

IMPORTANT - - Read This Developer Prepared Report Before Buying

This Report Is Not a Commission Approval or Disapproval of This Condominium Project

AMENDED
DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME	MAHAKEA
Project Address	55-133, 55-135, 55-137, and 55-137A Kamehameha Highway Laie, Hawaii 96762
Registration Number	7000
Effective Date of Report	December 20, 2018
Developer(s)	DTE LLC, a Hawaii limited liability company, and JERRY LYNCH, Trustee

Preparation of this Report

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

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

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

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

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

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

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

Special Attention - - Significant Matters

[Use this page for special or significant matters which should be brought to the purchaser's attention. At minimum "Subject Headings" and page numbers where the subject is explained more may be used.]

The developer's inclusion of a disclosure or an explanation of any or all of the following applicable significant matters in this part of the developer's public report shall not be construed to constitute the Commission's:

- **Approval or disapproval of the project;**
- **Representation that the developer has fully or adequately disclosed either all material facts or all pertinent changes, or both, concerning the project;**
- **Representation that the developer's disclosures of other material facts elsewhere in this report is less important; or**
- **Judgment of the value or merits of the project.**

The commission reserves the right to request that the developer include these special and significant matters elsewhere in the developer's public report.

This is a condominium project, not a subdivision, and the project does not involve the sale of individual subdivided lots. The land area beneath and immediately appurtenant to each unit is designated a limited common element and is not a legally subdivided lot. The dashed lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

Facilities and improvements normally associated with county approved subdivisions may not necessarily be provided for and services such as county street maintenance and trash collection may not be available for interior roads.

This public report does not constitute approval of the Project by the Real Estate Commission, or any other government agency, nor does it ensure that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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General Information On Condominiums

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

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

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

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

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

Operation of the Condominium Project

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

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

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

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	
Address of Project	55-133, 55-135, 55-137, and 55-137A Kamehameha Highway, Laie, HI 96762
Address of Project is expected to change because	No change
Tax Map Key (TMK)	(1) 5-5-001-014
Tax Map Key is expected to change because	Each unit will be assigned a new Tax Map Key Number
Land Area	77,198 square feet
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	

1.2 Buildings and Other Improvements

Number of Buildings	4
Floors Per Building	Unit 1: 1; Units 2-4: 2
Number of New Building(s)	3
Number of Converted Building(s)	1
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Wood, glass and allied materials

1.3 Unit Types and Sizes of Units

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

4	Total Number of Units
---	------------------------------

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

1.4 Parking Stalls

Total Parking Stall in the Project:	8
Number of Guest Stalls in the Project:	0
Number of Parking Stalls Assigned to Each Unit:	2
Attach Exhibit _____ 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.	

1.5 Boundaries of the Units

Boundaries of the unit: See Exhibit B
--

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 C
--

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 _____.
As follows: Unit 1 – 43% Unit 2 – 14% Unit 3 – 14% Unit 4 – 29%

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

<input type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input type="checkbox"/>	Recreation Area
<input 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

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

Described in Exhibit D .

Described as follows:

Common Element	Number
Elevators	0
Stairways	0
Trash Chutes	0

1.10 Limited Common Elements

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

Described in Exhibit E .

Described as follows:

1.11 Special Use Restrictions

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

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

1.12 Encumbrances Against Title

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

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

Date of the title report: August 27 and October 18, 2018

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

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning				
	Type of Use	No. of Units	Use Permitted by Zoning	Zoning
<input checked="" type="checkbox"/>	Residential	4	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	R-5
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Hotel		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Ohana		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Industrial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Agricultural		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Other (Specify):		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Variances to zoning code have been granted.			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Describe any variances that have been granted to zoning code				

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 type="checkbox"/>	<input checked="" 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>Unit 1 has the benefit of a Nonconforming Use Certificate for a transient vacation unit and is serviced by a nonconforming unpaved driveway. If Unit 1 is damaged or destroyed, the dwelling may be rebuilt (in which case the driveway must be paved), but the dwelling may not be used as a transient vacation unit. Also see Exhibit M.</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 checked="" type="checkbox"/> Applicable</p> <p><input type="checkbox"/> Not Applicable</p>
<p>Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units:</p> <p>Subject to normal wear and tear commensurate with its age, Unit 1 appears to be in fair to good structural condition consistent with its age; Subject to normal wear and tear, the electrical and plumbing systems are operable and in fair working order. Also see Exhibit N.</p>	
<p>Developer's statement of the expected useful life of each item reported above:</p> <p>No statement is made.</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations:</p>	
<p>Estimated cost of curing any violations described above:</p>	
<p>Verified Statement from a County Official</p> <p>Regarding any converted structures in the project, attached as Exhibit <u> H </u> is a verified statement signed by an appropriate county official which states that either:</p> <p>(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:</p> <ul style="list-style-type: none"> (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal non-conforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance; <p style="text-align: center;">or</p> <p>(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.</p>	
<p>Other disclosures and information:</p>	

1.16 Project In Agricultural District

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

1.17 Project with Assisted Living Facility

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

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer(s)	Name: DTE LLC, a Hawaii limited liability company, and JERRY LYNCH, Trustee Business Address: 2937 Kalakaua Ave. #39 Honolulu, HI 96815 Business Phone Number : (808) 735-3066 E-mail Address: don@eovino.net
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).	Donald T. Eovino, Sole Member-Manager of DTE LLC
2.2 Real Estate Broker	Name: None selected, see page 19 Business Address: Business Phone Number: E-mail Address:
2.3 Escrow Depository	Name: Title Guaranty Escrow Services, Inc. Business Address: 235 Queen Street, 1st Floor Honolulu, HI 96813 Business Phone Number: (808) 521-0211
2.4 General Contractor	Name: Homeworks Construction, Inc. Business Address: 2111 S. Beretania Street Honolulu, HI 96826 Business Phone Number: (808) 955-2777
2.5 Condominium Managing Agent	Name: Self-managed by the association Business Address: Business Phone Number:
2.6 Attorney for Developer	Name: Jeffrey S. Grad Business Address: 841 Bishop Street, Suite 1800 Honolulu, HI 96813 Business Phone Number: (808) 521-4757

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

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

3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	August 14, 2018	A-68000744 (2nd Restatement)

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	June 2, 2010	3972582

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	July 20, 2012	A-45900712
Bureau of Conveyances	April 7, 2016	A-60470695

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	2057
Bureau of Conveyances Map Number	
Dates of Recordation of Amendments to the Condominium Map: August 14, 2018 (2nd Restatement)	

3.4 House Rules

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

The House Rules for this project:

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

3.5 Changes to the Condominium Documents

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

Document	Minimum Set by Law	This Condominium
Declaration	67%	80%
Bylaws	67%	67%

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

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

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

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

The initial Condominium Managing Agent for this project is (check one):	
<input type="checkbox"/>	Not affiliated with the Developer
<input checked="" type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit K contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.

4.3 Utility Charges to be Included in the Maintenance Fee

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

4.4 Utilities to be Separately Billed to Unit Owner

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

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u>I</u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: December 4, 2018 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit <u>J</u> contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other:

5.2 Sales to Owner-Occupants

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

<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 blanket liens</u> affecting title to the individual units.
<input checked="" type="checkbox"/>	There are <u>blanket liens</u> that may affect title to the individual units.

<u>Type of Lien</u>	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	If Developer defaults or a lien is foreclosed prior to conveyance, Developer shall refund Purchaser's deposits and Purchaser will have no further interest in the Project.

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:

<p>Building and Other Improvements: See Exhibit I</p>
<p>Appliances: See Exhibit I</p>

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

<p>Status of Construction: Unit 1 was constructed in 1937. Unit 2 was constructed in 2017. Unit 3 is expected to be constructed by 2020. Unit 4 is expected to be constructed by 2022.</p>
<p>Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.</p>
<p>Completion Deadline for any unit not yet constructed, as set forth in the sales contract: Unit 3: December 31, 2020 Unit 4: December 31, 2022</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:</p>

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

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

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

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

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

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

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

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

5.7 Rights Under the Sales Contract

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

1. **DISCLOSURE RE: NON SELECTION OF REAL ESTATE BROKER.** As of the effective date of this Developer's Public Report, the Developer has not executed a listing agreement for the sale of a unit. If the Developer executes a listing agreement for the sale of a unit, the Developer shall amend this Developer's Public Report to reflect the new information and deliver this Report and the Amendment to any prospective purchaser. The conditions for a binding sales contract are listed on pages 17-18 paragraph 5.8.1.

2. **HAZARDOUS MATERIALS.** The Developer neither prepared nor commissioned a Phase 1 Environmental Site Assessment and makes no representations or warranties whatsoever. The Developer has made no independent investigation as to asbestos or other hazardous substances in the units or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws. Buyer acknowledges that in light of the age of the Project, there may be asbestos and other hazardous substances in the Units, or in, under or around the Project. Because of the possible presence of such substances, Buyer should have the Unit inspected to determine the extent (if any) of such contamination and any necessary remedial action. The Developer will not correct any defects in the Units or in the Project or anything installed or contained therein and Buyer expressly releases the Developer from any liability to Buyer if any hazardous materials are discovered.

3. **LEAD WARNING STATEMENT.** Pursuant to federal law, 42, U.S.C 4852(d), the Residential Lead-Based Paint Reduction Act, "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase."

4. **WATER WELL.** The Project includes as a common element a water well that is located on a portion of the land appurtenant to Unit 4. The purpose of the well is to provide Unit Owners with non-potable water to irrigate landscaping that may be located on a Dwelling Area appurtenant to an Owner's Unit.

5. **PRIVATE SEWER SYSTEM.** The Project is not serviced by public sewer. Each Unit is or will be serviced by a private septic system. The rules relating to private septic systems are administered by the State of Hawaii Department of Health.

6. **DEVELOPER'S CONTROL PERIOD.** The Project documents grant to the Developer the right to control the Association of Unit Owners and to appoint officers and members of the Association during the "Declarant's Control Period." Unless the right is surrendered earlier by the Developer, such right continues until the earlier of sixty days following the sale of 75% of the total common interest appurtenant to the Units or two years after the Developer ceases to offer the Units for sale in the ordinary course of its business.

7. RESERVED RIGHTS. The Declaration of Condominium Property Regime creates or reserves rights relating to the Project for the benefit of the Developer or certain (but not all) Unit Owners. The Declaration gives such benefitted parties the right to take certain actions without the consent or joinder of other Unit Owners or other persons.

8. CCRs. The Project is also subject to a certain Declaration of Covenants, Conditions and Restrictions for Mahakea, as amended and restated ("CCRs"). These are in addition to the Declaration of Condominium Property Regime and other Project documents. The Developer and Unit Owners must comply with the CCRs, so prospective buyers of a Unit should review the CCRs carefully. The CCRs impose use and site development restrictions, architectural and landscaping controls, and design restrictions and guidelines. The CCRs also require Developer's prior approval for all initial landscaping and construction of improvements. A summary of the CCRs appears as Exhibit L. However, because the CCRs will impact what an owner can build, any prospective buyer should review the CCRs carefully, rather than rely solely on the summary.

9. STREAM. Dwelling Area 4 is bordered in part by an existing stream. Structures are not permitted within setbacks from the stream. The Owner of Unit 4 will be responsible for any maintenance and clean up with respect to the portion of the stream bordering Dwelling Area 4. Although risks relating to the stream are considered by Developer to be minimal, a buyer's obligation to buy Unit 4 will be subject to Buyer's review and approval of such risk.

10. AMENDMENTS TO PROJECT DOCUMENTS. The Declaration of Condominium Property Regime may be amended with the consent of Owners of Units to which are appurtenant 80% of the common interest. This contrasts with the Bylaws of the Association of Unit Owners, which may be amended with the consent of Owners of Units to which are appurtenant 67% of the common interest.

11. MAILBOXES. The Declaration reserves to the Developer the right to determine the location of the mailboxes at the Project – each of which is a limited common element of a Unit.

12. LIMITATION ON NUMBER OF DWELLING UNITS WITHIN CERTAIN DWELLING AREAS. The Project and an adjoining parcel of land are subject to that certain Declaration of Covenants, Conditions, and Restrictions (referred to in Exhibit G hereto) that limit to nine (9) the total number of dwelling units that may be constructed on the Project land and the adjoining parcel of land. Of the nine (9) dwelling units, seven (7) dwelling units are permitted within the Project and two (2) dwelling units are allowed on the adjoining parcel of land.

Of the seven (7) permissible dwelling units in the Project, Section 9.2 of the Declaration of Condominium Property Regime allocates them as follows: three (3) dwelling units may be built or located on Dwelling Area 1; one (1) dwelling unit may be built or located on each of Dwelling Area 2 and Dwelling Area 3; and two (2) dwelling units may be built or located on Dwelling Area 4.

Additionally, Section 9.2 of the Declaration of Condominium Property Regime provides that a Unit Owner may be required to pay a park dedication fee or other charge imposed by the City and County for the issuance of a building permit for the Owner's dwelling unit. As of the date hereof, and as set forth in that certain Declaration of Restrictive Covenants (referred to in Exhibit G hereto), the Developer has previously paid a park dedication fee for one (1) dwelling unit on each of Dwelling Area 1, Dwelling Area 2, Dwelling Area 3, and Dwelling Area 4. Thus, for example, if the owner of Unit 4 were to construct a second dwelling unit on Dwelling Area 4, such unit owner may be required to pay a park dedication fee

should the City and County impose an additional park dedication fee as a condition to issuing the building permit.

13. PRIVATE SEPTIC SYSTEMS. The Project is not serviced by public sewer, so the Units will be required to have private septic systems. As of the date hereof, the Project contains three (3) private septic systems, each of which services or will service Unit 1, Unit 2, and Unit 3. With respect to Unit 4, the Developer will install a private septic system to service the dwellings to be located on Dwelling Area 4. The dwellings located on Dwelling Area 4 will share the use of such system and will be responsible for the maintenance of the system.

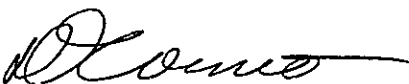
The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located,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

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

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

DTE LLC, a Hawaii limited liability company, and JERRY LYNCH

Printed Name of Developer

By:  December 14, 2018
Duly Authorized Signatory* Date

DONALD T. EOVIINO, Member

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.**

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

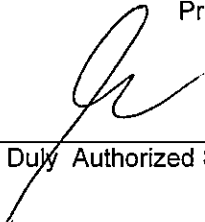
For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified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

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

DTE LLC, a Hawaii limited liability company, and JERRY LYNCH

Printed Name of Developer

By:



Duly Authorized Signatory*

December 14, 2018
Date

JERRY LYNCH

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

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***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
Unit Types and Sizes of Units

Section 3.7 of the Declaration, as amended and restated, states:

3.7 **Description of the Units.** (a) Unit 1 was constructed in 1937. The Unit contains five (5) bedrooms and four (4) bathrooms, kitchen, great room, and covered lanai. The total net living area of the Unit is approximately 2,274 square feet. The approximate areas of the other portions of the Unit include the covered lanai of 192 square feet.

(b) Unit 2 was constructed in 2017. The Unit contains four (4) bedrooms and three and one-half (3.5) bathrooms, kitchen, dining room, living room, mud room, two (2) outdoor shower areas, lanais, covered entry, and garage (including storage). The total net living area of the Unit is approximately 2,513 square feet. The approximate areas of the other portions of the Unit include the lanais of 263 square feet, covered entry of 37 square feet, covered lanai of 145 square feet, and garage (including storage) of 518 square feet.

(c) Unit 3 is expected to be constructed by 2020. The Unit will contain four (4) bedrooms and three and one-half (3.5) bathrooms, kitchen, dining room, living room, mud room, two (2) outdoor shower areas, lanais, covered entry, and garage (including storage). The total net living area of the Unit will be approximately 2,526 square feet. The approximate areas of the other portions of the Unit will include the lanais of 263 square feet, covered entry of 37 square feet, and garage (including storage) of 518 square feet.

(d) Unit 4 is expected to be constructed by 2022. The Unit will contain three (3) bedrooms and three and one-half (3.5) bathrooms, kitchen, family room, living room, rec room, lanais, covered entry, and garage (including storage). The total net living area of the Unit will be approximately 2,859 square feet. The approximate areas of the other portions of the Unit will include the lanais of 764 square feet, covered entry of 37 square feet, and garage (including storage) of 540 square feet.

END OF EXHIBIT A

EXHIBIT B
Boundaries of the Units

Section 3.10 of the Declaration, as amended and restated, states:

3.10 **Designation and Boundaries of Units.** (a) One freehold estate is designated in each of the four (4) Units within the Project.

(b) Each Unit consists or will consist of (1) all footings, floors, foundations, perimeter walls and roofs of the building and all other improvements now or hereafter located upon the Dwelling Area appurtenant to the Unit; (2) all of the space, fixtures, walls and other improvements located within such footings, floors, foundations, perimeter walls and roofs; (3) all exterior surfaces and finishes of such footings, floors, foundations, perimeter walls and roofs; (4) all decks, lanais, porches, steps, stairs or other improvements physically attached to any such building which is for the exclusive use of such Unit; and (5) all portions of any carport or garage now or hereafter attached to any building or located on the Dwelling Area appurtenant to the Unit and which is for the exclusive use of the Owner of such Unit. A Unit, however, does not include any pipes, wires, ducts, conduits, or other utility or service lines running through a Unit (or limited common element appurtenant to the Unit) which are utilized by or which serve any other Unit.

(c) The foregoing, as initially established or as changed pursuant to Article 19 or other provision in the Declaration, is referred to as a "Unit."

(d) Should the descriptions and divisions set forth in the Declaration conflict with the depictions and divisions shown on the Condominium Map, the Condominium Map shall control. The Condominium Map, however, is intended to show only the layout, location, Unit numbers and dimensions of the Units and elevations of the buildings and is not intended to contain or make any other representation or warranty.

(e) The approximate net living floor areas set forth in the Declaration or on the Condominium Map are based on measurements taken from the interior surface of all perimeter walls.

END OF EXHIBIT B

EXHIBIT C
Permitted Alterations to the Units

Article 19 of the Declaration, as amended and restated, states:

19.1 **Definitions of Terms Used in this Article.** Unless the use or context would clearly indicate to the contrary, the terms below are defined as follows:

(a) **“Applicable Laws”** means all federal, state and local laws, statutes, ordinances, codes, rules, regulations, standards, conditions of approval and all legislative, administrative or judicial orders, decrees, requirements, rulings or judgments, which now or in the future may be applicable to the Project or any Unit or to any possession, development, improvement, operation, occupancy, use, enjoyment and other activities relating to the Project.

(b) **“Governmental Entity”** means any governmental or quasi-governmental entity, including but not limited to any department, board, commission, authority, agency, deliberative body or other component or subdivision thereof, now or hereafter constituted with jurisdiction, oversight, policy making, regulatory or implementing authority under or with respect to Applicable Laws.

(c) **“Applicable Declarations and Covenants”** means all recorded agreements and written instruments that now or in the future may be applicable to the possession, development, improvement, operation, occupancy, use, enjoyment and other activities relating to the Project (or any Unit), except that such shall not mean a mortgage or other instrument securing the payment or performance of a loan or other financial obligation.

(d) **“Development Standards”** means the standards contained in the CCRs, including the Project Guidelines attached thereto.

(e) **“Declarant’s Approval Period”** means the time period commencing upon the date this instrument is recorded in the Recording Office and terminating when Declarant (or their successor by assignment) no longer owns any interest in any of the Units.

19.2 **Structural Changes to Units.** Notwithstanding anything to the contrary contained in the Declaration, a Unit Owner may subject to the conditions of this Section 19.2 , at any time and from time to time, in the Owner’s sole discretion and without the consent of any other Unit Owner, the Association, the Board or other person or entity, (a) improve, renovate, remodel, make additions to, enlarge, remove, replace or restore any structures or other improvements now or hereafter constituting the Owner’s Unit or that are located on the Dwelling Area appurtenant to the Owner’s Unit, or (b) make or build structures and other improvements upon the Dwelling Area appurtenant to the Owner’s Unit. Each of the foregoing is herein referred to as a **“Structural Change”**, and collectively referred to as **“Structural Changes”**.

Structural Changes permitted under this Paragraph are subject to the following conditions:

- (1) All Structural Changes shall conform to Applicable Laws, including the LUO, Applicable Declarations and Covenants, Article 9 of the Declaration and the Development Standards;

- (2) All Structural Changes shall be made within the Dwelling Area to which the Unit is appurtenant, provided that structures shall not be constructed, placed or erected within the setback areas provided for in the CCRs or the Development Standards;
- (3) If obtaining a building permit for construction of a structure (including a dwelling unit) is permitted only upon payment to the City or other governmental agency of a park dedication fee or other fee or upon the making of improvements to the Project, then the Unit Owner seeking such permit shall be responsible for payment of such fee or making such required improvements.
- (4) No Structural Change shall be permitted if the effect of such Change would be to exceed the Unit's proportionate share of development rights to which the Land is entitled under the LUO. In making such determination of development rights, each Lot shall be treated separately. ("**Development rights**" shall include, without limitation, maximum percentage of building area allowed on such Lot and the maximum number of dwelling units on such Lot, as prescribed in the LUO when the change is to be made). "**Proportionate share**" refers to a fraction having as its numerator the net buildable area within such Lot of the Dwelling Area appurtenant to the Unit being affected by the change, and the denominator being the net buildable area within such Lot of all of the Dwelling Areas within such Lot. "**Net buildable area**" refers to the area of the Dwelling Area reduced for any right-of-way for ingress and egress in favor of others, and easements for open drainage systems;
- (5) All Structural Changes shall be paid for by the Owner making the Change and, once begun, any construction in connection with the Change shall be diligently completed in a manner that will not materially interfere (except on a non-permanent basis while such Change is being made) with the use or enjoyment by another Owner of his Unit or its appurtenant Dwelling Area;
- (6) During the course of any construction, the Unit Owner making a Structural Change shall cause to be maintained at his expense builder's all-risk insurance in an amount not less than the estimated cost of construction. The Association shall be named as an additional insured under the insurance policy, and if requested by the Association, evidence of such insurance shall be deposited by the Unit Owner making the Change with the Association;
- (7) The Unit Owner making a Structural Change may utilize, relocate and realign existing and/or develop additional, central and appurtenant installations for services to the Unit affected by the Change for electricity, sewer and other utilities and services and when applicable, may add, delete, relocate, realign, designate and grant easement and rights-of-way over, under and on the common elements as necessary or desirable; provided that such shall not cause any interruption in the service of such utilities to any other part of the Project or otherwise materially interfere with their use by another Unit Owner;
- (8) If required under any mortgage affecting the Unit of the Owner making a Structural Change, then the consent of the holder of any such mortgage shall be obtained, provided, that the failure to obtain such consent shall not affect the validity of such Change;
- (9) Upon completion of any Structural Change, the Unit Owner making the Change shall, without the consent of any other Unit Owner, the Association, the Board or other person or entity, prepare, sign and record in the Recording Office an amendment to the Declaration and

Condominium Map, which shall include without limitation (A) a description of the Unit as so altered and (B) a complete set of the floor plans and elevation drawings of the Unit as so altered and certified to "as built" by a licensed architect or engineer. After the amendment is recorded, the Unit Owners making the Change shall deliver to the Board a true and accurate copy of the recorded amendment.

19.3 Changes in Boundaries of Dwelling Areas. (a) The Owners of Units to which are appurtenant contiguous Dwelling Areas ("**Affected Unit Owners**") may from time to time change the boundaries between such contiguous Dwelling Areas and may re-allocate portions of the Dwelling Areas between or among the Units affected by the change.

(b) To effectuate such change in boundaries, the Affected Unit Owners shall, without the consent of any other Unit Owner, the Association, the Board or other person or entity, prepare, sign and record in the Recording Office an amendment to the Declaration and Condominium Map, which shall include without limitation (1) a description of the resulting Dwelling Areas appurtenant to each of the Units, (2) a revised site map portion of the Condominium Map depicting the resulting Dwelling Areas, and (3) such other information as the affected Unit Owners deem necessary or appropriate to effectuate the change in boundaries of the Dwelling Areas. After the amendment is recorded, the Affected Unit Owners shall deliver to the Board a true and accurate copy of the recorded amendment.

19.4 Reserved Rights to Divide Units. (a) Notwithstanding anything to the contrary, a Unit Owner shall have the right in such owner's sole discretion and without the consent of any Interested Third Party, to divide his Unit ("**Original Unit**") into that number of Units equal to that number of dwelling units allocated to such Owner's Unit pursuant to Section 9.2 above (referred to as "**Resulting Units**") and thereby increase the number of Units in the Project.

(b) To effectuate the division of an Original Unit into the Resulting Units, the Owner of the Original Unit being divided shall sign and record in the Recording Office (without the necessity of the consent or joinder of any Interested Third Party) and shall deliver to the Board a copy of the amendment to the Declaration and the Condominium Map. Such amendment shall contain:

- (1) A description of the layout, location, dimensions and number of each of the Resulting Units;
- (2) A description of the limited common element(s) appurtenant to each of the Resulting Units (each such limited common element being a portion of the limited common element previously appurtenant to the Original Unit being divided);
- (3) The percentage of the common interest appurtenant to each Resulting Unit (each being a portion of the percentage of the common interest previously appurtenant to the Original Unit);
- (4) Such other information as the Owner of the Original Unit being divided deems necessary or appropriate to effectuate the division of the Original Unit.

(c) Each Resulting Unit may use the common elements in the Project (exclusive of limited common elements appurtenant to other Units) to the same extent and subject to the same limitations as are imposed upon a Unit as though the Resulting Unit had been developed as part of the original Project.

19.5 **Changes to Common Elements (Exclusive of Limited Common Elements).** Except as to Structural Changes permitted under the preceding sections of Article 19, changes to the Project different in any material respect may be undertaken by the Association only pursuant to an amendment to the Declaration and Condominium Map, if applicable, signed by or pursuant to vote of all the Unit Owners and accompanied by the written consent of the holders of all mortgages or liens affecting any of the Units (if required under any such mortgage or lien), and in accordance with complete plans and specifications therefor first approved in writing by the Board, and promptly upon completion of such change, the Association shall file such amendment in the Recording Office, together with a complete set of the floor plans of the Project as so altered and certified to "as built" by a licensed architect or engineer, if applicable.

19.6 **General Provisions applicable to Article 19.** The following provisions apply to each of the preceding sections of Article 19 unless the context and usage would clearly indicate to the contrary:

(a) Certain sections within Article 19 create or reserve rights and benefits for the Declarant or for a Unit Owner. Each of those sections may not be amended without the consent of the benefitted Unit Owner or Declarant (both of which are referred to in this section as a "**Benefitted Owner**");

(b) Under certain sections within Article 19, the Benefitted Owner may proceed without being required to obtain the consent or joinder of any person, including any other Unit Owner or any lien holder, or any other person who may have any interest in the Project or the Land. The Benefitted Parties may (1) execute and deliver (on behalf of all of the Unit Owners and their respective mortgagees, if necessary) applications, petitions, agreements and other instruments which such Benefitted Owner deems necessary or desirable (including without limitation, documents to be filed or recorded with Governmental Agencies, public utility companies or private parties); (2) deliver documents and to take such actions in connection with the foregoing as may be in the discretion of the Benefitted Owner, and delivery of such instrument or the taking of such action is sufficient determination; and (3) amend the Declaration and the Condominium Map to reflect exercise of the rights of a Benefitted Owner under such section of Article 19.

(c) If notwithstanding that a section in this Article 19 does not require the consent or joinder or the taking of other action of a Unit Owner, mortgage or lien holder or any other person having any interest in the Project (collectively, "**Interested Parties**," and singly "**Interested Party**") to the action or change by the Benefitted Owner, but the Act, Applicable Laws, a Governmental Entity, an escrow or title company, permitting entities or public utility providers nonetheless do require the consent or joinder or the taking of action by an Interested Party, then upon the request of the Benefitted Owner, each such Interested Party consents in advance to such action or change being made by the Benefitted Owner and agrees to consent to and join in, as aforesaid, and to sign all instruments or documents necessary or desirable so that the Benefitted Owner may effectuate the change or otherwise do as permitted under the applicable section within Article 19.

(d) If an Interested Party fails to provide such requested written joinder, consent, or take such action, as the case may be, within ten (10) days after request is made by the Benefitted Owner, the Benefitted Owner may sign, deliver or take such action on behalf of such Interested Party. Such shall be accomplished by signature of the Benefitted Owner acting under an irrevocable power-of-attorney in favor of Benefitted Owner from such Interested Party. The acquiring or acceptance of

ownership in a Unit or of a mortgage or other lien covering a Unit or of any other interest in the Project or Unit shall be deemed the delivery of a grant of such power of attorney in favor of the Benefitted Owner. Such grant is considered as being coupled with an interest and shall be irrevocable. All costs associated with obtaining the joinder or consent shall be paid for by the Benefitted Owner, unless the costs are incurred because of an Interested Party's failure to provide its joinder or consent, in which case, all such costs incurred shall be paid for by the Interested Party who shall have failed to provide its joinder or consent.

(e) The rights of a Benefitted Owner granted under a section of Article 19 may be assigned, mortgaged or otherwise be transferred by the Benefitted Owner only in connection with the assignment, mortgage or other transfer of the Unit owned by Benefitted Owner. No amendment to such rights granted to a Benefitted Owner may be made without the consent of the Benefitted Owner.

(f) If any provision of this Article 19 shall be declared to be unlawful or unenforceable, such provision or provisions shall be null and void and be separable from the remaining provisions of this Article 19 and/or this Declaration and shall not affect the enforceability of any other provision of this Article 19 or the Declaration.

END OF EXHIBIT C

EXHIBIT D
Common Elements

Article 4 of the Declaration, as amended and restated, states:

One freehold estate is also designated in all the portions of the Project other than the Units. Such are referred to as “**common elements**”. The common elements include, but are not limited to:

4.1 **Land.** The Land in fee simple;

4.2 **Utility Lines and Retaining Walls.** Any pipes, wires, ducts, conduits or other utility or service lines, drainage ditches or appurtenant drainage structures and retaining walls (if any), which are located outside the Units and which are utilized for or serve more than one Unit;

4.3 **Fences and Walls.** Any fences and walls that are located on the boundaries separating the Dwelling Areas appurtenant to each of the Units; and

4.4 **Water Well.** The water well located on Dwelling Area 4, together with pipes, conduits, lines, equipment and other facilities for transmission of water between the water well and each of the Units.

END OF EXHIBIT D

EXHIBIT E
Limited Common Elements

Article 5 of the Declaration, as amended and restated, states:

5.1 **Generally.** (a) Certain parts of the common elements, referred to as “**limited common elements**”, are designated and set aside for the exclusive use of certain (but not all) of the Units. Each Unit or Units has appurtenant thereto exclusive easements for the use of such limited common elements set aside and reserved for such Unit’s or Units’ exclusive use.

(b) Unless otherwise specified, all costs of every kind pertaining to a limited common element, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be paid for by the Owner of the Unit or Units to which such limited common element is appurtenant.

5.2 **Limited Common Elements for Each Unit.** The limited common elements so set aside and reserved for the exclusive use of each Unit are as follows:

(a) The site on which a Unit is located, consisting of the land area beneath and immediately adjacent to such Unit (including the airspace above such site), as shown and delineated on the site map portion of the Condominium Map as “**Dwelling Area**” with the same number of the Unit shall be for the exclusive use of such Unit. The area of the Dwelling Area appurtenant to each Unit is as follows:

Unit 1 – Dwelling Area 1, containing 36,662 square feet (net 36,372 square feet)

Unit 2 – Dwelling Area 2, containing 12,134 square feet (net 11,279 square feet)

Unit 3 – Dwelling Area 3, containing 11,992 square feet (net 11,142 square feet)

Unit 4 – Dwelling Area 4, containing 16,414 square feet

(b) A mailbox to be designated by Declarant for the use of a Unit.

5.3 **Other Limited Common Elements.** Any other common element of the Project which is rationally related to fewer than all the Units is a limited common element appurtenant to and for the exclusive use of such Unit or Units to which it is rationally related.

Note: The “Dwelling Areas” herein described are not legally subdivided lots.

END OF EXHIBIT E

EXHIBIT F
Special Use Restrictions

Article 9 of the Declaration, as amended and restated, states:

9.1 **Permitted Uses.** (a) The Project shall be used only for such purposes as allowed under the CCRs (including purposes incidental and accessory thereto) regardless of whether applicable zoning and other Governmental Regulations permit a more intensive or different use.

(b) Garages that are accessory to a dwelling unit shall be permitted. The uses of such garages shall be limited to the parking of vehicles, trailers, and watercraft and for such accessory uses as laundry, storage or minor repairs within the garage. No vehicle, trailer, watercraft or other equipment, may be dismantled, repaired or serviced outside of the garage. No garage may be used for living, cooking or sleeping purposes.

9.2 **Limitation on Number of Dwelling Units.** (a) The term "dwelling unit", as used herein, shall have the same meaning as defined under the Land Use Ordinance, Chapter 21, Revised Ordinances of Honolulu 1990, as amended ("LUO").

(b) Limitation on Number of Dwelling Units. The number of dwelling units on the Land shall be limited to the lesser of (1) that number of dwelling units allowed under the LUO or (2) seven (7) dwelling units; provided, however, that (A) no more than three (3) dwelling units may be located on Dwelling Area 1, (B) no more than one (1) dwelling unit may be located on each of Dwelling Area 2 and Dwelling Area 3, and (C) no more than two (2) dwelling units may be located on Dwelling Area 4. Notwithstanding the foregoing, if construction of a dwelling unit is permitted under Governmental Regulations upon payment of a park dedication fee or other fee or compliance with any other requirement imposed under Governmental Regulations, then the payment of such additional fee or compliance with such requirement under Governmental Regulations by the Unit Owner seeking to construct such dwelling unit shall be a condition to allowing such dwelling unit. Neither Declarant nor any Unit Owner shall be obligated to build the maximum number of dwelling units allowed on the Land or a Dwelling Area.

(c) Each dwelling unit located on a Dwelling Area shall be a single-family dwelling, regardless of whether applicable zoning and other Governmental Regulations permit a more intensive or different use.

9.3 **Rental Use.** Unit Owners may lease their Units, provided that any such lease is expressly made subject to the Declaration and the Bylaws and is permissible under Governmental Regulations.

9.4 **Care and Disturbance.** No Owner will suffer anything to be done or kept in a Unit or elsewhere in the Project which would jeopardize the soundness of the Project, or which will interfere with or unreasonably disturb the rights of other Unit Owners, or which will increase the rate of hazard insurance on the Project or the Units. No Owner shall use, generate manufacture, store, process, handle or release on or from his Unit hazardous wastes or hazardous materials, except that reasonable amounts of household cleaning and garden supplies may be kept and used on or within the Owner's Unit, provided that such Owner shall comply with Governmental Regulations relating to such hazardous wastes or materials.

9.5 **Use of Common Elements.** The common elements may be used only for the purposes for which they are designed and intended.

9.6 **Project Guidelines.** The possession, development, improvement, operation, occupancy, use, enjoyment and other activities relating to the Project or any Unit shall be subject to that certain set of Guidelines ("**Project Guidelines**") that is contained as a part of the CCRs.

9.7 **Maintenance, Painting and Staining.** Unit Owners (including any Unit occupant) shall keep their respective Units and the limited common elements appurtenant thereto in a strictly clean and sanitary fashion. Such obligation includes repainting or re-staining the exterior of each building constituting a Unit, as such becomes reasonably necessary. Subject to the Project Guidelines, colors of paint for repainting or re-staining the exterior will be as agreed upon by the Unit Owners, provided if they cannot agree, then such colors shall be similar to the colors of the building exterior of such Unit immediately prior to such repainting or re-staining.

9.8 **Fractional Interests and Time-Sharing.** No Unit may be conveyed, leased, occupied, or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, or transient vacation rental, including without limitation, any so called "vacation license", "travel club membership" or "time-interval ownership" arrangement, provided, however, (1) transient vacation rental shall be permitted for any dwelling unit so long as it has the benefit of an effective nonconforming use certificate as a transient vacation unit or is allowed under the LUO or other applicable laws, and (2) fractional interests, as hereinafter defined, shall be permitted. The term "time-sharing" as used in this section shall be as defined in Chapter 514E, HRS. The term "time-sharing" shall not include any plan, program or arrangement commonly known as "fractional interests" under which the right to use, occupy, own or possess a Lot or House upon the Lot rotates among various persons on a periodically recurring basis for at least a sixty (60) day period according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, co-tenancy agreement, partnership or otherwise.

END OF EXHIBIT F

EXHIBIT G
Encumbrances Against Title

1. Mineral and water rights of any nature.
2. GRANT to TERRITORY OF HAWAII, dated June 20, 1933, filed as Land Court Document No. 28680, granting an aerial easement for utilities purposes.
3. Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance.
4. Location of the boundary of Stream and the effect, if any, upon the area of the land described herein, and the free flowage thereof.
5. Land Court Order No. 100049, filed October 29, 1990, sets forth the following:
 - a. "The restrictions of Section 183-45, Hawaii Revised Statutes, as amended, which prohibit, on the accreted lands, any structure, retaining wall, dredging, grading, or other use which interferes or may interfere with the future natural course of the beach, including further accretion or erosion.
 - b. The provisions of Section 501-33, Hawaii Revised Statutes, as amended, which place said accreted lands within the Conservation District unless designated otherwise by the State Land Use Commission pursuant to Chapter 205, Hawaii Revised Statutes."
6. The terms and provisions contained in the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR MAHAKEA, dated June 2, 2010, filed as Land Court Document No. 3972580.

Said Declaration was amended by instrument dated August 17, 2010, filed as Land Court Document No. 3991976.

AMENDED AND RESTATED DECLARATION, CONDITIONS AND RESTRICTIONS FOR "MAHAKEA" dated March 13, 2012, recorded as Document No. A-45390614, as amended by instrument dated November --, 2015, recorded as Document No. A-58300539.

7. The terms and provisions contained in the SECOND AMENDED AND RESTATED DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "MAHAKEA" CONDOMINIUM PROJECT, dated August 14, 2018, recorded as Document No. A-68000744. (Project covered by portion of Land Court Condo Map No. 2057 and any amendments thereto.)

The foregoing Restated Declaration restates the original Declaration dated June 2, 2010, filed as Land Court Document No. 3972581, and any amendments thereto.

Said Declaration was amended by instruments dated August 17, 2010, filed as Land Court Document No. 3991977, dated March 13, 2012, recorded as Document No. A-45390616, dated --- (acknowledged July 20, 2012) recorded as Document No. A-45900712, 00d dated April 7, 2016, recorded as Document No. A-60470695.

CONSENT AND JOINDER TO SECOND AMENDED AND RESTATED DECLARATION OF CONDOMINIUM PROPERTIES REGIME AND CONDOMINIUM MAP NO. 2057 FOR "MAHAKEA" dated August 30, 2018, recorded as Document No. A-68310664 and Document No. A-68310665.

8. The terms and provisions contained in the BY-LAWS OF THE ASSOCIATION OF UNIT OWNERS, dated June 2, 2010, filed as Land Court Document No. 3972582.

Said By-Laws were amended by instrument dated --- (acknowledged July 20, 2012) recorded as Document No. A-45900712 and dated April 7, 2016, recorded as Document No. A-60470695.

9. Restriction of rights of vehicle access into and from Kamehameha Highway, except where such access is permitted, as shown on subdivision map dated July 27, 2011, prepared by Dennis K. Hashimoto, Licensed Professional Land Surveyor, and as granted by GRANT OF LIMITED VEHICLE ACCESS RIGHTS dated December 6, 2010, filed as Land Court Document No. T-4045738.

10. SETBACK (60 feet wide), for shoreline purposes, as shown on subdivision map dated July 27, 2011, prepared by Dennis K. Hashimoto, Licensed Professional Land Surveyor/

11. The terms and provisions contained in the DECLARATION OF RESTRICTIVE COVENANTS, dated August 3, 2011, recorded as Document No. A-56540592.

12. -AS TO LOT 2:-

(A) DESIGNATION OF EASEMENT "3" (10 feet wide), for ingress and egress purposes, as shown on subdivision map dated July 27, 2011, prepared by Dennis K. Hashimoto, Licensed Professional Land Surveyor.

(B) DESIGNATION OF EASEMENT "A", for waterline, electrical and telephone purposes, as shown on map prepared by Dennis K. Hashimoto, Land Surveyor dated ---, approved by the Department of Planning and Permitting, City and County of Honolulu on September 18, 2015.

13. -AS TO LOT 3:-

(A) DESIGNATION OF EASEMENT "4" (10 feet wide), for ingress and egress purposes, as shown on subdivision map dated July 27, 2011, prepared by Dennis K. Hashimoto, Licensed Professional Land Surveyor.

(B) DESIGNATION OF EASEMENT "B", for waterline, electrical and telephone purposes, as shown on map prepared by Dennis K. Hashimoto, Land Surveyor, dated ---, approved by the Department of Planning and Permitting, City and County of Honolulu on September 18, 2015.

14. -AS TO LOT 4:-

(A) Stream setback as shown on subdivision map dated July 27, 2011, prepared by Dennis K. Hashimoto, Licensed Professional Land Surveyor.

(B) DESIGNATION OF EASEMENT "5" (10 feet wide), for ingress and egress purposes, as shown on subdivision map dated July 27, 2011, prepared by Dennis K. Hashimoto, Licensed Professional Land Surveyor.

(C) DESIGNATION OF EASEMENT "C", for waterline, electrical and telephone purposes, as shown on map prepared by Dennis K. Hashimoto, Land Surveyor, dated ---, approved by the Department of Planning and Permitting, City and County of Honolulu on September 18, 2015.

15. -AS TO LOTS 2 AND 3:-

The terms and provisions contained in the AGREEMENT FOR ISSUANCE OF CONDITIONAL USE PERMIT UNDER SECTION 21-5.380 OF THE LAND USE ORDINANCE (LUO), dated September 26, 2011, recorded as Document No. 2011-210700.

16. -AS TO UNIT 1:-

(A) MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT (FIXTURE FILING), in favor of AMERICAN SAVINGS BANK, F.S.B., a federal savings bank, dated August 28, 2014, recorded as Document No. A-53590538.

(B) ASSIGNMENT OF LEASES AND RENTS, in favor of AMERICAN SAVINGS BANK, F.S.B., a federal savings bank, dated August 28, 2014, recorded as Document No. A-53590539.

(C) FINANCING STATEMENT, in favor of AMERICAN SAVINGS BANK, F.S.B., a federal savings bank, recorded as Document No. A-53590540.

(D) SECOND MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT (FIXTURE FILING), in favor of AMERICAN SAVINGS BANK, F.S.B., a federal savings bank, dated July 22, 2016, recorded as Document No. A-60470699.

(E) ASSIGNMENT OF LEASES AND RENTS, in favor of AMERICAN SAVINGS BANK, F.S.B., a federal savings bank, dated July 22, 2016, recorded as Document No. A-60470700.

(F) FINANCING STATEMENT, in favor of AMERICAN SAVINGS BANK, F.S.B., a federal savings bank, recorded as Document No. A-60470701.

17. -AS TO UNITS 2 AND 3:-

(A) MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT (FIXTURE FILING), in favor of AMERICAN SAVINGS BANK, F.S.B., a federal savings bank, dated July 22, 2016, recorded as Document No. A-60470696.

(B) ASSIGNMENT OF LEASES AND RENTS, in favor of AMERICAN SAVINGS BANK, F.S.B., a federal savings bank, dated July 22, 2016, recorded as Document No. A-60470697.

(C) FINANCING STATEMENT, in favor of AMERICAN SAVINGS BANK, F.S.B., recorded as Document No. A-60470698.

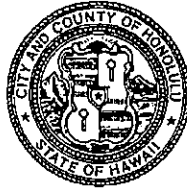
END OF EXHIBIT G

EXHIBIT H

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041
DEPT. WEB SITE: www.honolulu.gov • CITY WEB SITE: www.honolulu.gov

PETER B. CARLISLE
MAYOR



DAVID K. TANOUE
DIRECTOR

JIRO A. SUMADA
DEPUTY DIRECTOR

2011/ELOG-2514(LT)

January 24, 2012

Jeremy A. Grad, Esq.
The Grad Law Firm
Davies Pacific Center, Suite 1800
841 Bishop Street
Honolulu, Hawaii 96813

Dear Mr. Grad:

Subject: Condominium Conversion Project
55-135 Kamehameha Highway
Tax Map Key (TMK): 5-5-001: 014 (Lot 2 & 3)

This is in response to your letter dated November 2, 2011, requesting verification that the structure on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that the one-story single-family detached dwelling with two all-weather-surface off-street parking spaces met all applicable code requirements when it was constructed in 1937 on this 48,795-square-foot R-5 Residential-District-zoned lot.

Investigation also revealed the following:

1. On September 1, 2010, a Nonconforming Use Certificate (File No. 90/TVU-0055) was approved for a transient vacation unit.
2. On August 4, 2011, Park Dedication (File No. 2008/PARK-30) was granted approval for a four-lot subdivision.
3. On August 26, 2011, a subdivision (File No. 2008/SUB-227) was approved with conditions for Subdivision of Lot 1 as shown on Map 2 of Land Court Application 1003 less erosion, into four residential lots (Lots 1 to 4) with areas from 24,361 square feet to 28,403 square feet, the designation of Easement 1 (for waterline and electrical purposes in favor of property owners), and Easements 2 to 5 (for ingress and egress purposes in favor of Lots 1 to 4). The dwelling is presently on Lot 2 and Lot 3 (TMK: 5-5-001: 014).

Jeremy A. Grad, Esq.
The Grad Law Firm
January 24, 2012
Page 2

4. On June 8, 2011, a joint development (File No. 2011/CUP-32) was approved with conditions that all lots or parcels identified in Exhibits "A-1" and "A-2" of the approved joint development agreement shall be considered to be one zoning lot. The joint development of the two subdivision lots, identified as Lots 2 and 3 of TMK Parcel 5-5-001: 014, is necessary to maintain the existing home that straddles the lot line.
5. The unpaved driveway is considered to be nonconforming.

For your information, the Department of Planning and Permitting cannot determine all other legal nonconforming uses or structures, as a result of the adoption or amendment of any ordinance or code.

No variances or other permits were granted to allow deviations from any applicable codes.

Conversion to a condominium property regime (CPR) is not recognized by the City and County as an approved subdivision. CPR delineates ownership; it does not create separate lots of record for subdivision and zoning purposes.

If you have any questions regarding this matter, please contact Alex Sugai of our Commercial and Multi-Family Code Enforcement Branch at 768-8152.

Very truly yours,



David K. Tanoue
David K. Tanoue, Director
Department of Planning and Permitting

DKT:ft
[907533]

EXHIBIT I
Summary of Sale Contract Provisions

The Sales Contract consists of two documents: a Hawaii Association of Realtors (HAR) Standard form "Purchase Contract" ("**Purchase Contract**") and a document attached to the Purchase Contract which is entitled "Special CPR Provisions to the Purchase Contract" ("**Special Provisions**").

The Special Provisions are intended to amend the HAR standard form of Purchase Contract, and unless the context would indicate clearly to the contrary, then in the event of any conflict between a provision contained in the Special Provisions and a provision contained in the Purchase Contract, the provision contained in the Special Provisions will prevail.

1. **Description of the Property to be Conveyed.** Fee simple title to the Apartment, together with the furnishings and appliances, if any, and the undivided interest in the common elements set forth in the Purchase Contract. Title will be conveyed subject to the encumbrances of record.

2. **Purchase Price and Terms.** The purchase price for the Apartment is set forth on page 2 of the Purchase Contract is to be paid in the method and at the times set forth in the Purchase Contract. This may include payment of (a) an initial deposit; (b) an additional cash deposit, if set forth in the Purchase Contract; and (c) the balance of the purchase price is to be paid to escrow by purchaser on or before closing.

3. **Financing of Purchase.** Paragraph C-24 of the Purchase Contract Form (if elected) provides if Buyer desires financing, a loan application must be made within a certain number of days and if Buyer's application is not approved within a certain number of days after the application, then either Seller or Buyer may cancel the Purchase Contract. Upon such cancellation, Buyer's deposits will be refunded by escrow without interest.

4. **Closing Costs.** Closing costs and escrow fees are to be shared in accordance with the Purchase Contract, except that Seller does have the option to require two months' advance payment of Association maintenance fees and a start up expense for the Association of Unit Owners equal to two months' of Association maintenance fees. Buyer's proportionate share of any liability insurance premium, real property taxes, maintenance fees and any other charges with respect to the Property shall be pro-rated between Seller and Buyer as of the date of closing.

5. **Closing.** Seller has agreed to cause the Apartment to be sold to the Buyer within the time period set forth on page 3 of the Purchase Contract.

6. **No Present Transfer and Subordination to Construction Loan.** (a) The Purchase Contract may be subject to existing and future blanket loans, and any security interest now or hereafter obtained by a lender of Seller is or will be prior and senior to any rights of the Buyer arising under the Purchase Contract. This obligation to subordinate the purchaser's right under the Purchase Contract to loans now or hereafter made by the Seller is set forth in Paragraph 4 of the Special Provisions.

(b) Seller may also assign by way of security all of its interest in the Purchase Contract, as collateral for the repayment of the loan and if the Lender acquires the Seller's interest in the Purchase Contract, then the Buyer is obligated to perform the Purchase Contract, and to attorn to and recognize the Lender as the seller under the Purchase Contract.

(c) Notwithstanding that the Purchase Contract may be subordinate to a blanket lien, if the Buyer performs his obligations under the Purchase Contract, then Seller is required to convey the Apartment to Buyer at closing free and clear of any blanket lien.

7. **Seller's Rights to Cancel Purchase Contract.** The Seller may cancel the Purchase Contract with the Buyer if (a) Buyer fails to qualify for a permanent loan (if Paragraph C-24 of the Purchase Contract is selected); (b) Buyer defaults under the Purchase Contract (paragraph 6(b) of the Special Provisions); (c) Buyer dies prior to Closing Date (paragraph 6(a) of the Special Provisions); or (d) the Developer's Public Report shall not have been issued and Buyer shall not have waived his right to cancel (called the "Effective Date"). Pursuant to Paragraph 6(b) of the Special Provisions, if Buyer fails to close as required, then in the case only of non-monetary default after ten (10) days following Seller's notice of Buyer's default or otherwise without notice as to monetary defaults, the Seller may cancel the Purchase Contract and all sums previously paid by Buyer will belong absolutely to the Seller as liquidated damages. Additionally, Seller may pursue any other remedy, and all costs, including reasonable attorney's fees, incurred by reason of default by the Buyer shall be borne by the Buyer. Time is the essence of the Sales Agreement.

8. **Rights of Buyer to Cancel the Purchase Contract.** The Buyer has the right to cancel the Purchase Contract under the following conditions:

(a) At any time within thirty (30) days following the date the Public Report is delivered to Buyer. If Buyer so cancels, Buyer will be entitled to receive refund of any deposits. If Buyer does not act within the thirty (30) day period, or if the Apartment is conveyed to the Buyer, Buyer will be deemed to have executed the receipt for the Public Report and to have waived his right to cancel (paragraphs 6.1 and 6.3 of the Special Provisions).

(b) The Buyer may cancel his purchase if there is a material change in the Project which directly, substantially and adversely affects the use or value of the Buyer's Apartment or the amenities available for the Buyer's use (paragraph 7 of the Special Provisions). If so, Buyer will be entitled to receive refunds of any deposits, less escrow cancellation fees and other costs up to \$250.

(c) Buyer fails to qualify for permanent financing if Paragraph C-24 of the Purchase Contract has been selected.

9. Paragraph 11 of the Special Provisions provides that the Buyer acknowledges Buyer having received (a) a true copy of the Developer's Public Report including all amendments with an effective date issued by the Real Estate Commission, and that the Developer's Public Report includes the report itself, the Project's recorded declaration and bylaws, house rules if any, a letter-sized condominium project map, and all amendments (provided, that where it is impractical to include a letter-sized condominium project map, the prospective purchaser or purchaser shall have an opportunity to examine the map.) and (b) a notice of the buyer's thirty-day cancellation right on a form prescribed by the Real Estate Commission.

Seller reserves the right to modify the above documents as may be required by law, any title insurance company, or any institutional mortgagee.

The Summary contained in this Exhibit is merely a summary and is not intended to be a substitute for the Buyer's careful review of the Purchase Contract.

END OF EXHIBIT I

EXHIBIT J
Summary of the Material Provisions of the Escrow Agreement

Summary of the Condominium Escrow Agreement between the Developer and Title Guaranty Escrow Services, Inc.

1. **All deposits will be paid to Escrow.** A copy of each Sales Contract and all payments made to purchase a Unit shall be turned over to the Escrow Agent. Any interest earned on funds deposited in escrow shall accrue to the credit of the Developer; except that, if Escrow is requested to establish a separate account for a purchaser, the purchaser shall pay Escrow a fee of \$25.00 for each such separate account and shall furnish Escrow the purchaser's social security or federal identification number, and any interest earned on funds deposited in such account shall accrue to the credit of the purchaser.

2. **Conditions to be Met Prior to Disbursement.** No disbursements of funds held in escrow with respect to a sales contract shall be made unless and until the following conditions have been fulfilled:

(a) The Real Estate Commission shall have issued an effective date of the Developer's Public Report on the Project;

(b) The purchaser shall have been given and shall have acknowledged receipt of (i) a copy of said Public Report and (ii) notice of purchaser's thirty-day cancellation right upon a form prescribed by the Real Estate Commission; and

(c) The purchaser shall have waived the right to cancel or be deemed to have the right to cancel, in accordance with Section 514B-86 of the Act; and

(d) The Developer shall have given Escrow a written waiver of any option reserved in any sales contract to cancel such sales contract.

At the request of Escrow, Developer's attorney shall delivered a written opinion to Escrow that the foregoing conditions shall have been complied with and the purchaser's sales contract has become effective.

3. **Return of Funds and Documents.** A purchaser shall be entitled to a return of funds and Escrow shall pay such funds to such purchaser, without interest, if any one of the following has occurred:

(a) Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of any option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

(c) A purchaser shall have exercised his thirty-day cancellation right to rescind the sales contract pursuant to Section 514B-86 of the Act; or

(d) In the event of a material change in the Project, a purchaser shall have exercised his thirty-day cancellation right to rescind the contract pursuant to Section 514B-87 of the Act.

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (a) or (b) above or upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in (c) or (d) above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee commensurate with the work done by Escrow prior to such cancellation up to a maximum of \$250.00) and thereupon said sales contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held hereunder; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.

4. **Purchaser's Default.** Developer shall give notice in writing to Escrow of the occurrence of each event which initiates an obligation of a purchaser to make a payment to Escrow pursuant to the sales contract as well as notice of the amount and due date of such payment. Escrow shall thereupon promptly give the purchaser notice of the amount and due date of such payment. If the purchaser fails to make such payment to Escrow on or before the due date thereof or if the purchaser fails to perform in any matter which is being handled by Escrow, Escrow shall promptly notify Developer of any such failure on the part of the purchaser. If Developer subsequently certifies in writing to Escrow that Developer has terminated the sales contract in accordance with the terms thereof and provides to Escrow copies of all such notices of termination sent to the purchaser, Escrow shall thereafter treat all funds of the purchaser paid on account of such purchaser's sales contract as funds of Developer and not as funds of the purchaser. Thereafter, such funds shall be free of the escrow established by Developer. Upon written request by Developer, Escrow shall pay such sums to Developer, less any escrow cancellation fee, shall return to Developer the sales contract of such purchase and any other documents theretofore delivered by Developer to Escrow, and shall return other documents theretofore delivered to Escrow in connection with the purchase of the unit to the person from whom, or entity from which, such documents were received; and, Escrow shall thereupon be released from any further duties or liability hereunder with respect to such funds and such purchaser.

END OF EXHIBIT J

EXHIBIT K
Estimate of the Initial Maintenance Fees

PROJECT: MAHAKEA

The Developer of the Project hereby certifies:

1. The estimated maintenance fee for each unit is more fully described on the following attached page.
2. The estimate is based on generally accepted accounting principles.

Note: Developers disclose that no reserve study was done in accordance with Chapter 514B-148 HRS, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

3. OBLIGATION TO PAY COMMON EXPENSES. A Unit Owner shall become obligated to start paying the Unit Owner's share of common expenses thirty days after receiving written notice from the Developer or their successor.

DTE LLC, a Hawaii limited liability company

By


DONALD T. EOVIINO

Its Member


JERRY LYNCH

"Developer"

ESTIMATED INITIAL OPERATING EXPENSES
For Period November 1, 2018 to October 31, 2019
As Prepared by Developer

Estimated Annual Expenses

Ground Maintenance

* Water/Sewer	\$-0-
* Electricity:	\$-0-
**Fire/Liability Insurance:	\$-0-
Management Fee:	\$-0-

Miscellaneous:	\$-0-
TOTAL ANNUAL EXPENSES	\$-0-

Estimated Monthly Expenses	\$-0-
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Estimated Monthly Maintenance Fee for Each Apartment:	\$-0-
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Note: * All utilities will be separately metered or otherwise charged, and the common elements will incur no separate utility charges.

** Fire and Liability insurance is intended to be obtained by each Unit owner for his Unit and share of the common elements.

END OF EXHIBIT K

EXHIBIT L

Summary of Declaration of Covenants, Conditions and Restrictions for "Mahakea" ("CCRs")

The following is a summary of certain material terms of the CCRs. Since the CCRs will impact what an owner can build, prospective buyers should review the CCRs carefully, and not rely solely on the summary.

1. **Designs Guidelines.** Attached as Exhibit C to the CCRs and its provisions include the following:

(a) **Roofs.** No Owner shall finish any roof with built-up tar and gravel or with asphaltic shingle or corrugated metal. The following roofing materials are acceptable: (1) unglazed colored concrete or clay tiles; and (2) wood shakes or shingles.

(b) **Exterior Painting.** Paint colors shall be neutral, pastel or earth colors, provided that paint colors shall be compatible with the color scheme of the surrounding homes and shall non-glare and muted.

(c) **Fences, Gates, Walls.** The following wall and fence materials are prohibited: chain link fences or gates, plywood, prefabricated lattice work, open-slat wood and unpainted or uncolored gray concrete block. The following materials are permitted: stone, wood (milled, solid members, such as redwood) or combination thereof.

2. **Use and Site Development Restrictions and Requirements.** Provisions, among other things, include the following:

(a) **Use of Lots.** Each Lot other than Lot 4 may be used only for single-family residential purposes, regardless of whether applicable zoning and other Governmental Regulations permit a more intensive or different use. Lot 4 may be used for single-family residential purposes or for a "two-family detached dwelling" (as such term is defined under the Land Use Ordinance, Chapter 21, Revised Ordinances of Honolulu 1990, as amended ("LUO")).

(b) **Limitation on Number of Dwellings.** The number of "dwelling units" (as such term is defined under the LUO) on the Land shall be limited to the lesser of (1) that number of Houses allowed under the LUO, or (2) nine(9) Houses; provided, however, no more than two (2) Houses may be located on any Lot, except that (A) if Lot 2 and Lot 3 are consolidated or made subject to a joint development agreement, a total of up to four (4) Houses may located on such consolidated Lots 2 and 3; and (B) a total of up to three(3) Houses may be located on Lot 4. If construction of a House or other Improvement is permitted only upon payment of a park dedication fee or other fee or compliance with any other requirement imposed under Governmental Regulations, then the payment of such additional fee or compliance with such requirement under Governmental Regulations shall be a condition to allowing the construction of such House or other Improvement. Notwithstanding such limitation, Declarant or any Lot Owner shall not be obligated to build the maximum number of Houses allowed on the Land or a Lot.

(c) **Fractional Interests and Time-Sharing.** No portion of the Land may be conveyed, leased, occupied, or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, or transient vacation rental, including without limitation, any so called

“vacation license”, “travel club membership” or “time-interval ownership” arrangement, provided, however, (1) transient vacation rental shall be permitted for any dwelling unit so long as it has the benefit of an effective nonconforming use certificate as a transient vacation unit, and (2) fractional interests, as hereinafter defined, shall be permitted. The term “time-sharing” as used in this section shall be as defined in Chapter 514E, HRS. The term “time-sharing” shall not include any plan, program or arrangement commonly known as “fractional interests” under which the right to use, occupy, own or possess a Lot or House upon the Lot rotates among various persons on a periodically recurring basis for at least a sixty (60) day period according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, co-tenancy agreement, partnership or otherwise.

(d) Garages. The garage of a House shall be used only for parking of vehicles, trailers, and watercraft. No vehicle, trailer, watercraft or other equipment, may be dismantled, repaired or serviced outside of the garage of a House or be Visible from a Neighboring Lot. Accessory permitted uses of garages are laundry, storage or minor repairs within the garage, and are not otherwise prohibited. No garage shall be used for living, cooking or sleeping purposes.

3. **Architectural and Landscape Controls**. Provisions, among other things, include the following:

(a) Approval by Declarant. During the “Approval Period”, an Owner shall not make, construct or place any Improvement on the Land without the prior written approval of Declarant. The “Approval Period” means the time period commencing on June 21, 2010 and expiring on the earlier of: (1) the expiration of the Declarant’s Control Period (i.e. for as long as Declarant owns any portion of the Land) or (2) with respect to a House, the date when the initial construction of the House and all Improvements associated with it are completed.

(b) Shoreline Setbacks. The Land and the Lots shall be subject to the shoreline setbacks imposed under Governmental Regulations. No structure or other Improvement shall be constructed, erected or placed on the oceanside of the shoreline setback line, provided, that there shall be permitted within such shoreline setback to the extent permitted under the Governmental Regulations fences, landscaping, planting and foliage; provided, further, however, within twenty (20) feet of the shoreline (1) no fence, landscaping, planting or other foliage may exceed the height of fifty-four (54) inches above existing grade, and (2) coconut palms or other similar types of tropical trees shall be permitted on a Lot so long as such do not obstruct the direct and lateral view of the ocean Visible from a Neighboring Lot. If such trees are planted on a Lot, the Owner of such Lot shall be responsible for pruning and trimming such trees to ensure the trees will not obstruct the direct and lateral view of the ocean Visible from a Neighboring Lot. Trees having an extensive canopy that impede a view of the ocean Visible from a Neighboring Lot shall not be permitted.

(c) Side yard setbacks. The Land and the Lots shall be subject to side yard setbacks imposed under the LUO. No structure or other Improvement shall be constructed, erected or placed within the side yard setback areas except as permitted under the LUO.

(d) Minimum Building Area. The minimum footprint of the building area for each House shall be 2,000 square feet, provided, however, in the case that a Lot is submitted to a Condominium Property Regime, the minimum footprint of the building area for each House that constitutes a condominium unit shall be 1,000 square feet. For purposes hereof, the term “building area” means the total area of the Lot covered by structures and covered open areas.

4. Other pertinent provisions include the following:

(a) Amendments of CCRs. During Declarant's Control Period, the Declaration may be amended by Declarant without the consent or joinder of any other Owner (or mortgagee) of any Lot. After the Declarant's Control Period, the Declaration may be amended by vote of eighty (80%) of the Lot Owners.

(b) Voting. For purposes of determining the percentage vote allocable to each Lot Owner under the Declaration, ownership shall be divided into nine (9) shares, as follows:

(1) Each Lot other than Lot 4 shall be allocated two (2) shares, and Lot 4 shall be allocated three (3) shares.

(2) Following submittal of a Lot to a Condominium Property Regime, the shares allocable to such Lot shall be divided equally among the condominium units located on such Lot.

(c) Reserved Declarant's Rights. Declarant has reserved a number of rights, including that the "guidelines" for construction do not apply to lots owned by the Declarant, the right to remove from the effect of the CCRs any portion of the Land it owns; the right to approve initial construction of improvements and landscaping; the right to grant easements and licenses affecting the Land; and the right to amend the CCRs during the Declarant's Control period - which last for as long as Developer owns any interest in the Land subject to the CCRs.

END OF EXHIBIT L

EXHIBIT M

Department of Planning and Permitting City and County of Honolulu

NONCONFORMING USE CERTIFICATE FACT SHEET

- The Nonconforming Use Certificate (NUC) Ordinances:

The Land Use Ordinance (LUO), Ordinance No. 86-96, which took effect on October 22, 1986, prohibited transient rentals (rentals for less than 30 days) of dwelling or lodging units (including apartments), not located in areas zoned for resort uses; i.e. the Resort District or the Resort-Hotel Precinct of Waikiki.

Ordinance No. 89-154, which took effect on December 28, 1989, specifically prohibited new Bed and Breakfast homes in all zoning districts. It also required operators of Transient Vacation Units (TVU) and Bed and Breakfast (B&B) homes to prove that they were operating before October 22, 1986, and December 28, 1989, respectively, and to obtain a Nonconforming Use Certificate from the Department of Planning and Permitting (formerly the Department of Land Utilization) by September 28, 1990. The certificate was valid for one year; it was to be renewed annually. If an application was received after the deadline, it was not processed and the Nonconforming Use Certificate could not be obtained.

Ordinances No. 94-30 and No. 94-31 established occupancy requirements for Nonconforming Use Certificate renewals for Transient Vacation Units and Bed and Breakfast homes. Effective January 1, 1995, for each calendar year, short-term transient occupancies must have occurred a minimum of 35 days for TVUs and 28 days for B&Bs (e.g. January 5-20, May 10-25 and October 20-25, for a total of 35 days for TVUs).

Ordinance No. 94-30 also established that the owner, operator, or proprietor of a Transient Vacation Unit or Bed and Breakfast home who has obtained a Nonconforming Use Certificate must display the certificate issued for the current year in a conspicuous place on the premises. In the event that a single address is associated with numerous Nonconforming Use Certificates, a listing of all units at that address holding current certificates may be displayed in a common area instead. A valid Nonconforming Use Certificate protects the operator of a Transient Vacation Unit or Bed and Breakfast home from zoning challenges to his legal right to operate.

Ordinance No. 94-36 established a \$100 annual, non-refundable application fee for Nonconforming Use Certificate renewals. The ordinance became effective June 6, 1994. Ordinance No. 99-12 (effective May 10, 1999) amended the LUO's NUC renewal procedures by establishing a two-year renewal cycle and requiring applications to be submitted between September 1 and October 15, beginning in the year 2000.

Ordinance No. 03-12 (effective June 19, 2003) amended the LUO's fees for permits and services administered by the department for the NUC renewal from \$200 (\$100 per year) to \$400 (\$200 per year).

- Transferring a Nonconforming Use Certificate:

The Nonconforming Use Certificate remains with the unit when it is sold. The certificate cannot be transferred to another dwelling unit, but may be transferred to the new owner or operator.

The new owner or lessee may choose to continue operating as a Transient Vacation Unit or Bed and Breakfast home, but is not required to do so. There is no fee for transfer of ownership of the certificate.

The Department of Planning and Permitting should be notified in writing immediately of any change in owner, lessee, operator or agent.

All information and records needed for the renewal of the Nonconforming Use Certificate should be obtained from the previous owner or operator.

- Definitions:

Applicant: The owner, lessee, operator and/or proprietor requesting the Nonconforming Use Certificate. The applicant must have both the General Excise Tax License and the Transient Accommodations Tax Certificate, for conducting vacation rentals in the Transient Vacation Unit (TVU) or Bed and Breakfast (B&B) home.

Agent: The person who is processing the renewal on behalf of, and with the consent of the applicant. The agent is the person the Department will contact for additional information, if required, and is responsible to supply any and all information that is requested. The agent is also responsible to keep the applicant apprised of the status of the application. The agent may also be the applicant. Commonly, the agent is the property manager.

Bed and Breakfast home: A detached dwelling (not an apartment) where accommodations are provided to guests for periods of less than 30 days, and where the owner or operator of the Bed and Breakfast home occupies the same dwelling as the guests. Accommodation of guests in a separate dwelling or cottage on the same lot does not constitute a Bed and Breakfast home.

Corporate Retreat: A form of Transient Vacation Unit, which is provided, with or without compensation, to transient occupants for less than 30 days. Transient occupants include employees, directors, executives or shareholders of a business, company or corporation, including non-profit corporations.

Nonconforming use: A use which was previously lawful, but which does not conform to the current use regulations of the zoning district in which it is located. All TVUs or B&Bs not located under resort zoning and with a NUC are considered nonconforming uses. Vacation rental units or B&B homes located in resort areas are not nonconforming uses, but permitted uses, and do not need NUCs.

Nonconforming Use Certificate: A document signed and issued by the Director of Planning and Permitting or his/her designated representative. It is issued to qualifying nonconforming Transient Vacation Units and Bed and Breakfast homes. It is not issued for other types of nonconforming uses.

Transient Vacation Unit: A dwelling or lodging unit, not occupied by the owner or operator, which is provided for compensation (monetary payment, services or labor of employees) to transient occupants for less than 30 days. A Transient Vacation Unit may be a house or a unit in a multifamily (apartment) building, either with or without a kitchen.

- Nonconforming Use Restrictions (General):

Effective in the year 2000, a Nonconforming Use Certificate must be renewed every 2 years prior to its expiration date, between September 1 and October 15.

A nonconforming use, which is discontinued for 12 or more consecutive months, loses its nonconforming status and cannot be resumed. For example, if the last Transient Vacation Unit rental or Bed and Breakfast guest's stay ended July 10, 1990, there must have had at least another Transient Vacation Unit rental or Bed and Breakfast guest by July 9, 1991.

If a lot contains more than one dwelling unit, and only one unit has a Nonconforming Use Certificate, the other unit(s) may not be used for transient rentals.

TVUs (including accessory structures) and Bed and Breakfast rooms may not be enlarged. There are limitations on work, which may be done on any structure devoted in whole or in part to a nonconforming use. A nonconforming use may not be enlarged or extended to any part of the structure or lot not originally arranged or designed for such use. However, ordinary repairs may be permitted, provided the repair work does not exceed 10 percent of the replacement cost of the structure within a 12-month period.

In the event of voluntary or involuntary destruction of a Transient Vacation Unit or Bed and Breakfast home, the nonconforming use **may not be resumed** following reconstruction of the unit.

- TVU Restrictions:

Rentals for more than 30 days and owner-occupancies are **permitted** in Transient Vacation Units. However, if transient rentals are discontinued for 12 consecutive months or more, the nonconforming status is lost and transient use cannot be resumed.

Proof of occupancies of less than 30 days apiece, for a total of **at least 35 days** during that calendar year, must be submitted with each renewal request.

A Transient Vacation Unit must meet residential occupancy limits. The unit may be occupied by a family of any size, consisting of a person or persons all related by blood, adoption or marriage, or by no more than 5 unrelated persons.

- B&B Restrictions:

In a Bed and Breakfast home, only the room(s) designated on the plot plan, which was submitted to the Department of Planning and Permitting along with the original application, may be used for Bed and Breakfast guests. Switching the Bed and Breakfast designation to another room is not permitted.

Bed and Breakfast guests and roomers are **not permitted** at the same time. Rooming is the provision of overnight accommodations to roomers for 30 days or more. Proof of occupancies of less than 30 days apiece, for a total of **at least 28 days** during that calendar year must be submitted.

There may be no more than 2 Bed and Breakfast rooms and no more than 4 guests at one time. The number of Bed and Breakfast rooms approved is shown on the Nonconforming Use Certificate.

There may be no exterior signs that advertise the Bed and Breakfast use.

One off-street parking space must be provided for each Bed and Breakfast room. The required parking is shown on the plot plan submitted to the Department of Planning and Permitting along with the original application.

- Renewal Requirements:

Effective in the year 2000, the Nonconforming Use Certificate is renewed every 2 years. The Department of Planning and Permitting will mail out the renewal application several months before the expiration date, which is stamped on the certificate. See *Instructions for Filing a Nonconforming Use Certificate Renewal Application*.

To operate a Transient Vacation Unit rental or a Bed and Breakfast home without a valid Nonconforming Use Certificate is a violation of the Land Use Ordinance and may result in citations and fines.

- Exemption from NUC Requirements:

Transient vacation units are permitted in areas zoned Resort District and Resort Mixed Use Precinct. They are permitted to operate in other zoning districts only with a valid Nonconforming Use Certificate. Buildings where the use is considered to be nonconforming hotel operation are exempt from the certificate requirement. (Note: For zoning purposes, a "hotel" means a building or group of buildings containing lodging and/or dwelling units in which 50 percent or more of the units must be lodging units; and, also must include a lobby, clerk's desk or counter with 24-hour clerk service, and facilities for registration and keeping of records relating to hotel guests.)

If the owner(s) of a facility, which has been determined by the Department of Planning and Permitting to be a nonconforming hotel, has changed or changes the principal use of the property to other than hotel use, then the nonconforming hotel status will be lost. Nevertheless, if the owner(s) of some, or even all of the units wishes to continue short-term vacation rental operations (i.e., less than 30-day occupancy of the unit), then they must submit a formal written request to be granted a Nonconforming Use Certificate within 30 days of the change in use; and, must meet the application requirements. Once a NUC has been awarded, the certificate must be renewed every other year on the even year.

EXHIBIT N

FROM: Michèle D'Amico
Licensed Architect No. AR 8785

DATE: December 5, 2018

I made a limited visual inspection of the structures and plumbing and electrical systems of Unit 1 of the "MAHAKEA" condominium project. My observations resulting from my inspection are as follows:

Structural: The structural components of the foundation, floor, walls and roof appear to be in good condition. Floor structure is in good condition. Roof rafters and braces are in good condition. Asphalt shingle roofing is in good condition. Plywood siding is in good condition.

Plumbing: Water supply lines, water heater, faucets, and toilets are in good condition.

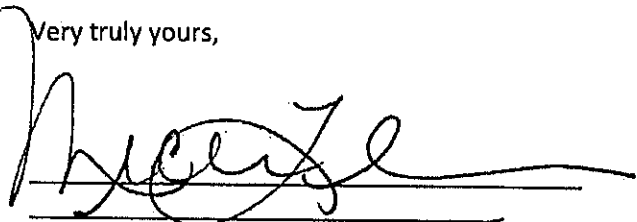
Electrical: Wiring, electrical switches, plugs, and light fixtures appear to be in good condition.

My inspection was limited and did not include by way of example, the condition of the soils or roofing or evidence of termite or other pests on the project.

I have been informed that the Developer will be disclaiming any warranties relating to the construction, materials, design or workmanship of the Units, soils or the common elements of the project.

Accordingly my visual inspection should not be a substitute for a more complete inspection by a prospective buyer of a Unit. A prospective Buyer is urged to understand the importance of making his own investigation or having an investigation made by trained professionals of a Unit and the Project.

Very truly yours,


Licensed Architect No. AR 8785