

**AMENDMENT NO. 1 TO
DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME:	PULEWA AT MEHANA
PROJECT ADDRESS:	Kakala Street, Manawai Street, Kunehi Street, Kukulu Street Kapolei, Hawaii 96707
REGISTRATION NUMBER:	7030
EFFECTIVE DATE OF REPORT:	April 1, 2011
MUST BE READ TOGETHER WITH DEVELOPER'S PUBLIC REPORT DATED:	October 28, 2010
DEVELOPER(S):	D.R. HORTON-SCHULER HOMES, LLC, a Delaware limited liability company, dba D.R. Horton-Schuler

Preparation of this Amendment

The Developer prepared this amendment pursuant to the Condominium Property Act, Section 514B-56, Hawaii Revised Statutes (HRS), as amended from time to time. Section 514B-56, HRS, requires that after the Commission has issued an effective date for the Developer's Public Report, if there are any changes, either material or pertinent changes, or both, regarding the information contained in or omitted from the Developer's Public Report, or if the developer desires to update or change the information set forth in the Developer's Public Report, the developer shall immediately submit to the Commission an amendment to the Developer's Public Report or an amended Developer's Public Report clearly reflecting the change, together with such supporting information as may be required by the Commission, to update the information contained in the Developer's Public Report.

The law defines "material change" as used in parts IV and V of Chapter 514B, HRS means 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 law defines "pertinent change" to mean, as determined by the commission, a change not previously disclosed in the most recent public report that renders the information contained in the public report or in any disclosure statement inaccurate, including, but not limited to (1) The size, construction materials, location, or permitted use of a unit or its appurtenant limited common element; (2) The size, use, location, or construction materials of the common elements of the project; or (3) The common interest appurtenant to the unit. A pertinent change does not necessarily constitute a material change.

The filing of an amendment to the Developer's Public Report or an amended Developer's Public Report, in and of itself, shall not be grounds for a purchaser to cancel or rescind a sales contract. A purchaser's right to cancel or rescind a sales contract shall be governed by sections 514B-86 and 514B-87, HRS, the terms and conditions of the purchaser's contract for sale, and applicable common law.

This Amendment 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 amendment to the 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, material changes, or pertinent changes about the project have been fully or adequately disclosed; and (3) is not the

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Commission's judgment of the value or merits of the project.

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 amendment may be used by the Developer for promotional purposes only if it is used with the last Developer's Public Report in its entirety.

Prospective purchasers and purchasers are encouraged to read this amendment carefully and to seek professional advice.

Summary of Changes from Earlier Developer's Public Report are Described Beginning on the Next Page

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Summary of Changes from Earlier Developer's Public Report:

This summary contains a general description of the changes, if any, made by the developer since the last Developer's Public Report was issued an effective date. It is not necessarily all inclusive. Prospective purchasers and purchasers must read this amendment together with the last Developer's Public Report with the effective date as noted on the top of page 1 if they wish to know the specific changes that have been made.

Changes made are as follows (include a description of what the change is and page number and or exhibit alphabet or number; additional pages may be used):

A. Changes made as follows:

1. Pursuant to the rights reserved to D.R. Horton-Schuler Homes, LLC ("Developer"), Developer amended the Amended and Restated Declaration to correct typographical errors in Exhibit "D-2" (Description of Buildings and Unit) by recording Document No. 2011-4039241.
2. Pursuant to the rights reserved to Developer, Developer expanded its disclosures regarding locations of air conditioning units to conform with the Condominium Map.
3. In accordance with rights reserved to Developer pursuant to Section E.30 of the Amended and Restated Declaration to designate various units within the community as Affordable Housing, Developer has designated units in Buildings 9 through 16, inclusive, as affordable housing to be sold to owner-occupants who meet the income and eligibility qualifications specified in the City and County of Honolulu Affordable Housing Rules.

B. This resulted in changes to the following pages and exhibits to the Amended Developer's Report:

1. Page 1a (Special Attention) has been revised to reflect the designation and expansion of Developer's affordable housing disclosures.
2. Page ii (Table of Contents) has been revised to reflect the addition of Exhibits X, Y, Z, and AA.
3. Page 5 has been revised to reflect the date of the updated title report.
4. Page 10 has been revised to reflect the recordation of the amendment to the Declaration referenced above.
5. Exhibit B (Section 1.3 – Unit Types and Sizes of Units) has been revised to correct the typographical error in Declaration referenced above.
6. Exhibit L (Section 1.12 – Encumbrances Against Title) has been revised to conform to the updated title report.
7. Exhibit U (Section 6 – Miscellaneous Information Not Covered Elsewhere in the Report) has been revised to include expanded disclosures regarding the location of air conditioning units referenced above.
8. The following additional exhibits relating to the affordable housing marketing program have been added to the Developer's Public Report:
 - a. Exhibit X: Pulewa at Mehana Affordable Housing Information Circular
 - b. Exhibit Y: Four (4) or Eight (8) Year Buy-Back Restriction

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Changes continued:

- c. Exhibit Z: Affordable Home Housing Application
- d. Exhibit AA: Owner-Occupant Affidavit and Affidavit as to Family Members

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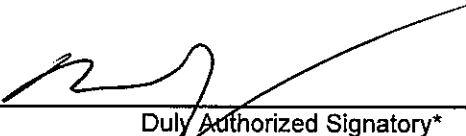
The Developer declares subject to the penalties set forth in Section 514B-69, HRS that this project continues to conform to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project 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 as amended, 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 as amended, 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 as amended and the exhibits attached to this report (if any) as amended 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 as amended 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 as amended at least 30 days prior to the anniversary date of the effective date of this report.

D.R. HORTON-SCHULER HOMES, LLC, a Delaware limited liability company

Printed Name of Developer



Duly Authorized Signatory*

3/17/11

Date

Michael T. Jones, Division President of the Hawaii Division

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, _____ City and County of Honolulu

Planning Department, _____ City and County of Honolulu

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

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SPECIAL ATTENTION

Prospective Purchasers should be aware that units located in Buildings 9 through 16, inclusive within the Community, have been preliminarily designated for sale by lottery to qualified affordable home purchasers. Each of the units will be marketed to eligible purchasers earning up to 120% of the City and County of Honolulu's ("County") median household income and will be sold subject to a buy-back restriction benefiting the County should Purchaser sell or transfer ownership of the unit during the effective period of the buy-back restriction. The buy-back restriction will be (i) eight (8) years for buyers earning up to eighty percent (80%) of the median household income, and (ii) four (4) years for buyers earning between eighty one percent (81%) and one-hundred twenty percent (120%) of the median household income ("Category 2 Buyers"), provided Developer reserves the right to offer affordable designated units at Pulewa to only Category 2 Buyers. (See **Exhibit Y** to the Public Report).

Prospective Purchasers must complete an Affordable Home Housing Application that will be reviewed by the County in determining the Prospective Purchaser's eligibility to purchase a designated affordable home. All information will be kept confidential and will be submitted to the Developer prior to a Prospective Purchaser's participation in any lottery for the selection of a designated affordable unit and will be subject to the review and approval of the County. (Application attached as **Exhibit Z** to the Public Report).

Prospective Purchasers must also complete an Owner-Occupant Affidavit and Affidavit as to Family Members. This form must be signed by all parties in front of a Notary Public. (Form attached as **Exhibit AA** to the Public Report).

For more information, see Pulewa at Mehana Affordable Housing Information Circular (Attached as **Exhibit X** to the Public Report).

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The Condominium Map (8 1/2 x 11) will NOT be provided to Buyer. Pursuant to Section 514B-86(a)(1)(A) of the Act, Seller advises Buyer that it is impractical, for legibility reasons, to provide buyers a letter-sized Condominium Map. Accordingly, Buyer shall have the opportunity to examine the Condominium Map at the Sales Office of Seller upon request.

1.9 Common Elements

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

Described in **Exhibit I**.

Described as follows:

Common Element	Number
Elevators	0
Stairways	8
Trash Chutes / Enclosures	4 (exterior)

1.10 Limited Common Elements

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

Described in **Exhibit J**.

Described as follows:

1.11 Special Use Restrictions

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

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

1.12 Encumbrances Against Title

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

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

Date of the title report: March 9, 2011

Company that issued the title report: Old Republic Title and Escrow of Hawaii, Ltd.

In addition to the encumbrances listed in Exhibit L, Developer has the right to designate certain units in the Community as Affordable Housing Units. Such Units will be subject to a 4 or 8 year buyback restriction, the form of which will be generally as described in the Unilateral Agreement attached hereto as Exhibit V.

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

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

3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	9/8/2010	3997405

Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Amended and Restated Declaration	10/12/10	4008757
Amendment to Amended and Restated Declaration	1/13/11	4039241

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	9/8/2010	3997406

Amendments to Bylaws of the Association of Unit Owners		
Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

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

Land Court Map Number	2075
Bureau of Conveyances Map Number	
Dates of Recordation of Amendments to the Condominium Map:	

EXHIBIT B

Section 1.3 -- Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area (sf)	Net Other Areas	Other Areas (lanai, garage, etc.)	Area
A1/A1R	8	2/2	1,148		185 (lanai) 196 (garage)	1,529
A2/A2R	8	3/2	1,458		195 (lanai) 205 (garage)	1,858
B/BR	16	3/2½	1,409		166 (lanai) 246 (garage)	1,821
C/CR	24	3/2½	1,393		285 (lanai) 246 (garage)	1,924
D/DR	8	3/2½	1,471		279 (lanai) 245 (garage)	1,995
E/ER	8	2/2½	974		165 (lanai/exterior storage)	1,139
F/FR	8	2/2½	995		93 (lanai/exterior storage)	1,088
G	4	2/2½	1,139		146 (lanai/exterior storage)	1,285
H	4	2/2½	1,065		146 (lanai/exterior storage)	1,211
J1	8	2/2	734		218 (lanai/exterior storage)	952
J2	8	2/2	734		143 (lanai/exterior storage)	877
K1	8	3/2	918		218 (lanai/exterior storage)	1,136
K2	8	3/2	918		143 (lanai/exterior storage)	1,061

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

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

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

CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, HOUSE RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL.

EXHIBIT L

Section 1.12 -- Encumbrances Against Title

1. Terms, provisions and conditions, contained in that certain AMENDED DOCUMENT LISTING CONDITIONS AND PRE-CONDITIONS TO RECLASSIFICATION dated November 14, 1989, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 1684751 herein referred to and the effect of any failure to comply with such terms, provisions and conditions.

Said Amended Document Listing Conditions and Pre-Conditions to Reclassification was amended by instrument dated September 11, 1995, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 2260756 and recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 95-119179.

2. Terms, provisions and conditions, contained in that certain AMENDED AND RESTATED DOCUMENT LISTING CONDITIONS TO RECLASSIFICATION dated September 11, 1995, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 2260754 and recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 95-119177 herein referred to and the effect of any failure to comply with such terms, provisions and conditions.

Said Amended Document Listing Conditions and Pre-Conditions to Reclassification was amended by instrument dated September 11, 1995, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 2260756 and recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 95-119179.

3. UNILATERAL AGREEMENT AND DECLARATION FOR CONDITIONAL ZONING

Executed By : the TRUSTEES OF THE ESTATE OF JAMES CAMPBELL,
DECEASED, "Developer"

On the terms, covenants and conditions contained therein,

Dated : November 17, 2004

Recorded : November 19, 2004 in the Office of the Assistant Registrar of the
Land Court, State of Hawaii, as Document No. 3195643

4. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in LIMITED WARRANTY DEED WITH COVENANTS AND RESERVATION OF RIGHTS recorded December 16, 2005 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3368412.
5. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument : GRANT OF EASEMENT

Granted To : HAWAIIAN ELECTRIC COMPANY, INC., a Hawaii corporation and
HAWAIIAN TELCOM, INC., a Hawaii corporation

For : utility purposes
Dated : January 23, 2008
Recorded : February 1, 2008 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3707463

6. EASEMENT "10144" (1,032 square feet)

For: landscaping purposes
As shown on Map 1463
As set forth by Land Court Order No. 179795, filed August 3, 2009

7. EASEMENT "10160" (9,078 square feet)

For: park purposes
As shown on Map 1463
As set forth by Land Court Order No. 179795, filed August 3, 2009

8. EASEMENT "10161" (42 square feet)

For: utility purposes
As shown on Map 1463
As set forth by Land Court Order No. 179795, filed August 3, 2009

9. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument : GRANT OF EASEMENT
Granted To : HAWAIIAN ELECTRIC COMPANY, INC., a Hawaii corporation and
HAWAIIAN TELCOM, INC., a Hawaii corporation
For : utility purposes
Dated : November 10, 2009
Recorded : November 20, 2009 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3917221

10. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Master Declaration of Covenants, Conditions, Restrictions and Easements for Mehana at Kapolei recorded January 12, 2009 in the Office of the Assistant Registrar of the Land Court Stated Hawaii as Document No. 3814806, as may be amended, and supplemented by the Supplemental Declaration of Annexation for Mehana at Kapolei recorded September 8, 2010 in the Office of the Assistant Registrar of the Land Court Stated Hawaii as Document No. 3997404.

12. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Amended And Restated Declaration of Condominium Property Regime of Pulewa at Mehana recorded October 12, 2010 in the Office of the Assistant Registrar of the Land Court Stated Hawaii as Document No. 4008757, as amended by instrument recorded January 13, 2011 in the Office of the Assistant Registrar of the Land Court Stated Hawaii as Document no. 4039241.

13. Bylaws of the Association of Unit Owners of Pulewa at Mehana recorded September 8, 2010 in the Office of the Assistant Registrar of the Land Court Stated Hawaii as

Document No. 3997406, as may be amended.

14. Condominium Map No. 2075.

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

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

EXHIBIT U

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

1. All prospective purchasers should also be aware that the Private Yard Areas, if any are available to Units in the Community, are not subdivided lots, but are exclusive use areas appurtenant to the Unit(s).
2. Developer may revise the specimen deed and sales contract for the Community to conform with any future amendments that may be made to the Declaration and the Community.
3. Each prospective purchaser should review the Condominium Map Site Plan so that they may identify easement areas benefiting the Community, which easements may affect the use of the Private Yard Area, if any.
4. A "sight view triangle" is required by the County on all corner yards in order to maintain clear views of traffic at certain intersections. The County requires that all structures and landscaping within the sight view triangle be no greater than thirty (30) inches in height.
5. Buyer may landscape the easement area(s) within a Private Yard Area, if any, as long as you do not interfere with the use of the easement area(s) affecting your unit. The grantee of the easement area, whether it is to HECO, the Pulewa at Mehana Association, the Master Association, or an agency of the County, will have the right to trim and keep trimmed any plants within the easement area that may be in the way. Also, you may not be permitted to construct other structures in the area depending on the nature of the easement. Such structures may require the grantee's approval. Additionally, should the grantee determine that it must remove any plants or foliage within the easement area, it may NOT be obligated to replace them, but rather will only be obligated to restore the surface of the ground within the easement area as much as the grantee determines is reasonably possible.
6. Exterior elevations, door and window locations and types may be modified from that reflected on the Condominium Map.
7. Act 119 passed by the State of Hawaii Legislature and effective July 1, 2004, contains important requirements you must follow before you file a lawsuit or other action for defective construction against the contractor who designed, repaired, or constructed your unit or facility. Ninety days before you file your lawsuit or other action, you must serve on the contractor a written notice of any construction conditions you allege are defective. Under the law, a contractor has the opportunity to make an offer to repair and/or pay for the defects. You are not obligated to accept any offer made by a contractor. There are strict deadlines and procedures under the law and failure to follow them may negatively affect your ability to file a lawsuit or other action.
8. Certain portions of the Community may be used as a sales office. The buyer is aware that noise and traffic from these areas may cause a disturbance. The buyer is responsible for investigating noise levels in and around the Community to determine if the buyer is satisfied with the acoustics and noise levels within the unit and within the Community as a whole. Developer makes no guaranty as to these matters now or in the future.
9. The buyer should be aware that the Community may be periodically affected by certain environmental conditions due to historical, existing and prospective surrounding conditions and

uses. Those uses include, without limitation, industrial, commercial and other non-residential uses, animal husbandry and pasture uses, and a railroad easement. Overhead and underground radio transmission wires and high voltage electric lines and facilities may be located within and around the Community. Such facilities purportedly may emit electric and magnetic emissions. Aircraft may fly in the proximity of or over or close to the Community. Buyers should also be aware that ongoing construction, commercial and industrial uses, plantation harvesting and farming may temporarily generate heavy dust and/or other nuisances. Pesticides and fertilizers were or may be used in the plantation harvesting and farming and may have long term effects on the land, water and environment.

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

11. Installation of air conditioners must be approved by the DRC and Developer. Buyers installing air conditioners should be sensitive to excessive noise and possible disturbance to neighbors. Buyers, not Developer or the Association, are responsible for the air conditioning unit's quiet operation. The buyer understands that even with screening, air conditioning units may emit noise at levels unacceptable to some people. The buyer agrees to assume all risks of such noise emissions.

Unit Types A1/A1R may have air conditioners, serving other units adjacent to the exterior wall of the Unit, at the master bedroom and dining room, adjacent to the entry of the upstairs unit. These air conditioning units may emit noise at levels unacceptable to some people. Buyers of A1/A1R Units acknowledge and agree that the normal operation of these air conditioners in conformance with any air conditioning guidelines for the Community is acceptable, and waive any claims arising out of such normal operation of these air conditioning units.

Unit Types H may have air conditioners serving other units adjacent to the exterior wall of the Unit, adjacent to the unit's entry. These air conditioning units may emit noise at levels unacceptable to some people. Buyers of H Units acknowledge and agree that the normal operation of these air conditioners in conformance with any air conditioning guidelines for the Community is acceptable, and waive any claims arising out of such normal operation of these air conditioning units.

Unit Types J1 may have air conditioners, serving upstairs units adjacent to the exterior wall of the Unit, adjacent to the kitchen window beneath the stairs leading to the second floor of these buildings. These air conditioning units may emit noise at levels unacceptable to some people. Buyers of J1 Units acknowledge and agree that the normal operation of these air conditioners in conformance with any air conditioning guidelines for the Community is acceptable, and waive any claims arising out of such normal operation of these air conditioning units.

Unit Types K1 may have air conditioners serving upstairs units adjacent to the exterior wall of the Unit adjacent to the kitchen window beneath the stairs leading to the second floor of these buildings. These air conditioning units may emit noise at levels unacceptable to some people. Buyers of K1 Units acknowledge and agree that the normal operation of these air conditioners in conformance with any air conditioning guidelines for the Community is acceptable, and waive any claims arising out of such normal operation of these air conditioning units.

12. All prospective purchasers should also be aware that Pulewa at Mehana is within and a part of the master planned community known as the Mehana at Kapolei, and is subject to

certain conditions and restrictions contained in various documents that affect the Community, including the covenants, conditions, restrictions, reservations, agreements, obligations and other provisions contained in the Master Declaration of Covenants, Conditions, Restrictions and Easements for Mehana at Kapolei, as the same may be amended and/or supplemented.

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

14. The buyer should be aware that the Community is located within the contours of the Honolulu International Airport 1987 Noise Contour Map; and

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

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

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

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

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

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

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

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

17. Certain Units in the Community may be designated as affordable housing for owner-occupants who meet the income qualification eligibility requirements of the City and County of

Honolulu Department of Planning and Permitting ("DPP") and have otherwise qualified per DPP affordable home buyer eligibility requirements, and only in accordance with and to satisfy certain affordable housing conditions mandated by the City and County of Honolulu Department of Planning and Permitting ("County Affordable Housing Conditions") pursuant to the Unilateral Agreement and Declaration for Conditional Zoning recorded as Document No. 3195643 (a copy of which is attached hereto as Exhibit "V") adopted as part of City and County of Honolulu Ordinance No. 04-46 for the Mehana at Kapolei project in Kapolei (the "Ordinance"). Affordable Homes, if any, shall be marketed for sale to persons with household incomes not exceeding one hundred twenty percent (120%) of the Oahu Median Income Level, as determined by DPP. Depending on the income level of the Buyer, each designated Affordable Home, if any, will be conveyed subject to either a four (4) year or eight (8) year buy-back restriction benefitting the City and County of Honolulu that limits the lease, rental, or resale of the Home during the restriction period.

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

EXHIBIT X

(PULEWA AT MEHANA AFFORDABLE HOUSING INFORMATION)

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

GENERAL ELIGIBILITY REQUIREMENTS

1. Applicants must meet all of the eligibility requirements of Section 3-2 of DPP's Affordable Housing Rules adopted in February 2010 (the "**Affordable Housing Rules**"). The eligibility requirements are generally summarized below.
2. Applicants must not own any real estate suitable for residential use, prior to closing of a home in Pulewa at Mehana or for the year prior to the date of the Applicant's housing application.
3. Applicants must be at least 18 years old and a citizen of the U.S. or a resident alien living in the State of Hawaii with a bona-fide intent to reside in the home purchased.
4. Designated affordable homes in the community will be offered for sales to eligible purchasers earning up to 120% of the City and County of Honolulu's "Median Household Income".
5. Applicants must abide by the Buy-back Restriction attached as **Exhibit Y** to this Public Report regarding sales of affordable homes at Pulewa as mandated in Unilateral Agreement and Declaration for Conditional Zoning, recorded as Document No. 3195643 (the "**UA**"), and the Affordable Housing Agreement applicable to the community. The UA and the Affordable Housing Agreement applicable to the community give the City and County an option to purchase the affordable home sold to an eligible purchaser if the eligible purchaser seeks to rent, lease or sell the designated affordable home, among other items, during the buy-back restriction period.
6. The ***duration of the buy-back restriction period varies*** depending on the income qualification level of the affordable home purchaser provided, however, sales of units may be limited to those eligible buyers described in subpart (ii). The restrictions on transfer, use and sale of the designated affordable home is (i) ***eight (8) years*** for buyers earning up to eighty percent (80%) of the median household income, and (ii) ***four (4) years*** for buyers earning between eighty-one percent (81%) and one hundred twenty percent (120%) of the median household income. Applicants must be owner-occupants at all times during the applicable buy-back restriction period.
7. Applicants must have the ability to finance the purchase with their own resources, including cash requirements and qualifying for the mortgage loan.
8. Applicants must not have previously received assistance from a State or County agency to purchase an affordable home, except in circumstances specifically permitted by the Director of DPP. Special application needs to be made for relief from this requirement.
9. The affordable homes being offered include (i) 2 bedroom, 2 bath and 2.5 bath units, and (ii) 3 bedroom, 2 bath units. The Affordable Housing Rules specify a minimum and maximum occupancy for 2 bedroom homes of ***2 to 5 persons*** and for 3 bedroom homes of ***3 to 7 persons***.

10. Applicant's Annual Gross Household Income must not exceed 120% of the City and County of Honolulu's Median Household Income. The maximum qualifying income based on family size is listed on **Exhibit Y**.

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

11. Applicants are advised that the making of any false statements knowingly, in connection with this application is a crime punishable by a fine of up to \$2,000.00 or imprisonment for up to one (1) year or both as applicable under the provisions of the Hawaii Penal Code, Part V, Section 710-1063.
12. During the applicable buy-back restriction period, should buyer intend to rent, lease, sell or change title to their home, they must first give notice to the City and County and the City and County of Honolulu has first option to purchase the home at the original cost, plus the cost of any improvements, plus simple interest on the original cost and capital improvements to the purchaser at the rate of seven percent (7%) per year.

REQUIRED DOCUMENTS

The following buyer information forms are required by D.R. Horton and DPP and must be filled out completely by all parties before they may participate in the lottery. Applicants submitting incomplete forms will be disqualified. **These forms must be mailed or delivered in person to D.R. Horton's sales office at 510 Kunehi Street Unit 101, Honolulu, Hawaii 96707, Attention Lorna Lowe, BJ Nagata, Kendall Suga or Beverly Wellman; Telephone (808) 674-2660. The forms must be received by D.R. Horton at least 7 days prior to the scheduled date of the lottery or an applicant will not be permitted to participate in the lottery.**

1. Owner-Occupant Affidavit and Affidavit as to Family Members
Read and complete the necessary information. This form must be signed by all parties in front of a Notary Public. Do not sign this form without a Notary Public present.
2. Housing Application Form
This form must be completely filled out. *It must be returned together with all the specified personal data required on the basis of answers to the application.* All information will be kept confidential and will be submitted to the DPP and a Lender for their review and approval.
3. Tax Returns or Other Income Verification forms approved by DPP
Submit two (2) years of signed FEDERAL tax returns with all schedules attached to your application. Income eligibility can be based on tax return information, the household's current payroll information or other DPP approved income verification forms. **TAX RETURNS MUST BE SIGNED BY ALL PARTIES.**
4. Proof of Residency
Provide valid proof that you are domiciled in the State of Hawaii such as a Drivers License, State ID, or other approved documentation.

5. Pre-Qualification Letter

A Pre-Qualification Letter from DHI Mortgage or other approved lender is required. You are not required to use DHI Mortgage and may use a lender of your choice.

6. Lottery Registration Form.

This Lottery Registration Form is available from the sales office and must be completed to participate in the lottery.

SALES PROCESS

1. All designated affordable homes will be offered initially by lottery for sale to pre-qualified applicants.
2. Applicants wanting to participate in the lottery must complete and submit to D.R. Horton ALL OF THE REQUIRED DOCUMENTS itemized above at least 7 days prior to the scheduled date of the lottery. If an applicant does not fully complete the forms and return all of them, together with specified personal data required on the basis of answers to the Housing Application Form, they may not participate in the lottery. In other words, if you do not return these forms to D.R. Horton within the time noted or return them with blanks, you may not participate in the lottery. D.R. Horton, in consultation with an applicant's lender, will make a preliminary determination of an applicant's qualification to participate in the lottery. If D.R. Horton determines an applicant is not qualified to participate in the lottery, the applicant will not be permitted to participate in the lottery provided, however, D.R. Horton's determination that an applicant is qualified is not binding on DPP. The applicant's application package will, however, be submitted to DPP for review and action.
3. If selected at the Lottery, an applicant may select an affordable home to buy, sign a reservation to purchase that home, and make a reservation deposit of \$500 on the home. D.R. Horton will assist applicants in the selection of their homes. Applicant's deposit will be refundable pending DPP certification of the applicant's qualification to purchase an affordable home.
4. All of applicant's completed forms will be submitted to DPP for its review and certification of an applicant's eligibility and qualification to purchase an affordable home. The completed forms will also be reviewed by D.R. Horton and the applicant's lender to determine eligibility. If DPP fails to certify an applicant's eligibility and qualification within a reasonable time or D.R. Horton or the Lender determine the applicant is not eligible or qualified, in their sole discretion, the applicant's reservation will be cancelled and their deposit refunded. In that case, the affordable home selected by applicant will be offered to the next lottery participant who has not been able to reserve an affordable home or be offered on a first-come first-served basis to the next applicant or the next applicant who has a registered interest if an interest list is utilized.
5. Once DPP has certified an applicant's qualification and eligibility to purchase an affordable home, applicant will be given 5 days to enter into a sales contract provided applicant's loan pre-qualification remains effective. In that regard, it is each applicant's responsibility to stay in touch with their lender to assure any Loan Pre-Qualification Letter remains valid. Copies of the sales contract entered into by an applicant will be provided to DPP. If the applicant's Loan Pre-Qualification Letter expires or applicant does not enter a sales contract within the time permitted and make the required deposit under the sales contract, the applicant's reservation may be cancelled and the selected home will be offered to the next applicant as stated above.

IMPORTANT NOTES

1. Before submitting a form, every blank must be filled in. If blanks do not apply to you, write the word "none" in the blank. Applicants submitting incomplete forms will be disqualified.

2. At all stages of the application process buyer is responsible for notifying D.R. Horton of any changes in mailing addresses and telephone numbers.

If you have any questions, please call, D.R. Horton's sales office at **(808) 674-2660** (Oahu). If there are any questions that D.R. Horton is not able to answer, please call DPP's Development Plans and Zoning Change Branch at (808) 768-8054.

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

EXHIBIT Y

(FOUR (4) OR EIGHT (8) YEAR BUY-BACK RESTRICTION)

1. For a period of four (4) or eight (8) years **[INSERT APPLICABLE RESTRICTION PERIOD]**, after the purchase, whether by lease, assignment of lease, deed, or agreement of sale, if the purchaser wishes to transfer title to the unit, the City and County of Honolulu ("City") shall have the first option to purchase the real property at a price ("Purchase Price") which shall not exceed the sum of:

- (a) The original cost to the purchaser;
- (b) The cost of any improvements added by the purchaser; and
- (c) Simple interest on the original cost and capital improvements to the purchaser at the rate of seven percent (7%) per cent a year.

The City may purchase the unit outright, free and clear of all liens and encumbrances, and may require that all existing mortgages, liens, and encumbrances are satisfactorily paid by the purchaser, or it may purchase the unit subject to an existing mortgage.

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

2. During the buy-back restriction period, only liens and mortgages consented to in advance by the City and created for the purpose of financing, refinancing, purchase of the fee, repayment of subsidy, maintenance and repair of the affordable housing unit or essential improvements, or other household expenditures of an emergency or life-threatening nature may be placed on the property.

3. After the end of the 4th or 8th year **[INSERT APPLICABLE RESTRICTION PERIOD]** from the date of purchase, the purchaser may sell, lease or transfer the affordable housing unit to any person free from the buy-back restrictions;

4. The transfer restrictions prescribed in this **[Four (4) or Eight (8)] [INSERT APPLICABLE RESTRICTION PERIOD]** Year Buy-Back Restriction may be held in abeyance by the City, with any remaining balance of the time period applied to the transferee if:

- (a) The purchaser wishes to transfer title to the real property by devise or through the laws of descent to a family member who would otherwise qualify under the provisions of this condition; or
- (b) The City determines that the sale or transfer of an affordable housing unit would be at a price and upon terms that preserve the intent of this section without the necessity of the City to repurchase the unit.

This **[Four (4) or Eight (8)] [INSERT APPLICABLE RESTRICTION PERIOD]** Year Buy-Back Restriction shall not apply in the case of the purchase of affordable housing units under a federally subsidized mortgage program that precludes making loans on homes that are subject to buy-back provisions, in general, or the buy-back provision provided herein, in particular.

5. The restrictions set forth herein shall be automatically extinguished and shall not attach in subsequent transfers of title when a mortgage holder or other party becomes the owner of an affordable

housing unit pursuant to a mortgage foreclosure, foreclosure under power of sale, or a conveyance in lieu of foreclosure after a foreclosure action is commenced.

6. Maximum qualifying income (120% of the City and County of Honolulu's Median Household Income) based on family size as of May 2010:

Family Size	2	3	4	5	6	7
Income Range	\$78,432	\$88,236	\$98,040	\$105,883	\$113,726	\$121,570

EXHIBIT Z
(PULEWA AT MEHANA AFFORDABLE HOME HOUSING APPLICATION)

PULEWA AT MEHANA (MEHANA PARCEL 3)
AFFORDABLE HOME
HOUSING APPLICATION

MUST BE FILLED IN COMPLETELY.

Applicant: _____ Spouse _____

Address: _____

Phone Residence: _____ Business: _____

Number of Family Members to Occupy Home: _____

Total Family Income as Indicated on Tax Return(s), payroll information or other income verification forms acceptable to the City and County's Department of Planning and Permitting ("DPP"): \$ _____

	Yes	No
Are you a US citizen or resident alien?	_____	_____
Are you at least 18 years of age?	_____	_____
Are you a bona fide resident of the State of Hawaii?	_____	_____
Will you live in the home?	_____	_____
Do you own any other property suitable for dwelling purposes?	_____	_____
Are your last two years of income tax returns attached (RETURN MUST BE SIGNED)?	_____	_____
If income tax returns are not available have you attached payroll information or other income verification forms your believe will be acceptable to DPP?	_____	_____

Cash Available For Downpayment: \$ _____

Employer: _____ Monthly Income: \$ _____

Spouse's Employer: _____ Monthly Income: \$ _____

Interest/Dividend: _____ Monthly Income: \$ _____

Other: _____ Monthly Income: \$ _____

Total Family Monthly Income \$ _____

Monthly Bills – Auto(s) Balance: \$ _____ \$ _____ /mo.

Monthly Bills – Charge Cards Balance: \$ _____ \$ _____ /mo.

Monthly Bills – Credit Union Balance: \$ _____ \$ _____ /mo.

Monthly Bills – Other Balance: \$ _____ \$ _____ /mo.

Monthly Bills – Other Balance: \$ _____ \$ _____ /mo.

Total Balance: \$ _____ \$ _____ /mo.

SPECIAL CONDITIONS:

1. The information above is being provided by the applicant for the purposes of registration for the purchase of a home in the project listed above.
2. The applicant understands that placement in the lottery will not be accepted unless the above information is **complete and the signed tax returns or other appropriate income verification materials are attached.**
3. Applicant understands that application and placement in the lottery does not guarantee applicant will qualify to purchase. Final determination will be made by the DPP and the lending institutions approved by D.R. Horton – Schuler Homes, LLC ("DRH").

PULEWA AT MEHANA (MEHANA PARCEL 3)
AFFORDABLE HOME
HOUSING APPLICATION

LIST BANK ACCOUNTS:

<u>INSTITUTION</u>	<u>BRANCH</u>	<u>TYPE</u>	<u>BALANCE</u>

LIST STOCKS/BONDS:

<u>STOCKS/ NAME</u>	<u>#OF BONDS</u>	<u>DIV/INT SHARES</u>	<u>TOTAL PER YR.</u>	<u>AMOUNT</u>

LIST ALL REAL ESTATE HOLDINGS:

<u>ADDRESS</u>	<u>MARKET VALUE</u>	<u>WHEN ACQUIRED</u>	<u>MORTGAGE BALANCE</u>	<u>MONTHLY PAYMENT</u>

Signature

Date

Signature

Date

PULEWA AT MEHANA (MEHANA PARCEL 3)
AFFORDABLE HOME
HOUSING APPLICATION

If you answer YES to any of the following, you must submit (3) copies of the additional required documentation.

Yes No

- | | | | |
|--------------------------|--------------------------|----|--|
| <input type="checkbox"/> | <input type="checkbox"/> | 1. | Applicants have been married within the past year or tax returns show different names. Three copies of the marriage certificate must be submitted. |
| <input type="checkbox"/> | <input type="checkbox"/> | 2. | Applicant or co-applicant has been divorced at any time. Three copies of the divorce decree (not divorce certificate) must be submitted. |
| <input type="checkbox"/> | <input type="checkbox"/> | 3. | Applicants own or have ever owned any type of residential real estate holdings. Three copies of the deed or proof of sale must be submitted, regardless of how much interest applicants owns(ed). |
| <input type="checkbox"/> | <input type="checkbox"/> | 4. | Applicants are single persons applying together to constitute a household of two or more. Three copies of proof that applicants have been living together for at least one year is required. Proof can be anything that is dated at least one year ago, such as a joint billing, lease/rental agreement or drivers license. Letters or affidavits from parents or other persons stating that the applicants have lived together for the one year period are not acceptable. |
| <input type="checkbox"/> | <input type="checkbox"/> | 5. | Applicant(s) is a single parent and has never been married. Three copies of all birth certificates must be submitted, as well as any child support payment documentation. |

There must be three (3) complete copies of all documents including this original application and signed copies of tax returns or other acceptable income verification materials for all household members over the age of eighteen. If you wish to have a copy for your records, please make that in addition to the above referenced three (3) copies.

Applicant

Spouse/Co-Applicant

Date: _____

All applications must be hand-delivered and will not be accepted by mail. A D.R. Horton-Schuler Homes, Inc representative will review the application while you wait. **IF ALL THE ITEMS ARE NOT COMPLETED OR INCLUDED WITH THE APPLICATION, UNDER NO CIRCUMSTANCES WILL THE APPLICATION BE ACCEPTED.**

EXHIBIT AA

(OWNER OCCUPANT AFFIDAVIT AND AFFIDAVIT AS TO FAMILY MEMBER)

**PULEWA AT MEHANA
(MEHANA PARCEL 3)
AFFORDABLE HOMES**

**OWNER OCCUPANT AFFIDAVIT
AND AFFIDAVIT AS TO FAMILY MEMBER**

We the undersigned "owner-occupants" on this day of _____, 20_____, declare that we are an "Affordable Income Purchaser", who will be "owner-occupants" in PULEWA AT MEHANA, a fee simple residential community (the "Project").

We understand and agree that:

1. The term "Affordable Income Purchaser" as used in this document, means a buyer whose gross household income does not exceed the indicated (by checking the applicable box below) 80% of the median income or 120% of the median income (adjusted for family size) for the Honolulu Metropolitan Statistical Area as most recently determined by the U.S. Department of Housing and Urban Development. The following are current income limits as of May 2010 by family size for the Project:

Family Size	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
<input type="checkbox"/> 80% Income	63,600 (2 bdrm)	\$71,550 (2-3 bdrm)	\$79,450 (2-3 bdrm)	\$85,850 (2-3 bdrm)	\$92,200 (3 bdrm)	\$98,550 (3 bdrm)
<input type="checkbox"/> 120% Income	78,432 (2 bdrm)	\$88,236 (2-3 bdrm)	\$98,040 (2-3 bdrm)	\$105,883 (2-3 bdrm)	\$113,726 (3 bdrm)	\$121,570 (3 bdrm)

2. By signing this document, we represent that we are an "Affordable Income Purchaser" within the meaning of those terms, as defined in paragraph 1 above.
3. By signing this document, we represent that we intend to buy a residential unit in the Project and to become an owner-occupant of the unit.
4. By signing this document, we understand and agree that the residential unit which we purchase in the Project must be occupied by us and is not to be rented. The individuals listed below will occupy the unit:

Names of all household members,
Including applicant and co-applicant

Age

SS#

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____

5. By signing this document, we represent that we are citizens of the United States or resident alien(s).
6. By signing this document, we represent that we are at least 18 years of age.
7. By signing this document, we represent that we are domiciled in the State and shall physically reside in the dwelling unit purchased.
8. By signing this document, we represent that we constitute a family unit, are currently living together, and have been living together for at least the one-year period preceding the date of this affidavit.
9. By signing this document, we represent that we understand that we must qualify for the loan to finance the purchase.
10. By signing this document, we represent that we are not an owner individually, or together with spouse, nor can spouse own a majority interest in fee simple or leasehold lands suitable for a dwelling unit, or a majority interest in real property under any trust agreement or other fiduciary arrangement in which another person holds the legal title to such real property, within the State of Hawaii, at any time within twelve months preceding the date of the application to purchase a unit to the consummation of the purchase.
11. By signing this document, we authorize the City and County of Honolulu, its designated employees of the Department of Planning and Permitting ("DPP"), to make all inquiries that DPP deems necessary to verify the accuracy of the statements made herein and to determine the undersigned eligibility and to periodically verify the compliance with each of the provisions herein. We agree(s) to inform DPP of any changes after this date that affect DPP's eligibility and preference requirements.
12. By signing this document, we authorize the Developer or it's representatives to release to the City & County of Honolulu and to any lender of developer's choice all documents, including this affidavit, tax returns, other income verification forms and other fiduciary statements, to determine our eligibility status.

13. By signing this document, we represent that the declarations in this affidavit are true and correct and acknowledge that (i) it is a crime punishable by a fine of Two Thousand Dollars (\$2000.00) or imprisonment for 1 year or both to knowingly make a false statement concerning the above facts as applicable under the provisions of the Hawaii Penal Code, Part C, Sec. 710-1063, and (ii) that DPP may initiate all legal remedies for enforcement of the provisions including immediate termination, repurchase, foreclosure and eviction.

OWNER-OCCUPANT(S)

ADDRESS

PURCHASER SIGNATURE

CITY, STATE, ZIP CODE

PURCHASER SIGNATURE

PHONE NO. (RESIDENCE)

PURCHASER SIGNATURE

PHONE NO. (BUSINESS)

PURCHASER SIGNATURE

PURCHASER SIGNATURE

PURCHASER SIGNATURE

PURCHASER SIGNATURE

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

On _____, before me personally appeared _____, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Print name: _____
 Notary Public, State of Hawaii
 My commission expires: _____

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

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

On _____, before me personally appeared _____, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Print name: _____
Notary Public, State of Hawaii
My commission expires: _____

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