television or other antennas, satellite dishes, or other equipment or appurtenances whatsoever on the exterior of the Project on any Common Elements, or protruding through the walls, windows, or roof thereof except as may be set forth in the House Rules and/or Design Guidelines.

(i) Nothing shall be allowed, done, or kept in any Unit or Common Element which would overload or impair the floors, walls, or roofs of the Project, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association.

(j) No Owner or occupant of a Unit shall enclose or make any structural modifications, changes, additions or alterations to their respective Lanais and Entry Areas, add any awnings, sunscreens, louvers, exhaust vents, wind baffles, or drains without the prior written approval of the Board and except as may be permitted in the Declaration. Use of Entry Areas for the hanging and drying of clothing or garments is prohibited.

SECTION 3. Master Declaration. The Project is also subject to the provisions of the Master Declaration. Therefore, in addition to the Declaration, these Bylaws, and the House Rules, the repair, maintenance and use of the Project, including but not limited to the Units, Common Elements, and Limited Common Elements, by the Association, all Owners, their employees, their tenants, families, servants and guests, and any other persons who may in any manner use the Project or any part thereof, shall also be bound by and comply strictly with the provisions of the Master Declaration. Except as may otherwise be provided by law, in the event of a conflict between the provisions of these Bylaws and the Master Declaration, the provisions of the Master Declaration shall control.

ARTICLE IX
MORTGAGES

SECTION 1. Notice to Board of Directors. An Owner who mortgages any interest in such Owner's Unit shall notify the Association through the Managing Agent or the Secretary of the name, address and facsimile number (if available) of such Owner's mortgagee and within ten (10) days after the execution of the same shall file a conformed copy of such mortgage with the Association. The Association shall maintain such information in a book or binder entitled "Mortgages on Units".

SECTION 2. Notice of Unpaid Common Expenses and Assessments. The Board, whenever so requested in writing by an Owner or any mortgagee of any interest in a Unit, shall promptly report to such person any then unpaid assessments for Common Expenses or other special assessments due from the Owner involved.

SECTION 3. Notice of Default. The Board, when giving notice to an Owner of a default in paying Common Expenses or other assessments or other default in the performance of any obligation under the Declaration, these Bylaws, or the House Rules, shall send a copy of such notice by mail or by facsimile to each holder of a mortgage covering such Unit or interest therein whose name and address has theretofore been furnished to the Association. In each and every case where the mortgagee has made a request, the Association shall notify the mortgagee of any unpaid assessment that is thirty (30) or more days delinquent.

SECTION 4. Examination of Books. Each Owner and each mortgagee shall be permitted to examine the books and records of the Association or the Project at reasonable times on business days, and each mortgagee shall have the right to require the submission of annual reports and other financial data.

SECTION 5. Mortgage Protection. Notwithstanding any provision to the contrary in these Bylaws:

(a) Any first mortgagee who obtains title to a Unit pursuant to the remedies provided in the mortgage other than foreclosure of the mortgage, or conveyance in lieu of foreclosure, will not be liable for more than six (6) months of such Unit's unpaid monthly assessments or charges which accrue prior to the acquisition of title to such Unit by the mortgagee; and any first mortgagee who obtains title to a Unit as a result of foreclosure of the mortgage shall not be liable for such Unit's unpaid monthly assessments or charges which accrue prior to the acquisition of title to such Unit by the mortgagee, subject to the Association's right to specially assess and collect such unpaid monthly assessments or charges from subsequent purchasers of the Unit from the mortgagee as provided in the Condominium Property Act.

(b) All taxes, assessments, and charges which may become liens prior to the first mortgage under the laws of the State of Hawaii shall relate only to the individual Units and not to the Project as a whole.

(c) The Declaration and these Bylaws shall not give a Unit Owner or any other party priority over any rights of first mortgagees or Units pursuant to their mortgages in

the case of a distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of the Units, Common Elements, or both.

(d) Notwithstanding any other provision of these Bylaws to the contrary, no amendment of this Section 5 of Article IX shall affect the rights of the holder of any mortgage who has notified the Association of its interest unless such mortgagee consents to the recording of such an amendment.

(e) Eligible First Lien Holders shall be entitled to:

(i) Prior written notice of any proposed amendment(s) of a "material adverse nature" as defined in Article X., Section 2(b) below to the Declaration or these Bylaws;

(ii) Prior written notice of any proposed termination of the Project;

(iii) Timely written notice of any actual or threatened condemnation or eminent domain proceeding affecting a material portion of the Project or the Unit secured by the first mortgage held or insured by such party;

(iv) Written notice of any default of a Unit Owner affecting an interest of said holder or insurer which is not cured within sixty (60) days;

(v) Written notice of any significant damage or destruction to the Common Elements or to a Unit covered by the first mortgage held or insured by such party; and

(vi) A copy of all pleadings filed in any lawsuit, administrative proceeding, or other action affecting the Project or any portion thereof, at such party's expense for reproduction costs and at such party's specific written request.

ARTICLE X

MISCELLANEOUS

SECTION 1. Collection of Master Association Assessments. In addition to being a member of the Association, each Owner shall also be a member of the Ocean Pointe (Residential) Community Association, Inc. (the "Master Association"), the homeowners association established pursuant to the Master Declaration and shall be obligated for the payment of monthly assessments by the Master Association. The Association or Managing Agent, acting as agent for and on behalf of the Master Association, shall be responsible for collecting from each Owner the common assessments of the Master Association against such Owner's Unit to the extent required and authorized under the Master Declaration.

SECTION 2. Amendment.

(a) **Required Percentage of Vote.** Except as hereinafter provided or as provided in the Declaration, and except as to those amendments requiring the prior written approval of not less than fifty-one percent (51%) of the Eligible First Lien Holders as hereinafter provided, these Bylaws may be amended in any respect consistent with law or with the Declaration by the affirmative vote of Owners holding at least sixty-seven percent (67%) of the total Common Interests in the Project at any meeting of the Association duly called for such

purpose or by written consent of Owners holding at least sixty-seven percent (67%) of the total Common Interests in the Project; provided, however, that such amendment shall be effective only upon the recording in the Land Court of an instrument setting forth such amendment duly executed by the authorized officers of Association. Each one of the particulars set forth in Section 514B-108 of the Condominium Property Act shall always be embodied in these Bylaws. Any proposed amendment to these Bylaws together with a detailed rationale for the proposal may be submitted by the Board or by a volunteer Owners' group. If submitted by a volunteer Owners' group, any proposed amendment to the Bylaws with the rationale for the proposal shall be accompanied by a petition signed by Owners holding at least twenty-five percent (25%) of the total Common Interests in the Project. The proposed amendment to these Bylaws, the rationale, and the ballots for voting on such amendments shall be mailed by the Board to the Owners at the expense of the Association for vote or written consent without change within thirty (30) days of the receipt of the petition by the Board. The vote or written consent required to adopt any proposed amendment to these Bylaws shall be not less than sixty-seven percent (67%) of the total Common Interests in the Project; provided that the vote or written consent must be obtained within three hundred sixty-five (365) days after mailing. In the event that any proposed amendment to these Bylaws is duly adopted, the Board shall cause such amendment to these Bylaws to be recorded in the Land Court. The volunteer Owners' group shall be precluded from submitting a petition for any proposed amendment to these Bylaws which is the same as or substantially similar to that which has been previously mailed to the Owners within one (1) year after the original petition was submitted to the Board. This subsection shall not preclude any Owner or volunteer Owners' group from proposing any amendment to these Bylaws at any annual meeting of the Association.

(b) Consent of Eligible First Lien Holders. Amendments of a material adverse nature to those Bylaws shall require the prior written approval (or the assumed approval) of fifty-one percent (51%) of the Eligible First Lien Holders. Further, any amendment which would allow any action to terminate the Condominium Property Regime created by the Declaration for reasons after substantial destruction or condemnation occurs or for other reasons shall require the prior written approval or assumed approval of fifty-one percent (51%) of the Eligible First Lien Holders. Approval by an Eligible First Lien Holder for amendments of a material, adverse nature shall be conclusively assumed if an Eligible First Lien Holder fails to submit a written response to any proposed amendment within sixty (60) days after it receives notice of the proposed amendment, provided that such notice was sent to such Eligible First Lien Holder to its last address on record with the Association by certified or registered mail, return receipt requested. The term "amendments of a material adverse nature" as used in this subsection shall mean and refer to any changes to these Bylaws relating to those matters set forth in Section T.2 (Amendment of Declaration - Consent of Eligible First Lien Holders) of the Declaration. Any other changes to these Bylaws shall not be considered as amendments of a material adverse nature.

In the event that an Eligible First Lien Holder fails to appear at a meeting of the Association at which amendments to these Bylaws not considered material are proposed and considered, or fails to file a written response with the Association within thirty (30) days after the holding of such meeting of the Association and adoption of such amendments, then and in any such event the approval by such Eligible First Lien Holder of such amendments not considered material shall be conclusively assumed.

SECTION 3. Indemnification. The Association shall defend and indemnify every Director, officer, committee member, and their personal representatives against all expenses reasonably incurred by or imposed on such person in connection with any action, suit, or proceedings to which such person may be made a party by reason of being or having been a

Director or officer of the Association, except in relation to matters as to which such person shall be finally adjudged in such action, suit, or proceeding to be liable for gross negligence or willful misconduct; and in the absence of such final adjudication, indemnification shall be provided only in connection with such matters as to which the Association has obtained an Opinion of Counsel that the person to be indemnified committed no such breach of duty. The foregoing right of indemnification shall not be exclusive of any other rights to which such person may be entitled.

SECTION 4. Notices. All notices to the Board shall be by (a) personal delivery or by mail, postage prepaid, to the Board, c/o the Secretary or the Managing Agent, or if there be no Secretary or Managing Agent, to the office of the Board or to such other address as the Board hereafter designates from time to time by notice in writing to all Owners and to all mortgagees of Units whose names and addresses have been furnished to the Association in accordance with Article II, Section 8 of these Bylaws (a "Unit mortgagee" or, collectively, the "Unit mortgagees"), (b) by facsimile to the Board at such fax number as the Board shall designate from time to time by notice in writing to all Owners and to all Unit mortgagees, or (c) by any other specific means duly adopted by the Board to extent permitted by law and given by notice in writing to all Owners and all Unit mortgagees. All notices to any Owner shall be by (a) personal delivery or by mail, postage prepaid, addressed to such Owner at such Owner's address as shown on the books and records of the Association, or if no address has been given to the Board, addressed to the Owner at the address of such Owner's Unit, (b) by facsimile to the Owner at the fax number, if any, provided by such Owner as shown on the books and records of the Association, or (c) at the option of the Owner, expressed in writing, by electronic mail to the electronic mailing address designated in writing by the Owner. All notices shall be deemed to be delivered upon the first to occur of (i) actual receipt, (ii) two (2) days after deposit in the U.S. Mail in the case of delivery by mail, or (iii) upon transmission by facsimile or electronic mail, as applicable.

SECTION 5. Renting or Selling of Units by Association Employees. An employee of the Association shall not engage in renting or selling Units in the Project except for Units owned by the Association, unless such activity is approved by resolution of the Board.

SECTION 6. Conflicts. These Bylaws are intended to comply with the provisions of the Condominium Property Act, and in case of any conflict between these Bylaws and the provisions of the Condominium Property Act or the Declaration, the Condominium Property Act or the Declaration, as the case may be, shall control.

SECTION 7. Binding Effect. All present and future Owners, mortgagees, vendors and vendees under Agreements of Sale, tenants and occupants of Units, employees of the Project, and any other persons who may use any part of the Project in any manner are subject to the Declaration, these Bylaws, and the House Rules. The acceptance of a Unit Deed, or conveyance or mortgage or Agreement of Sale or the entering into of a lease, or the act of occupying a Unit shall constitute an acceptance, ratification and agreement to comply with the provisions of the Declaration, these Bylaws, and the House Rules, as the same may be amended from time to time.

SECTION 8. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

SECTION 9. Gender. The use of any gender in these Bylaws shall be deemed to include either or both of the other genders and the use of the singular shall be deemed to include the plural whenever the context so requires.

SECTION 10. Severability. In case any provision of these Bylaws shall be held partially or totally invalid, such invalidity shall not render invalid or unenforceable any other provision hereof which can be given effect. Nothing in these Bylaws shall be deemed or construed to authorize the Association or the Board to conduct or engage in active business for profit on behalf of any or all of the Owners.

IN WITNESS WHEREOF, the Developer has executed these presents this
25th day of August, 2006, adopting these Bylaws pursuant
to the Condominium Property Act as the Bylaws of the Association.

FAIRWAY'S EDGE DEVELOPMENT, LLC,
a Hawaii limited liability company

By HASEKO HOMES, INC., a Hawaii corporation
Its Manager

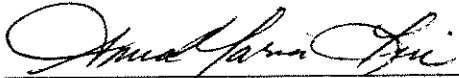
By 
Name: TSUTOMU SAGAWA
Title: EXECUTIVE VICE PRESIDENT

"Developer"

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

On this 25th day of August, 2006, before me
personally appeared TSUTOMU SAGAWA, personally known to me -OR-
Name of Signer

proved to me on the basis of satisfactory evidence, who, being by me duly sworn or
affirmed, did say that such person executed the foregoing instrument as such person's free
act and deed as Executive Vice President of HASEKO HOMES, INC., a Hawaii
Corporate Title
corporation, that said corporation is the Manager of FAIRWAY'S EDGE DEVELOPMENT,
LLC, a Hawaii limited liability company, having been duly authorized to execute such
instrument in such capacity. Witness my hand and official seal.


Notary Public, State of Hawaii

ANNA MARIA LIU
Printed Name of Notary Public⁵

My commission expires: 01/01/2010

EXHIBIT "R"

CONDOMINIUM MAP

**Please see the expandable file folder submitted with this Public Report filing
for a full size copy of the Condominium Map.**

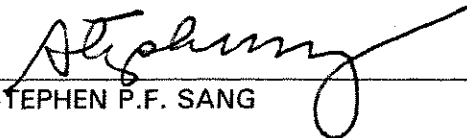
• **ARCHITECT'S STATEMENT**

The undersigned, STEPHEN P.F. SANG, as President of QUAD DESIGN GROUP, INC., an architectural company incorporated in the State of Hawaii, states as follows:

That he is an architect registered with the State of Hawaii, Hawaii Registration No. AR-5876;


That he is the architect of record for the four (4) residential buildings in The Town Homes at Fairway's Edge, Increment 2 condominium project (the "Project");

That the attached floor plans and elevations dated August 23, 2006, which constitute the Condominium Map of the Project, covers the four (4) proposed residential buildings in The Town Homes at Fairway's Edge, Increment 2 condominium project and depicts the layout, location, apartment numbers and dimensions of the proposed apartments and covered garages and are consistent with the plans of the condominium's building or buildings filed or to be filed with the office of the City and County of Honolulu having jurisdiction over the issuance of permits for the construction of buildings.


STEPHEN P.F. SANG

Subscribed and sworn to before me this

29th day of August, 2006.


Notary Public, State of Hawaii

GLENDAL ALEVIADO
Printed Name of Notary Public

My commission expires: 10/16/09

LS



Quest Design Group, Inc.
1148 Waialae Avenue, Suite 303 Honolulu, Hawaii 96814, USA
Phone: (808) 254-3377
Fax: (808) 254-2897
www.questdesigngroup.com



Key Plan

18641	18636
18642	18639
18643	18640
18644	18641
18645	18642
18646	18643
18647	18644
18648	18645
18649	18646

OCEAN POINT
FAIRWAY'S EDGE
DEVELOPMENT, LLC
811-1001 KAMALE ST., SUITE 205
EWA BEACH, HAWAII 96796

The Town Homes at
Fairway's Edge
Increment 2

Ocean Pointe
Ewa Beach, Hawaii

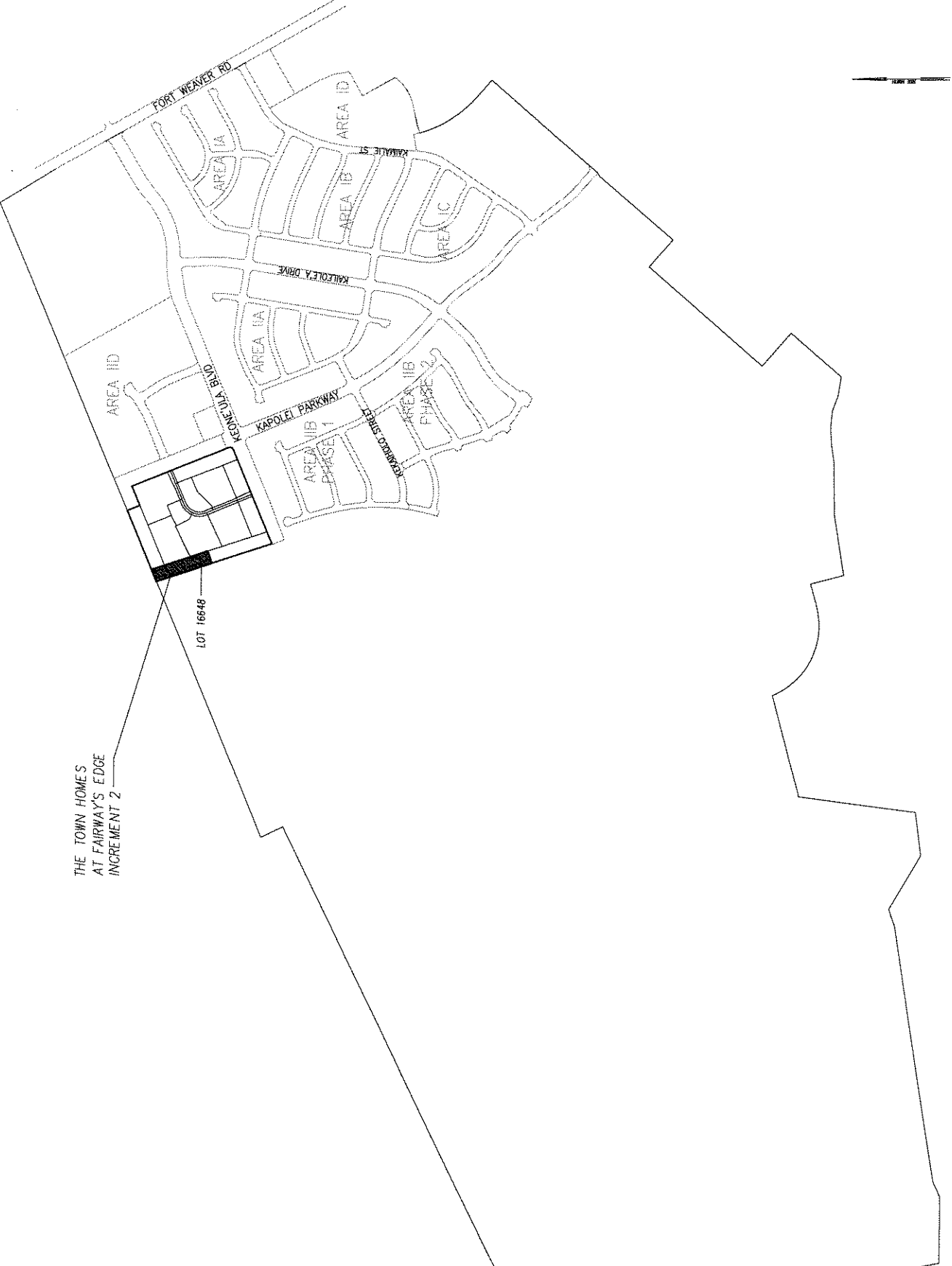
CONDOMINIUM
MAP



Date: August 23, 2006 Project No: 0024 02

No.	Desc.	Description

This:
OVERALL SITE PLAN





Grand Design Group, Inc.
 1741 Shaker Blvd., Suite 100, Honolulu, HI 96813, USA
 Phone: (808) 943-8888
 Fax: (808) 943-8889
 Email: info@granddesigngroup.com



SEP 04/2016

Key Plan

18641	18648	62391
18642	18649	
18643	18650	
18644	18651	
18645	18652	
18646	18653	
18647	18654	
18648	18655	
18649	18656	
18650	18657	
18651	18658	



FAIRWAY'S EDGE
 DEVELOPMENT, LLC
 91-001 KAIMALE ST., SUITE 205
 EWA BEACH, HAWAII 96706

The Town Homes at
 Fairway's Edge
 Increment 2

Ocean Pointe
 Ewa Beach, Hawaii

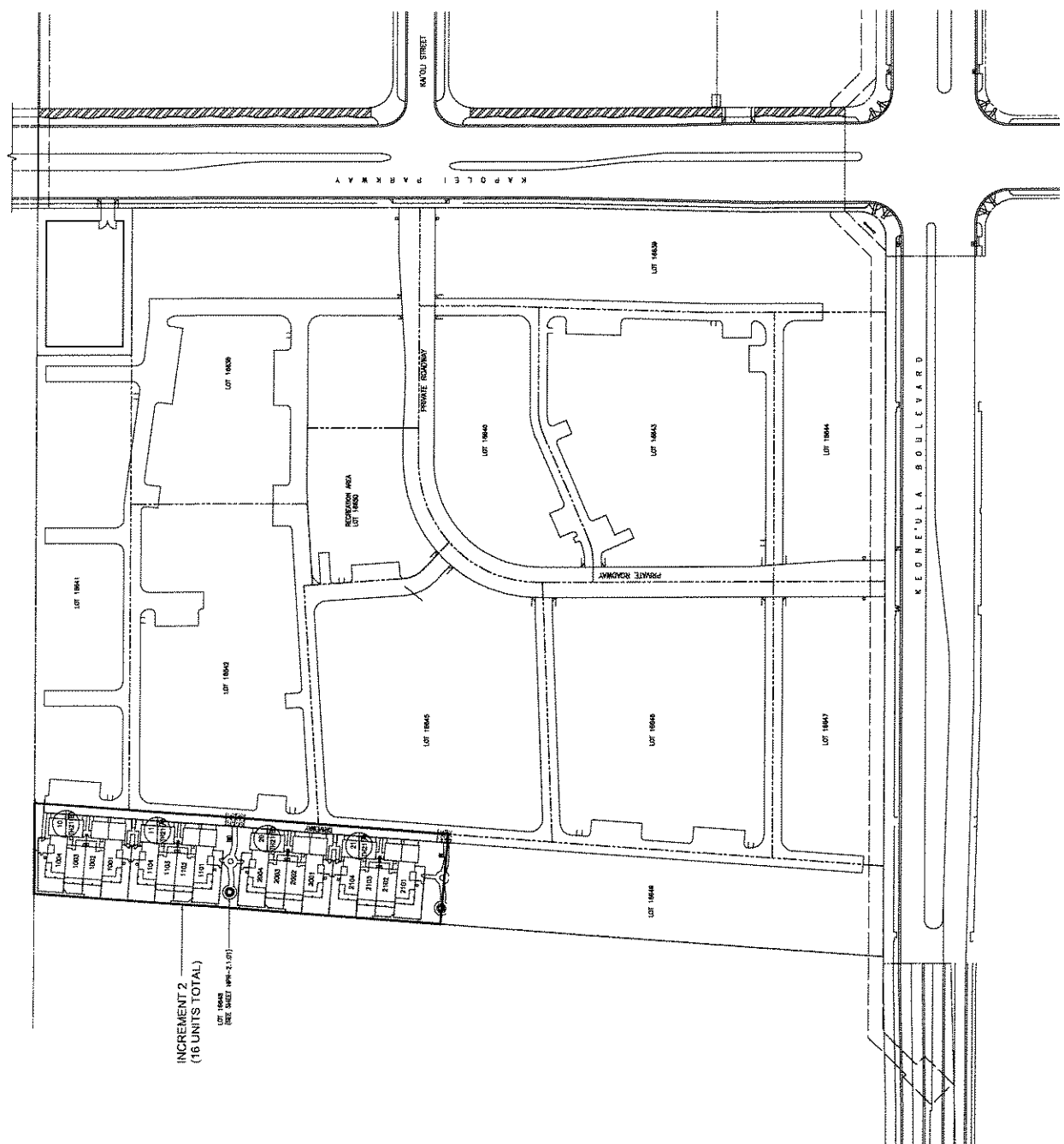
CONDOMINIUM
 MAP

Date: August 23, 2016 Project No: 604161

No.	Revisions	Description

THE
 TOWN HOMES AT
 FAIRWAY'S EDGE
 SITE PLAN

HPR-
 2.0.02
 No. of Sheet



LEGEND

- DENOTES BUILDING FOOTPRINT
- DENOTES ROAD TYPE AND EASEMENT OPTION
- TRASH ENCLOSURE
- FENCE OR GENERAL BOUNDARY
- MANHOLE AND LOCATION
- ELECTRICAL TRANSFORMER
- RECORDING FRAMING STALLS
- C - CURB STALL
- A - RAMPED STALL
- ACCESSIBLE CURB STALL

INCREMENT 2
 (16 UNITS TOTAL)
 LOT 18642 (SEE SHEET HPR-2.1.01)



QD G
 Qued Design Group, Inc.
 1141 Kalia Road, Suite 410 Honolulu, Hawaii 96813, HI
 Phone: (808) 943-2800
 Fax: (808) 943-2801
 Email: info@qdgd.com



Key Plan

18641	18642	18643	18644
18645	18646	18647	18648
18649	18650	18651	18652

Ocean Pointe
 FAIRWAYS' EDGE
 DEVELOPMENT, LLC
 81-1001 KOHUALE ST., SUITE 205
 EWA BEACH, HAWAII 96796

The Town Homes at
 Fairways' Edge
 Increment 2
 Ocean Pointe
 Ewa Beach, Hawaii

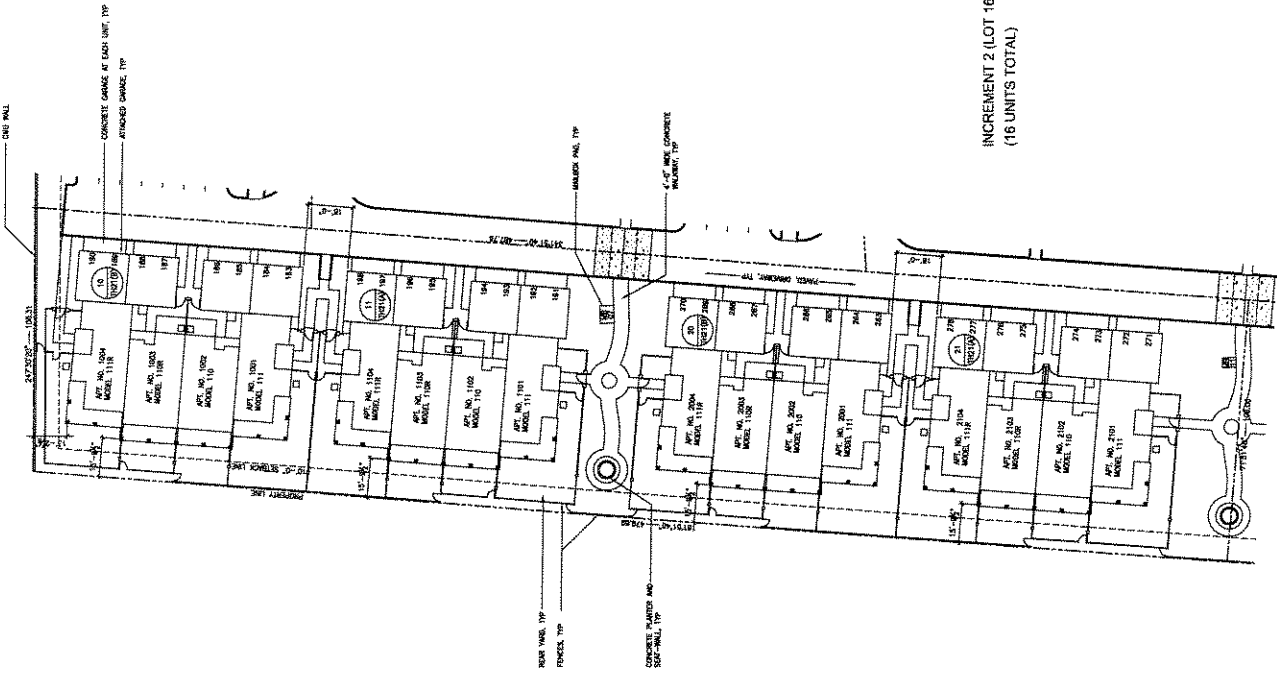
CONDOMINIUM
 MAP

Date: August 21, 2008 Project No. 0624-02

No.	Desc.	Description

Task:
 INCREMENT 2
 (LOT 18648) SITE PLAN

HPR-
 2.1.01
 Sheet of



INCREMENT 2 (LOT 18648)
 (16 UNITS TOTAL)

LEGEND

- CONCRETE RETAINING WALL
- PARKING STALLS
- TRASH ENCLOSURE
- FENCE OR DUMPSTER
- WALKWAY AND LOCATION
- ELECTRICAL TRANSFORMER
- UNCOVERS PARKING STALLS
- C = CURB STALL
- A = RESERVED STALL
- &A = ACCESSIBLE CURB STALL





Chief Design Group, Inc.
 1100 Kalia Road, Suite 1000 Honolulu, Hawaii 96813, HI
 PH: 808-943-1000
 FAX: 808-943-1001
 www.chiefdesign.com



FAIRWAYS EDGE DEVELOPMENT, LLC
 91-1001 KAMALEE ST., SUITE 205
 EWA BEACH, HAWAII 96706

**The Town Homes at
 Fairways Edge
 Increment 2**

Ocean Pointe
 Ewa Beach, Hawaii

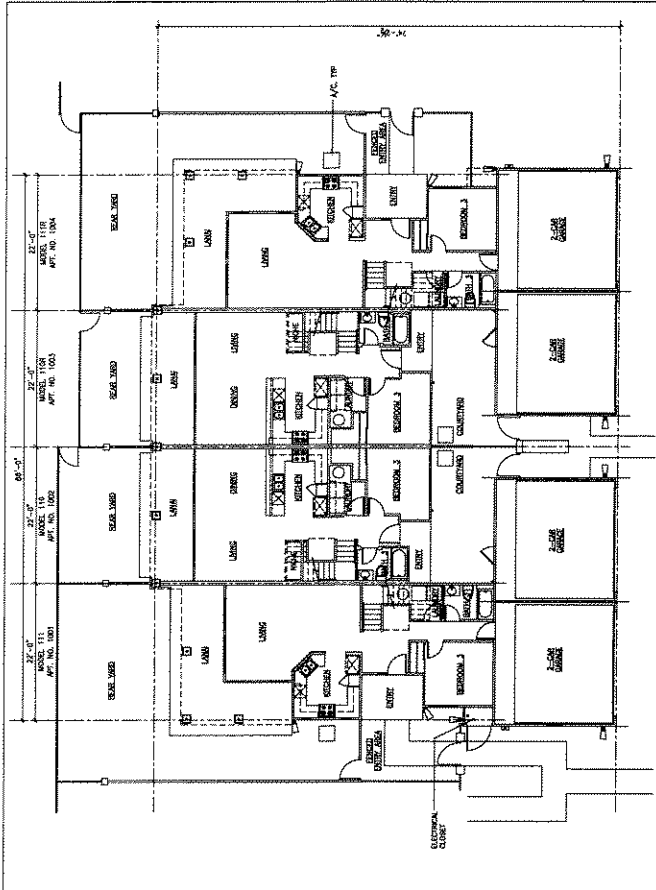
**CONDOMINIUM
 MAP**

Drawn August 21, 2008 Project No. 0024 02

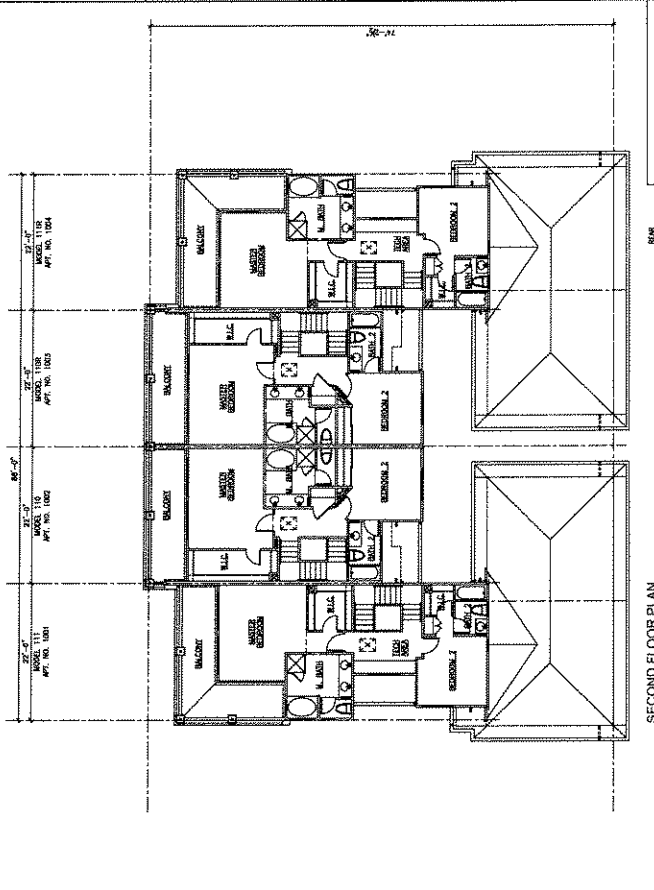
No.	Date	Description

**Building 10
 Composite Floor
 Plans and Exterior
 Elevations**

**HPR-
 2.2.01**
 Sheet of



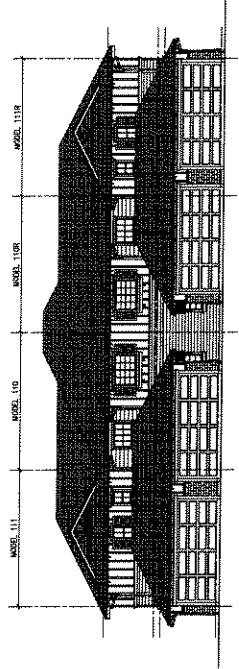
FIRST FLOOR PLAN



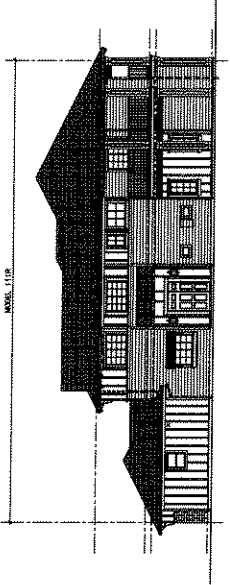
SECOND FLOOR PLAN

1000 SF
1000 SF
1000 SF
1000 SF
1000 SF

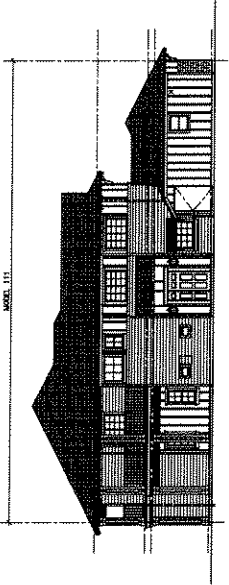
(A4) BUILDING 10 (TYPE TH21, ELEVATION OPTION 'B') FLOOR PLANS
 1/8" = 1'-0"



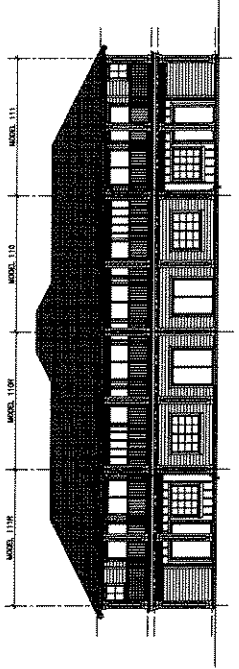
FRONT ELEVATION



RIGHT ELEVATION



LEFT ELEVATION



REAR ELEVATION

(A1) BUILDING 10 (TYPE TH21, ELEVATION OPTION 'B') EXTERIOR ELEVATIONS
 1/8" = 1'-0"



Global Design Group, Inc.
1440 Kalia Road, Suite 1400, Honolulu, Hawaii 96813, USA
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Fax: (808) 941-2324
www.global-design.com



FAIRWAYS' EDGE
DEVELOPMENT, LLC
91-1001 KANALIIE ST., SUITE 205
EWA BEACH, HAWAII 96706

The Town Homes at
Fairways' Edge
Increment 1

Ocean Pointe
Ewa Beach, Hawaii

CONDOMINIUM
MAP

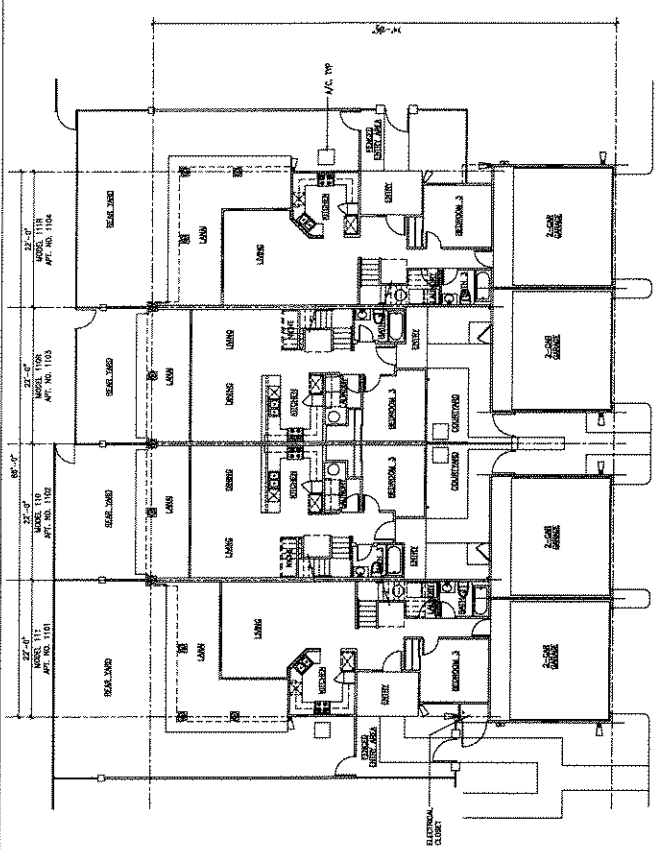
DATE: August 18, 2009 Project No. 8024.02

REVISIONS:

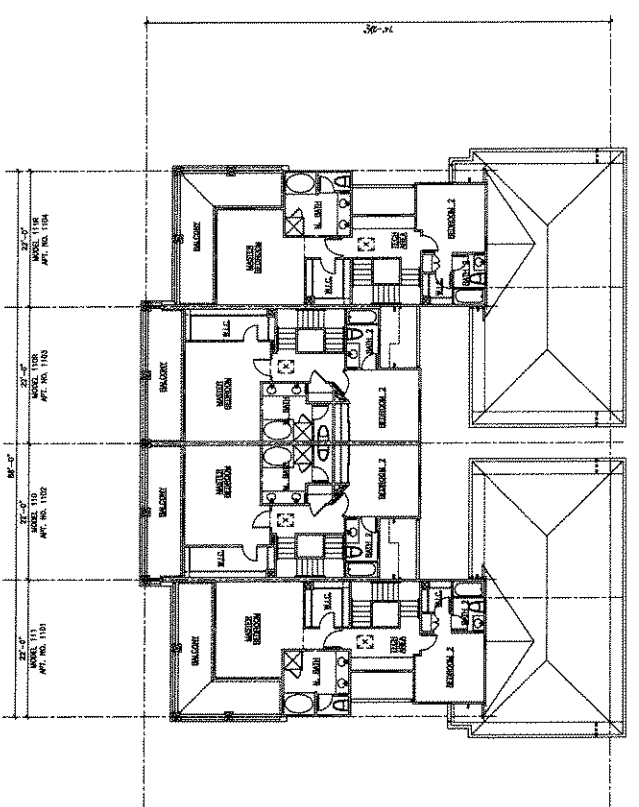
No.	Date	Description

DATE: August 18, 2009 Project No. 8024.02

DATE: August 18, 2009 Project No. 8024.02



FIRST FLOOR PLAN

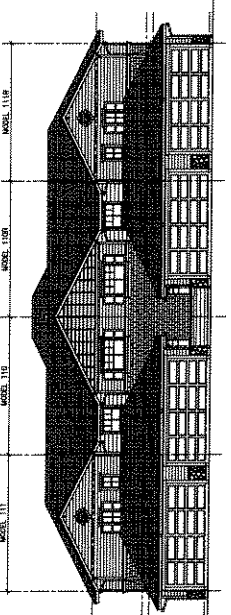


SECOND FLOOR PLAN

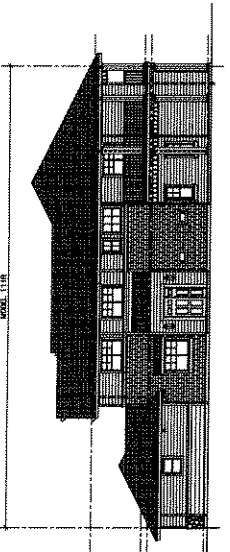
(A4) BUILDING 11 (TYPE TH21, ELEVATION OPTION 'A') FLOOR PLANS
1/8" = 1'-0"

AREA SCHEDULE

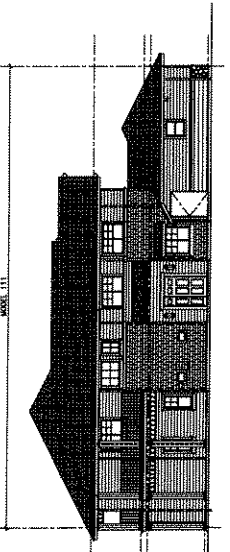
AREA	AREA	AREA
1ST FLOOR LIVING AREA	2,000 SF	
2ND FLOOR LIVING AREA	2,000 SF	
TOTAL LIVING AREA	4,000 SF	



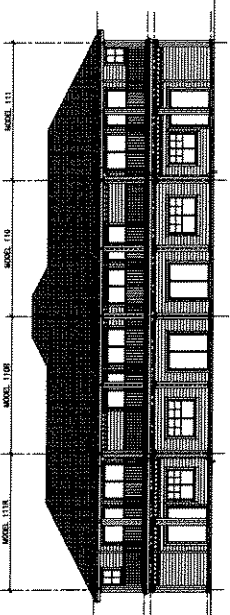
FRONT ELEVATION



RIGHT ELEVATION



LEFT ELEVATION



REAR ELEVATION

(A1) BUILDING 11 (TYPE TH21, ELEVATION OPTION 'A') EXTERIOR ELEVATIONS
1/8" = 1'-0"

GD

Global Design Group, Inc.
 1100 Kalia Road, Suite 1000, Honolulu, Hawaii 96813, USA
 Phone: (808) 955-2200
 Fax: (808) 955-2201
 Email: info@global-design.com

STATE OF HAWAII
 ARCHITECTURAL BOARD
 LICENSE NO. 1000
 EXP. 04/30/18



FAIRWAY'S EDGE
 DEVELOPMENT, LLC
 91-001 KANALEE ST., SUITE 205
 EWA BEACH, HAWAII 96706

The Town Homes at
 Fairway's Edge
 Increment 2

Ocean Pointe
 Ewa Beach, Hawaii

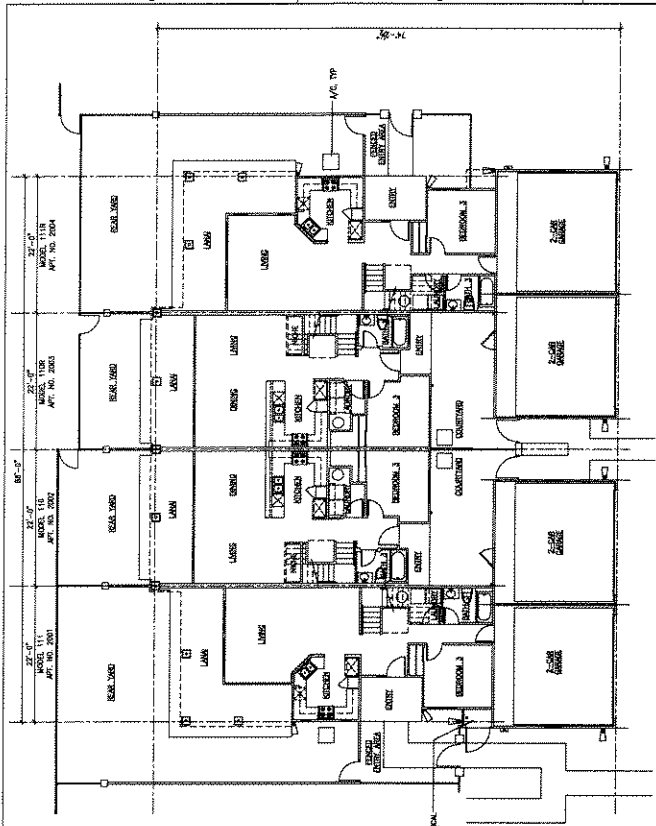
CONDOMINIUM
 MAP

DATE: August 22, 2008 Project No: B004-02

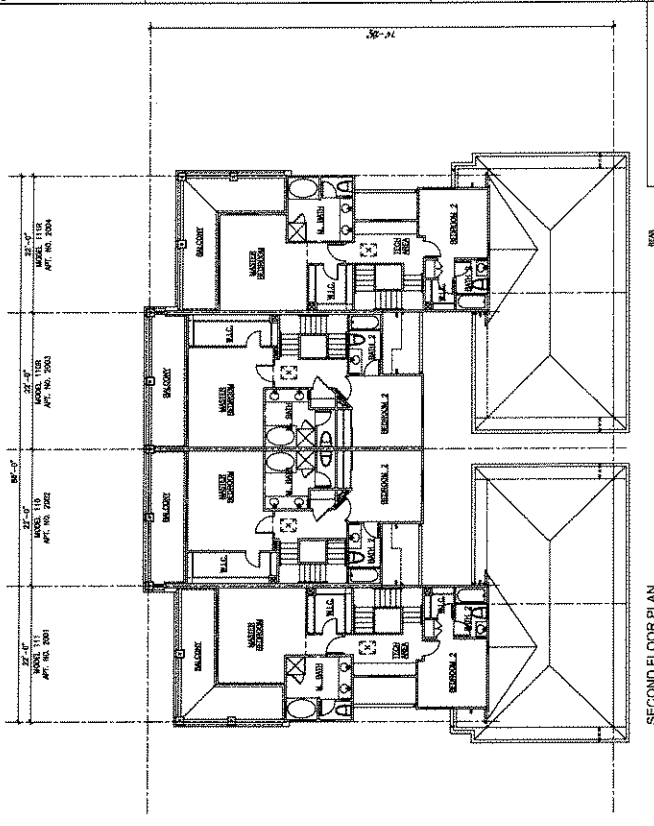
NO.	DATE	DESCRIPTION

THIS
 BUILDING 20
 COMPOSITE FLOOR
 PLANS AND EXTERIOR
 ELEVATIONS

HPR-
 No. 2.2.03
 Sheet of

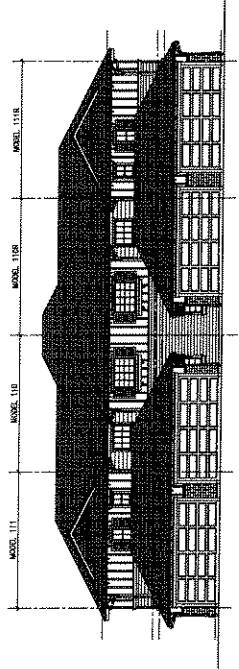


FIRST FLOOR PLAN

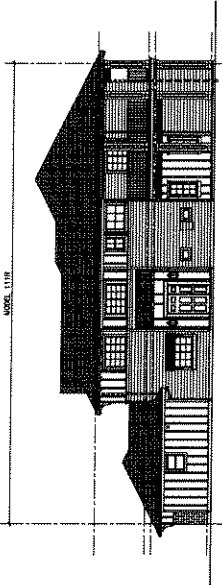


SECOND FLOOR PLAN

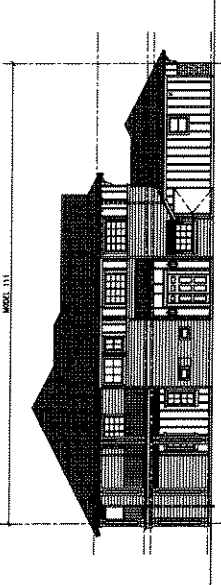
1ST FLOOR LIVING AREA	3,000 SF
2ND FLOOR LIVING AREA	2,800 SF
TOTAL LIVING AREA	5,800 SF



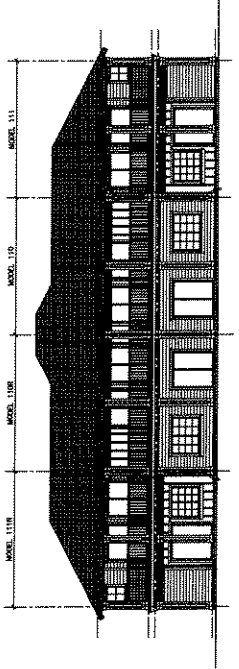
FRONT ELEVATION



RIGHT ELEVATION



LEFT ELEVATION



REAR ELEVATION

(A1) BUILDING 20 (TYPE TH21, ELEVATION OPTION B) EXTERIOR ELEVATIONS
 1/8" = 1'-0"

(A4) BUILDING 20 (TYPE TH21, ELEVATION OPTION B) FLOOR PLANS
 1/8" = 1'-0"



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1700 Kalia Road, Suite 200 Honolulu, Hawaii 96813, HI
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Fax: 808.943.2222
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OCEAN POINTE
FAIRWAYS' EDGE
DEVELOPMENT, LLC
91-1001 KAMALEIE ST., SUITE 205
EWA BEACH, HAWAII 96706

The Town Homes at
Fairways' Edge
Increment 1

Ocean Pointe
Ewa Beach, Hawaii

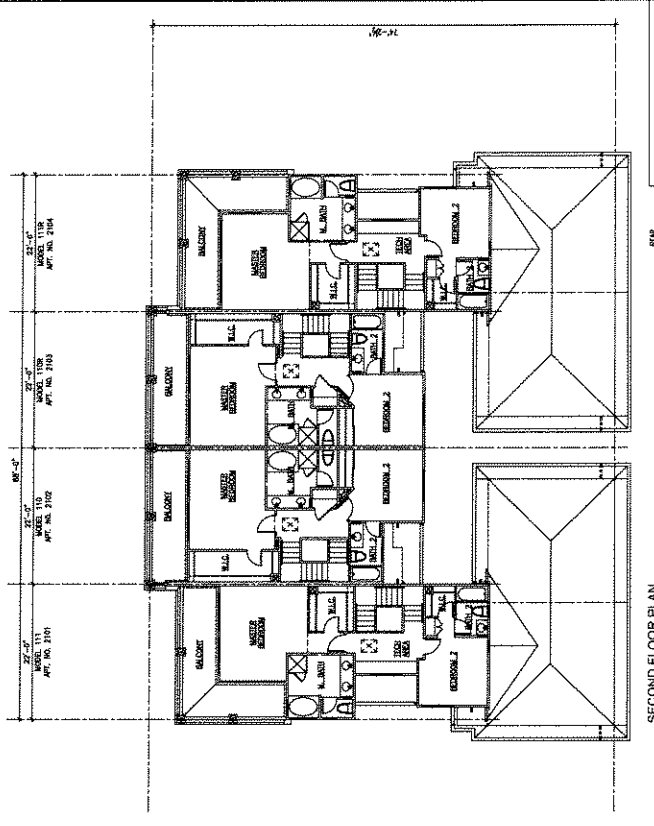
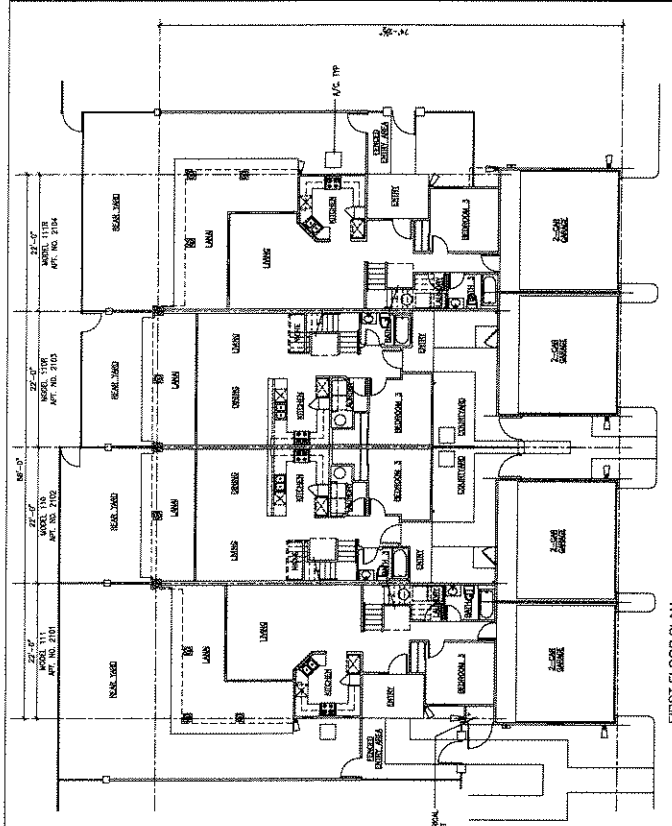
CONDOMINIUM
MAP



Project No.	8024.02
Date	August 15, 2008
Project No.	8024.02
Sheet No.	2.2.04
Scale	1/8" = 1'-0"

TITLE
BUILDING 21
COMPOSITE FLOOR
PLANS AND EXTERIOR
ELEVATIONS

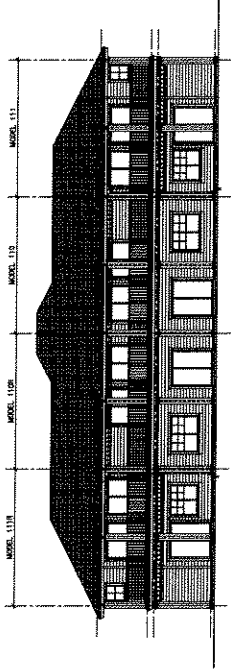
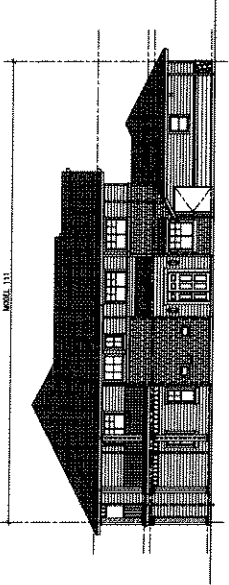
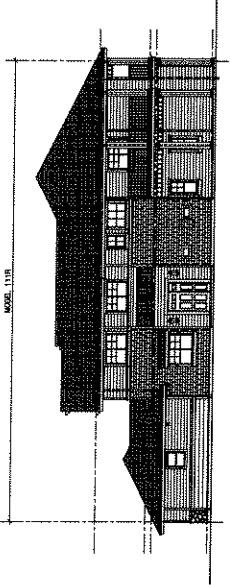
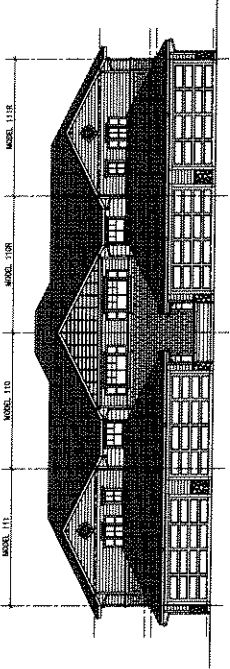
HPR-
2.2.04
Sheet of



1ST FLOOR UNIT AREA	2ND FLOOR UNIT AREA	TOTAL UNIT AREA



(A4) BUILDING 21 (TYPE TH21, ELEVATION OPTION 'A') FLOOR PLANS
1/8" = 1'-0"

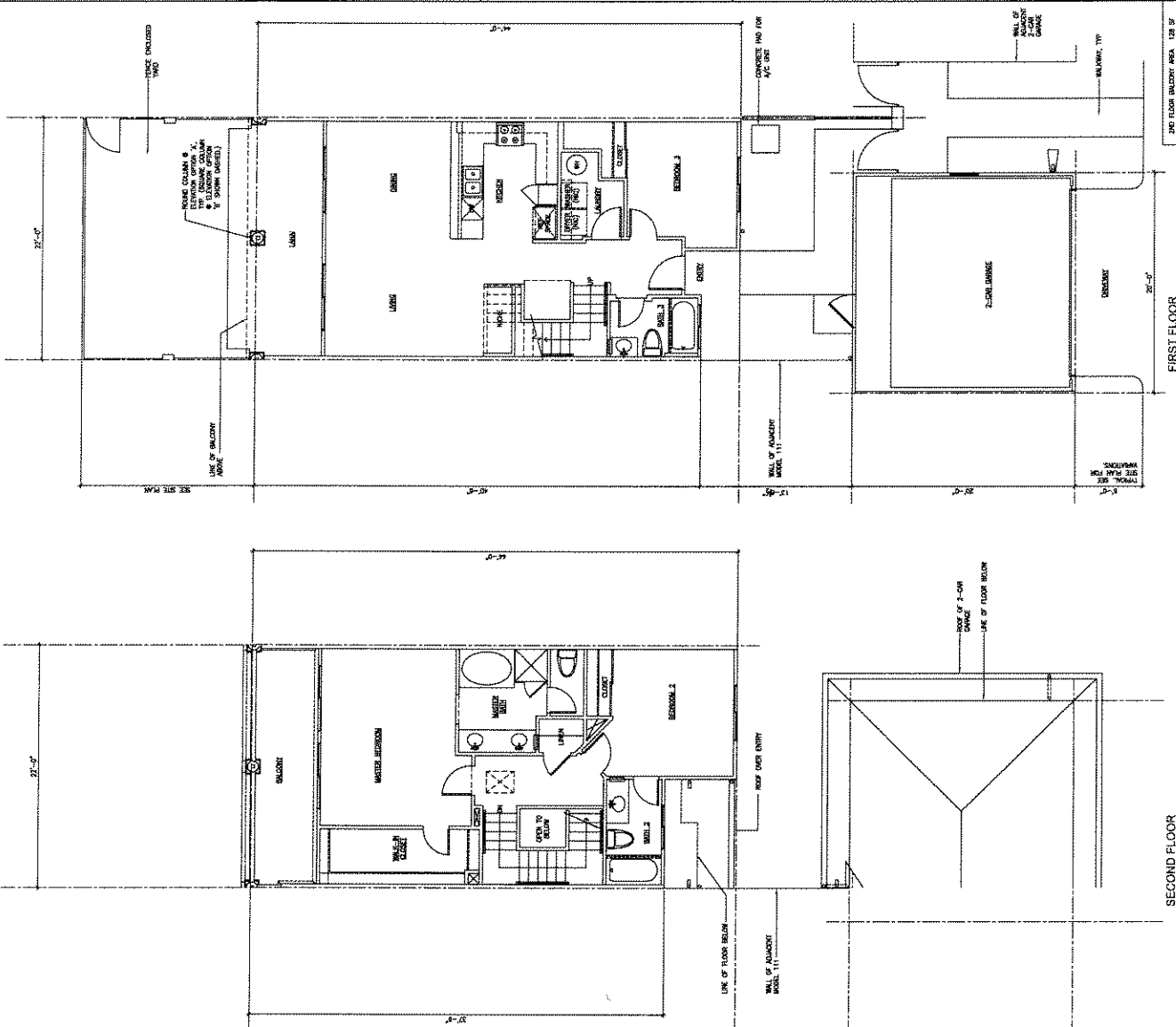


(A1) BUILDING 21 (TYPE TH21, ELEVATION OPTION 'A') EXTERIOR ELEVATIONS
1/8" = 1'-0"

Revisions:

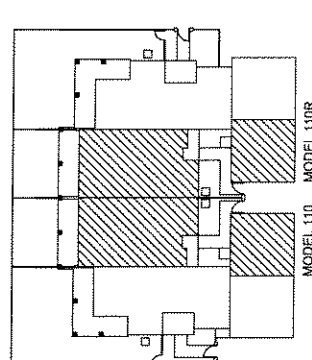
No.	DATE	DESCRIPTION

THIS: MODEL 110
 FLOOR PLANS



2ND FLOOR FINISH AREA 128 SF
 1ST FLOOR FINISH AREA 792 SF
 2ND FLOOR FINISH AREA 702 SF
 TOTAL FINISH AREA 1422 SF

(A3) MODEL 110 FLOOR PLANS
 1/8" = 1'-0"



(A3) MODEL 110 LOCATIONS IN BUILDINGS



Good Design Group, Inc.
 1100 Wilshire Blvd, Suite 2100 Los Angeles, California 90017, USA
 (310) 551-1111
 www.gooddesign.com

REGISTERED PROFESSIONAL ARCHITECT
 STATE OF CALIFORNIA
 ARCHITECT NO. 51792
 SEP-07/05/08



FAIRWAYS EDGE
 DEVELOPMENT, LLC
 91-1001 KANAHALE ST., SUITE 205
 EWA BEACH, HAWAII 96706

The Town Homes at
 Fairways Edge
 Increment 2

Ocean Pointe
 Ewa Beach, Hawaii

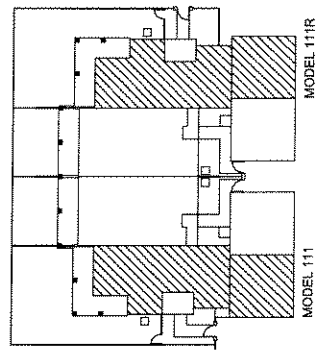
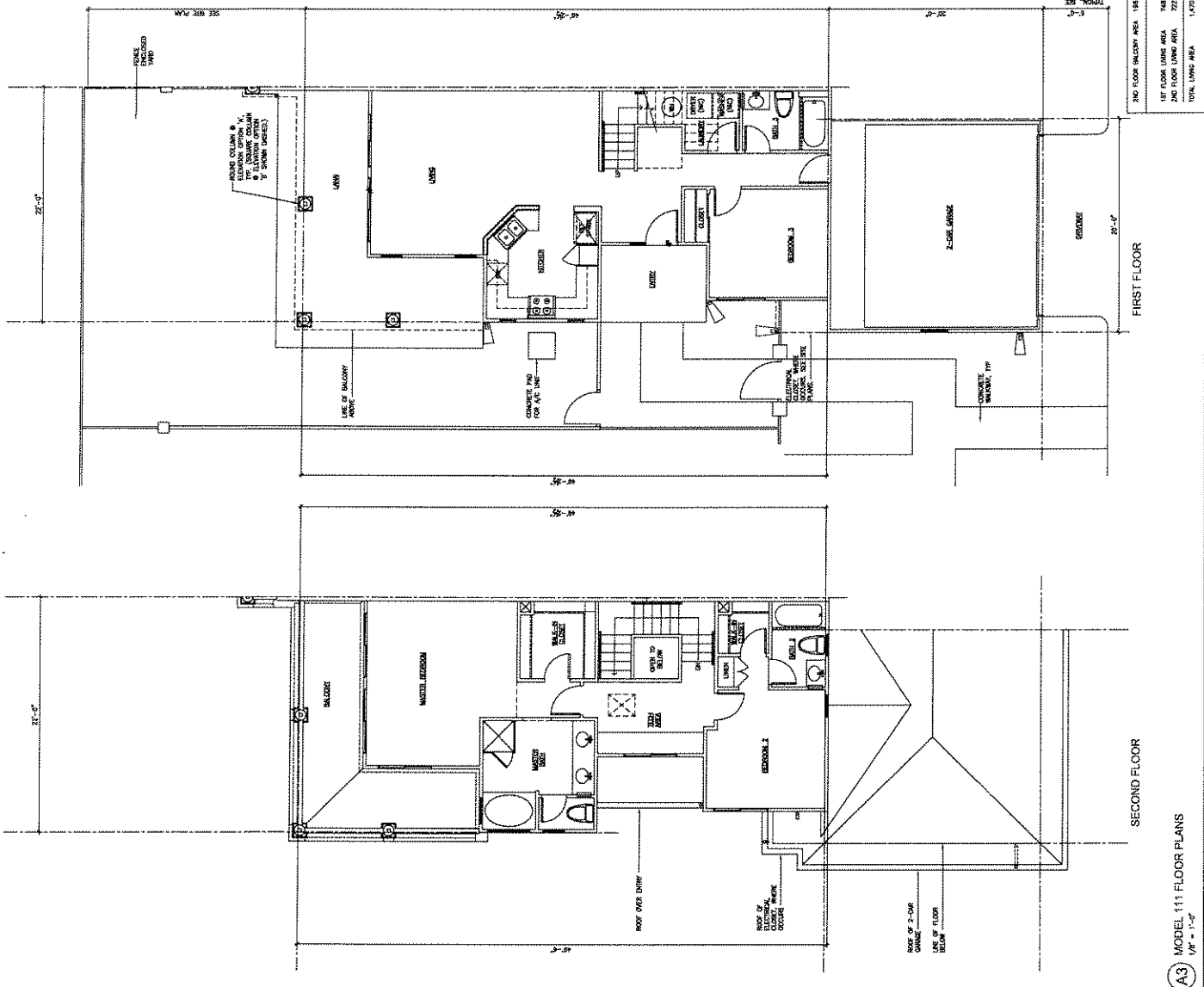
CONDOMINIUM
 MAP

DATE: August 21, 2008 PROJECT NO: 080459

NO.	DATE	DESCRIPTION

TYPE:
 MODEL 111
 FLOOR PLANS

Sheet of
 HPR-
 No. 2.3.02



TH21 BUILDING (ELEVATION OPTION 'A' SHOWN, OPTION 'B' SIMILAR)
 BUILDINGS 10, 11, 20, 21

(A3) MODEL 111 LOCATIONS IN BUILDINGS
 1/8" = 1'-0"

EXHIBIT "S"

**THE TOWN HOMES AT FAIRWAY'S EDGE, INCREMENT 2
HOUSE RULES**

The Town Homes at Fairway's Edge, Increment 2

HOUSE RULES

These House Rules apply to all owners, tenants, guests, invitees, and licensees using the The Town Homes at Fairway's Edge, Increment 2 Condominium Project.

ARTICLE I. GENERAL

Section 1. Purpose. The purpose of these House Rules is to protect all Unit Owners ("Owners") and other occupants from annoyance and nuisance created by improper use of The Town Homes at Fairway's Edge Condominium Project ("Project") and also to protect the reputation and desirability of the Project by providing for the enjoyment, comfort and security of its occupants. The provisions of these House Rules shall apply equally to all Units in the Project.

Section 2. Enforcement. The Board of Directors (the "Board") of the Association of Unit Owners of The Town Homes at Fairway's Edge (the "Association") shall be responsible for enforcing these Rules. The Board may delegate this responsibility to the Managing Agent of the Project. All Owners, tenants, guests, invitees, licensees, and other persons using the Project (collectively referred to as "Occupants") must obey these House Rules.

Section 3. Conflicts. These House Rules supplement but do not change the obligations of the Occupants contained in the following documents: a) the Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), as may be amended and/or supplemented from time to time (referred to at times as the "Ocean Pointe Declaration" or the "Master Declaration"), as well as the Design Guidelines referenced in Article VII thereof (the "Design Guidelines"); b) the Declaration of Condominium Property Regime for the Project (the "Declaration") and c) the Bylaws of the Association of Unit Owners for the Project (the "Bylaws") (collectively the "Fairway's Edge Documents"). If any part of these House Rules conflict with any of the provisions of the Fairway's Edge Documents, the Fairway's Edge Documents will govern that matter.

Section 4. General Provisions.

(a) Any reference made herein to the Common Elements shall not include the Limited Common Elements (e.g. enclosed Front or Rear yards, lanai, entry area, etc.) unless expressly stated otherwise.

(b) The Board may make other rules and regulations or amend these House Rules if necessary or desirable.

(c) Any word used that is capitalized but not defined in these House Rules shall have the same meaning as in the Declaration and Bylaws.

ARTICLE II. OCCUPANCY AND USE

Section 1. Use of Unit. Units may be used for residential purposes only. The Units may not be used for time sharing, transient or hotel purposes.

Section 2. Maintenance of Units and Garages. Occupants must maintain the Units, garages and any lanai areas in accordance with the Declaration, the Bylaws, and/or these House Rules.

Section 3. Activities Prohibited. No person shall undertake any activities that would result in a violation of any provision of the Declaration, Bylaws and/or these House Rules.

Section 4. Responsibility of Owners for Conduct of Others. All Occupants (Owners, tenants, guests, invitees, and licensees) and their family members must abide by these House Rules. Owners are responsible for the conduct of their tenants, guests, invitees, and licensees. Upon receipt of a notice from the Board or Managing Agent, the Owner must immediately abate and remove, at the Owner's expense, any structure, thing, or condition that any Occupant is using, causing, or has built in the Project which causes a nuisance or other violation of these House Rules. If an Owner cannot control the conduct of any Occupant, such Owner shall, upon request of the Board or Managing Agent, immediately remove such Occupant from the premises, without compensation from the Association, Board or Managing Agent for lost rental or profits or any other damage resulting therefrom. If an Occupant causes damage to the Common Elements or to the property of another, the Owner shall be responsible for the expense of repairing such damage.

Section 5. Pets.

(a) Number, Size and Type. Due to the limited amount of space in a Unit, an Occupant may only raise, keep and maintain within any Unit up to two (2) generally recognized domestic house pets such as, but not limited to, dogs or cats kept for the Occupant's personal pleasure and not for sale or other commercial purpose. No farm animals or fowl such as, but not limited to, horses, pigs, chickens or roosters shall be maintained within or upon any Unit, excluding and excepting canaries, parakeets and other songbirds. Any permitted animal or pet shall be kept or maintained solely within a Unit or in a Rear Yard and may not be kept or maintained within a Front Yard of a Unit. An Owner or Occupant shall take all reasonable steps to assure that such animals and pets do not escape or roam free outside the Rear Yard except while on a leash and under the Owner's or Occupant's control. The foregoing limitation on the number of pets shall not apply to prohibit a reasonable number of hamsters, small birds, fish or other constantly caged animals, nor shall it apply to require the removal of any litter born to a permitted pet prior to the time that the animals in such litter are three (3) months old.

(b) Registration. All dogs and cats shall be registered with the Board or Managing Agent, and each pet owner shall pay a reasonable registration fee as may be established by the Board.

(c) Licensing. If applicable, all pets shall be licensed and inoculated as may be required by law.

(d) Common Elements. Pets are permitted only in those portions of the Common Elements designated by the Association for such purposes, provided they are carried or confined to a leash held by a responsible person at all times. Pets may not roam the Common Elements unattended at any time.

(e) Responsibility. Occupants are responsible for ensuring that their pets do not make excessive or objectionable noise and for immediately cleaning up any mess made by their pets. Occupants shall be responsible for any damage caused by their pets.

(f) Ejectment. Any pet which, in the sole judgment of the Board, makes excessive or objectionable noise, is permitted to roam free, constitutes a nuisance, or causes an unreasonable disturbance, or threat to the health or safety of any other Occupant may be ejected from the Project on the demand of the Managing Agent or the Board. However, the Board, in its sole discretion, may give the pet's owner an opportunity to remedy the situation short of ejectment.

(g) No Liability on the Board, Association or Managing Agent. In no event shall the Board, the Association, nor the Managing Agent be deemed liable for any loss, damage or injury to persons or property caused by or arising in connection with any Occupant's pet or other animal. By acquiring an interest in a Unit in the Project, each Owner agrees to indemnify, defend and hold harmless the Board, the Association and the Managing Agent against any claim or action at law or in equity arising out of or in any way relating to such Occupant's pet or other animal.

(h) Compliance with Laws. Notwithstanding the foregoing, the provisions contained in this Section 5 shall not be enforced in any manner which is contrary to applicable provisions of the Federal Fair Housing Act (42 U.S.C. §3601 et. seq., as amended) and any similar laws of the State of Hawaii.

Section 6. Tents and Temporary Structures. Occupants shall not place upon a Unit, Common Element, Limited Common Element or any part of the Project any tent or any structure of a permanent nature. Notwithstanding the foregoing, party tents, tarps and temporary structures are permitted upon a Limited Common Element of a Unit provided that the Occupant shall not continue to use the tent, tarp, or other temporary structure beyond the special event for which it is planned and shall remove the tent, tarp, or temporary structure within twenty-four (24) hours following the conclusion of such special event. Placement of any such structure on a Limited Common Element for any purpose longer than two (2) days may require application and approval of the Design Review Committee or the Board and may be subject to such additional regulations as may be provided in the Design Guidelines.

Section 7. No Throwing of Objects From Units. Nothing shall be thrown or permitted to be thrown from lanais, balconies, windows, or any other part of a Unit. Cigarettes and matches, specifically, are fire hazards.

Section 8. Alcoholic Beverages. The consumption of alcohol shall be limited to the Units, the Limited Common Elements appurtenant to the Owner's Unit, and to such other places and times as specified by the Association.

Section 9. Barbecues. Except as to those places expressly designated by the Association, barbecuing and hibachis shall be limited to the enclosed yard area of each Unit.

Section 10. Waterbeds, Hot Tubs, Jetted Tubs. The use of waterbeds or hot tubs on the second floor of any Unit is prohibited. Additionally, an Occupant may not install or operate any Jacuzzi-style or jetted tubs in a Unit. Outdoor hot tubs or spas may not be installed in the Rear or Front Yards of any Unit.

Section 11. No Roof Access. No person whatsoever is allowed on the roof of the Project for any purpose without the prior written permission of the Board.

Section 12. No Objects to be Hung from Windows, Railings, or Exterior Surfaces. Occupants may not hang clothes, bedding, carpeting, or anything else from windows, lanais, balconies, exterior surfaces, or entry areas or in the walkways for any purpose. Notwithstanding the above, temporary holiday or special event decorations are permitted within the entry area and on those portions of the Common Elements consisting of the front and rear facing exterior walls of the Unit, provided (a) they are not installed sooner than thirty (30) days before the holiday or event and are removed not later than fifteen (15) days after the holiday or event, (b) do not cause any damage to such exterior walls, (c) are used in such a manner as to not cause an improper or offensive use or condition in the reasonable opinion of the Board, and (d) are otherwise in compliance with the Design Guidelines.

Section 13. Sewer Lines. Occupants may not flush sanitary napkins, tampons, paper towels, or any other materials down the toilets which may clog sewer lines.

Section 14. Flammable or Hazardous Activities and Substances. No flammable or hazardous activities shall be engaged in and no flammable or hazardous substances shall be introduced into or manufactured within any Unit or the Common Elements which might result in the violation of any law or in the cancellation of the insurance or increase in the insurance rate on the Common Elements of the Project.

Section 15. Fireworks. No fireworks may be used anywhere within the Project.

ARTICLE III. USE OF COMMON AND LIMITED COMMON ELEMENTS

Section 1. Restrictions on Use. All Common and Limited Common Elements shall be used only for their respective purposes as designated in the Declaration.

Section 2. No Objects to be Placed or Left in the Common Elements; Entry Area. Occupants may not place or leave any items of personal property, including, but not limited to, shoes or slippers, baby carriages, bicycles, toys, surfboards, packages, boxes, or crates, in the Common Elements. The Board may remove any personal articles from the Common Elements without notice and at the Occupants' risk and expense. Notwithstanding the above, reasonable items of personal property, such as shoes, slippers, potted plants and chairs are permitted within the entry areas; provided, however, that such entry area is not used for storage purposes.

Section 3. Parking and Automobiles.

(a) Operation of Vehicles. All vehicles, including, but not limited to, automobiles, motorcycles, mopeds, and bicycles, must be kept within the roadways, driveways, service lanes, and parking areas of the Project.

(b) Speeding. Vehicles shall not be driven at speeds in excess of five (5) miles per hour on any roadway, driveway, parking area or service lane.

(c) Traffic Signs. Drivers shall observe all traffic signs, exercise extreme caution for the safety of pedestrians, and operate their vehicles quietly.

(d) Guest Parking Stalls. Unless otherwise specified, guest parking stalls shall be reserved exclusively for the use of guests of the Units only, and not by any Occupant residing in the Units. No overnight parking shall be allowed in the guest parking stalls, unless prior approval has been obtained from the Managing Agent.

(e) Occupant Parking. Occupants shall park vehicles and trailers (including boat trailers) only in a Unit's assigned garage, unless permission has been obtained for the use of another garage or designated area from the person entitled to use same. In addition, Occupants may also park vehicles in assigned uncovered stalls which may be rented out by the Association to Unit Owners from time to time. If a Unit also has a concrete apron deemed appropriate for parking as described herein, the Occupants may also park vehicles (but excluding boat trailers) within said concrete apron, subject to such reasonable rules and regulations as may be set forth in the House Rules as the Board may adopt from time to time. Except as otherwise provided below in this section, all vehicles parked within the Project shall be parked wholly within the boundaries of the assigned garage or concrete apron, as the case may be. There shall be no parking within the private roadways or within any other non-dedicated thoroughfares except as may be permitted by the Board. In addition, parallel parking on the concrete apron between the asphalt common roadway and the garage door is strictly prohibited. Parking is permitted on the concrete apron provided that (1) the vehicle is parked such that either the front or rear end of the vehicle is facing the garage door; and (2) the vehicle is entirely on the concrete apron and at least one (1) foot from the edge of the asphalt common roadway.

(f) Violations and Enforcement. Notwithstanding any provision herein to the contrary:

(1) Any improperly parked or stored vehicle within the Project may be towed away by the Association at the expense of the owner of such vehicle, and each Owner shall be responsible for the payment of the towage charge for any person using the Project by, through or under such Owner.

(2) Any Occupant who improperly uses any garage, guest parking stall, assigned uncovered parking stall, concrete apron, or parks a vehicle on the Common Elements, may be subject to (i) having a violating vehicle towed away by the Association at the Occupant's expense; and/or (ii) being imposed a fine for each offense in an amount determined by the Board.

Section 4. Enclosed Yard, Fence, and Entry Gate. Each Owner shall at all times maintain and use the enclosed yard (Front or Rear Yard) in such a manner so as not to cause any nuisance, an improper or offensive use in the reasonable opinion of the Board, a threat to health or safety, an unreasonable visual impairment to any Occupant, or an unreasonable interference with or unreasonable annoyance to the peaceful possession or proper use of the Project by any other Occupant. Each Owner shall be responsible for (a) maintaining the landscaping and the irrigation system within the enclosed Front or Rear yard; (b) maintaining any drain lines that may be installed within the Front or Rear Yard; and (c) maintaining and

keeping in good repair the fences and entry gate, if any, all in accordance with the Declaration. In addition, an Owner or Occupant may not install any chicken wire, lattice, or other barrier or fencing against or adjacent to the fence within a Front or Rear Yard that was installed as part of the original construction of a Unit.

(a) Units Adjacent to Golf Course. For those Units that are adjacent to the proposed golf course, it is the initial intent of the Association that the view planes between the Units within a TH-21 townhome building and the adjacent golf course be encouraged wherever possible. The Owner shall maintain the landscaping of the Rear Yard so as not to cause the interruption or interference of any view planes between the Units within a TH-21 townhome building and the golf course. To this end, any landscaping along the open rail fence shall not exceed twenty-four inches (24") in height. All other landscaping within a Rear Yard shall not exceed the height of the surrounding fence. To the extent an Owner desires to install or change the landscaping which may potentially exceed the height limitations, the Owner shall first submit his or her landscaping plans to the Association for its initial approval. Following receipt of the Association approval, such approved landscaping plans shall then be submitted to the Design Review Committee for final approval.

(b) Maintenance of Appearance. The Owner shall maintain the Rear Yard in such a manner as to minimize clutter, trash, or other detrimental appearance when viewed from the golf course or any nearby Unit.

(c) Restrictions on Hard Surfaces. In order to minimize any potential ricochet or other effects of errant golf balls which may be hit into a Rear Yard of a TH21 townhome building, an Owner of a Unit in such building shall be prohibited from installing any additional concrete slab except for (i) a small pad not to exceed 15 square feet and (ii) which pad must not extend beyond the solid fence of the Rear Yard of such Unit.

(d) No Hitting of Golf Balls. With the exception of any putting green which may be installed within the Project or in a Rear Yard of a Unit, no hitting of golf balls within the Project shall be permitted. In addition, no Owner or Occupant may chip, pitch, or otherwise hit golf balls or similar objects from the Rear Yard or any Common Element adjacent to or near the proposed golf course to the golf course or any vacant land nearby.

Section 5. Camping. No camping or use of tents on the Common Elements is allowed at any time, unless otherwise specified by the Association.

Section 6. Trees and Other Landscaping. No Occupant shall disturb, cut, trim, damage or remove any of the trees located in the landscaped areas within any dedicated roadways or parking areas, nor harm, remove, disturb or damage in any way any other plants, shrubs, groundcover or other elements of landscaping on any of the Common Elements of the Project. The landscaping in an Owner's enclosed yard shall be maintained in a manner consistent with its original design. Any modifications or alterations to the landscaping shall be subject to the Design Guidelines.

Section 7. Liability for Damage. Each Owner shall be liable to the Association for all costs and expenses, including attorneys' fees, incurred by or on behalf of the Association to repair, replace or restore any damage to or destruction of the Common or Limited Common Elements or to the property of another, which damage or destruction was contributed to or caused by the Owner or anyone on the premises pursuant to the invitation or authority of such Owner.

Section 8. Trash Disposal. Waste, such as food, must be disposed of through the garbage disposal, whenever possible. Owners or Occupants may not place trash of any kind in the Common Elements except inside trash receptacles provided for such purpose.

Section 9. Washing of Vehicles. All washing of vehicles within the Project shall be done only in areas designated for such purpose and shall comply with all applicable governmental rules, regulations, and ordinances.

Section 10. Safety Considerations. Climbing on any fences, trees, retaining walls, perimeter walls or other structures is prohibited. In addition, no Occupant may enter any portion of the proposed golf course from a Unit or the Project.

Section 11. Bicycles, Skateboards, and other vehicles. Bicycles shall not be ridden on walkways or planted areas. Skateboards are not to be ridden anywhere within the Project. Unlicensed motorized vehicles will not be permitted to be operated within the Project.

Section 12. Lanai/Balcony. Each Owner shall at all times maintain and use the lanai or balcony, if any, in such a manner so as not to cause any nuisance, an improper or offensive use in the reasonable opinion of the Board, a threat to health or safety, an unreasonable visual impairment to any Occupant, or an unreasonable interference with or unreasonable annoyance to the peaceful possession or proper use of the Project by any other Occupant. In addition, no balcony or lanai shall be used, in whole or in part, for the storage of any property or thing that will cause such Unit to appear to be in an unclean or untidy condition or that will be obnoxious to the eye.

Section 13. Antennas. Prior to an Occupant installing any antenna permitted under the Federal Communications Commission's ("FCC") rule (47 C.F.R. Part 1, Subpart S, Sec. 1.400 et seq.), the Owner or Occupant shall submit a Notification Form to the Design Review Committee for confirmation that the proposed installation conforms with any appropriate rules, the applicable Design Guidelines, and any other applicable laws, ordinances, rules, etc. In general, except for Units located within TH11, TH12, or TH21 townhome buildings, a permitted antenna may only be installed within an area where the Unit owner or occupant has the exclusive use and control (i.e. enclosed Rear Yard area of a TH1 or TH2 townhome building). Unless the permitted antenna being installed in a Rear Yard of a Unit of a TH1 or TH2 townhome building is unable to receive acceptable-quality signals, any such antenna should be installed below the fence line of the area and not be visible from the street, neighboring Units, other residential dwellings, or other areas. If the permitted antenna can receive acceptable-quality signals from more than one location that is in the exclusive use and control of a Unit owner or occupant, then the permitted antenna should be installed in the least visible preferred location. For Units within a TH11, TH12, or TH21 townhome building, the permitted antenna should not be installed in the rear yard, front entrance and/or front yard area. Instead, the Association will designate areas within the Common Elements of the Project in which to install a permitted antenna. Only in the event that the permitted antenna is unable to receive acceptable-quality signals from these designated areas will a permitted antenna be allowed to be installed on such rear yard, front entrance and/or front yard area.

Section 14. Solar Energy Devices. No solar energy device may be placed on a Common or Limited Common Element by an Owner without first obtaining the written

consent of the Association, compliance with the rules and regulations applicable to solar energy devices, and the approval of the Design Review Committee. In general, an Owner must fully complete a copy of the Association's solar energy device installation form, hire a contractor licensed in the State of Hawaii to install the solar energy device, obtain a building permit for such installation, and insure that the installation complies with the rules of the Association and the applicable Design Guidelines. In addition to the foregoing, prior to any installation, (a) the Owner's contractor shall confirm in writing that the area on which the solar energy device is to be installed can support the weight of the solar energy device; (b) if a roof warranty for materials or labor exists at the time of the proposed installation of the solar energy device, the Owner shall provide written confirmation from the company which issued the warranty that installing the solar energy device will not void the warranty; and (c) within fourteen (14) days of obtaining the Association approval to the installation, provide the Association with a certificate of insurance from a company admitted to do business in Hawaii, naming the Association as an additional insured on the Owner's insurance policy. The Owner shall consult with the Association's managing agent for copies of the solar energy device installation form, and all applicable rules, regulations, and other requirements.

Section 15. Use of Recreation Area. The recreation area that will be located within The Town Homes at Fairway's Edge development is intended for the use and enjoyment of all Owners and tenants of the Project, including their respective guests. Up to four (4) guests may accompany an Owner or tenant and utilize the recreation area and the related facilities without the prior approval of the Board or its designee(s). Any person using the recreation area agrees to abide by the House Rules and legitimate instructions of staff, if any, as a condition of remaining on the recreation area premises. The following rules and regulations shall apply to the use of the recreation area, including the pool, spa, restroom and related facilities, which rules and regulations may be amended from time to time by the Board:

A. General.

(a) Any person entering the premises does so at his or her own risk to safety and personal property. Any person entering the premises agrees not to hold the Board, the Association, or the developer of the Project for any loss or damage to any personal property brought on the premises, including property stored in any storage area or left on the premises.

(b) Owners will be held financially liable for any Association property that they, their renters or guests damage, misplace, abuse or render unusable, except for damage due to normally anticipated wear and tear. No Association property may be removed from the premises without the prior approval of the Board or its designee(s).

(c) Persons using the recreation area facilities shall not threaten, intimidate, abuse or use any profane language against any other person while on the premises.

(d) Gambling, illicit use of drugs, consumption of alcohol, and smoking are prohibited on the premises.

(e) No motorized vehicle or wheeled device such as scooters, shoes, motorcycles, motorbikes, skateboards, roller-skates, roller blades or bicycles (other than to and from the premise), shall be driven or ridden on the premises. Such motorized vehicles or

wheeled devices such as scooters, motorcycles, motorbikes, and bicycles shall be parked only in areas authorized by the Board. Any activity or use of equipment, which the Board or its designee(s) deems injurious to users of the facilities or damaging to property, is prohibited. Notwithstanding any other provision herein, this rule shall not prohibit persons with disabilities from using a motorized vehicle or wheeled device on the premises as reasonably necessary for the use and enjoyment of the premises.

(f) Commercial activity and soliciting on the recreation area premises is prohibited unless prior written approval has been obtained from the Board.

(g) Radios and other sound equipment are permitted on the premises provided the volume is controlled and not a nuisance to other Occupants as determined by the Board or its designee(s).

(h) Specific areas of the facilities may be closed for maintenance or repairs and the Board or its designee(s) will endeavor to provide pre-notice where practicable.

(i) The Board or its designee(s) may waive any part of these rules for any supervised class or activity, provided that all Occupants are treated in a fair and equitable manner.

B. Swimming Pool and Spa.

(a) Swimming is permitted during the hours of 9:00 a.m. to 9:00 p.m. Sunday through Thursday and from 9:00 a.m. to 10 p.m. Friday and Saturday.

(b) There is no lifeguard on duty at the pool. Any person using or entering into the swimming pool or spa does so at his own risk. The Association will not be responsible for any injury or loss of property.

(c) Complete showering is REQUIRED before entering the pool or spa.

(d) There are no specific age restrictions upon children's unsupervised use of the pool and spa area. However, parents and guardians are responsible for the safety and conduct of their children and are expected to utilize reasonable judgment in ensuring that such children are adequately and safely supervised at all times while on the recreation area premises.

(e) No food or any glass beverage containers are permitted in or around the pool and spa.

(f) Swimming is not allowed in other than proper swimming apparel. Hairpins, bobby pins, and hair rollers, etc., can clog and mar the pool and must be removed before swimming.

(g) All ointment and sand must be removed from body and attire before entering the pool or spa.

(h) Occupants may not bring or allow any pet on the premises; provided, however, handicapped persons who depend upon a certified guide dog, signal dog, or other animal for assistance may be permitted to bring such animal onto the premises; provided

further that no such animal shall be allowed in the swimming pool or spa, nor shall such animal cause a nuisance or create unreasonable disturbances.

(i) Persons wearing bandages or who have open wounds are prohibited from using the swimming pool or spa.

(j) No running, rough-housing, pushing, shoving, or unreasonable noise is allowed in the pool or spa area or other areas of the recreation area.

(k) No "bombing", back dives, somersaults and twists into the pool is allowed. No jumping into the pool from any part of the walls or railings surrounding the pool is allowed.

(l) Spitting, spouting of water, blowing the nose, and urinating are unsanitary and therefore are NOT allowed in the swimming pool or spa. The Board or its designee(s) reserve the right to use its discretion in prohibiting any act or conduct by any person that may be potentially harmful to themselves, others or property.

(m) Any person using the pool or spa who is incontinent, i.e., unable to retain a bodily discharge voluntarily, must wear snug plastic or rubber waterproof pants with elastic bands around legs and waist. Disposable diapers alone are not permissible without such covering.

(n) After using the pool or spa, bathers must dry off thoroughly before walking through the recreation area.

(o) Towels, mats, caps, trash and other personal belongings shall be removed from the area when the person leaves.

(p) The lifesaving and cleaning equipment is strictly for those purposes and SHALL NOT be used as play items by anyone in the pool or spa area.

(q) The Board or its designees is authorized to eject any violator of the above swimming pool rules from the pool area. Suspension of pool privileges may be initiated against repeat offenders by the Board.

ARTICLE IV. MISCELLANEOUS

Section 1. Repairs and Maintenance.

(a) Duty to Repair and Maintain. Owners must promptly perform all repair and maintenance work within the Units if failure to do so would adversely affect the Common Elements or other Units. Owners will be responsible for any and all loss and damage caused by failure to make necessary repairs and maintenance. Owners shall not have any obligation to repair or maintain the Common Elements. Without limiting the generality of the foregoing, the unfinished floor of the second floor balconies located within TH21 townhome buildings is a Common Element of the Project. Such unfinished floor includes an elastomeric coating installed on the floor of the second floor balcony to provide a water tight membrane that is intended to prevent water from seeping into a townhome Unit. In order to protect the integrity of the membrane, an Owner shall not alter, remove, or otherwise attempt to

modify the elastomeric coating, nor paint or affix/install any floor covering (i.e. tile, carpeting) or other surfacing materials onto the floor of the second floor balcony.

(b) Unit Repairs at Owners' Expense. Owners will be responsible for all repairs of internal installations within the Units, such as plumbing and electrical fixtures, appliances, telephones, doors, lamps, and other fixtures and accessories belonging to the Units, including the walls and floor coverings of the Units.

Section 2. Association Disclaimer of Liability. All persons using the premises do so at their own risk and must at all times use caution in so doing. The Association, its officers, directors, agents and employees shall not be liable in any manner whatsoever for loss of or damage to any personal property of, injury to, or death of, any person whether such loss, damage, injury, or death occurs in a Unit or in the Common or Limited Common Elements.

Section 3. Deliveries. The Association, its officers, directors, employees, and agents shall not be liable for loss of or damage to packages or other deliveries or for any article or for any personal property of an Occupant placed, left at, outside of, or about the Units, the Common Elements, or the Limited Common Elements.

Section 4. Loss of Personal Property. The Association shall not be responsible or liable for the theft, disappearance, or damage to any personal property located in the Common Elements, the Limited Common Elements, or any area of the Units or buildings.

Section 5. Appointment of Local Agent. If an Owner's primary residence is outside the State of Hawaii, or if the Owner is absent from the Unit for more than thirty (30) days, the Owner must designate a local agent to represent the Owner's interest. Non-resident Owners must file with the Board their out-of-town address and telephone number, and the address and telephone number of their local agent.

Section 6. Registration of Occupants. Owners, their tenants or lessees, and other occupants who occupy any Unit for a period of seven (7) calendar days or longer, must file their name, address and phone number and signature with the Board upon purchasing and/or taking occupancy of the Unit, and must furnish the Board with any other reasonable information as requested from time to time.

Section 7. Maintenance Employees of the Association. Maintenance employees of the Association are under the sole direction of the Board. During prescribed hours of work they may not be diverted to the private business or employment of any Occupant. Occupants may not ask maintenance employees to leave the Common Elements.

Section 8. Compliance with Laws; Fairway's Edge Documents. Occupants must observe all laws, ordinances, rules and regulations existing now or in the future of any governmental authority and shall at all times comply with the provisions of the Fairway's Edge Documents.

Section 9. Copies of House Rules. Copies of the House Rules shall be provided to an Owner upon such Owner's request, provided that such Owner pay a reasonable fee for duplicating, postage, stationery, and other administrative costs associated with handling the request.

Section 10. Lockouts. The Association is not responsible for lockouts or for providing the Unit Owners with any extra sets of keys for their Units.

ARTICLE V. VIOLATION AND ENFORCEMENT OF THESE RULES

Section 1. Reporting Violations and Damages.

(a) Reporting of Violations. The Board shall take all corrective actions regarding violations of these House Rules and damages to the Common Elements. Residents should promptly report to the Board any violations of the House Rules.

(b) Damages to Common Elements. The Board shall survey damages to Common Elements and determine the repair or replacement costs, and all such costs, including legal fees, may be assessed by the Board against the person or persons responsible, including Owners.

Section 2. Right of Entry in Favor of Association; Failure to Maintain. Each Owner shall permit the Board and its designees at all reasonable times to enter upon and examine the state of repair and condition of any portion of its Unit and/or Limited Common Element. If any nonconformance or violation with the Declaration, Bylaws or the House Rules comes to the Board's attention as a result of such inspection, the Board may give notice of such nonconformance or violation to such Owner. Within sixty (60) days after such notice, the Owner shall remedy the nonconformance. If the correction may be made within a reasonable time but cannot be reasonably be made within sixty (60) days, the Owner will not be in default under this Section if the correction is begun within the sixty (60) day period and is thereafter continuously and diligently undertaken to completion by the Owner. If the Owner refuses or neglects to commence and complete the correction in time, the Board may make such repairs or cause the same to be made at the Owner's expense and subject to the Owner's obligation of reimbursement to the Association. In such a case, the Board and the Association shall not be responsible to the Owner or to any persons claiming by or through the Owner for any loss or damage that may be caused to its or their property or business, other than such loss or damage which arises out of the gross negligence or willful misconduct of the Association or any Board member.

Section 3. Costs of Enforcement. All costs of enforcing the above provisions, including reasonable attorneys' fees, incurred by or on behalf of the Association, shall be promptly reimbursed by the Unit Owner and/or Occupant in violation of the above Declaration, Bylaws and/or House Rules.

Section 4. Monetary Fines. The Board of Directors may impose reasonable monetary fines upon any Owner, Occupant or other person who fails to rectify a Declaration, Bylaws, or House Rule violation within a reasonable time after receiving notice of such violation.

Section 5. Penalties. In addition to or in lieu of monetary fines, the Board of Directors may impose reasonable penalties, including but not limited to the removal of privileges.

ARTICLE VI. AMENDMENTS

These House Rules may be amended upon the majority vote of the Board at a duly called meeting of the Board.