

# IMPORTANT - - Read This Developer Prepared Report Before Buying

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

## FIRST AMENDED DEVELOPER'S PUBLIC REPORT FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME	THE CLUB BUNGALOWS AT KUKUI'ULA - PHASE II (This Report only covers Units 11, 12, 14, and 15*)
Project Address	2840 Ke Alaula Street Koloa, Island and County of Kauai, Hawaii 96756
Registration Number	7823
Effective Date of Report	<b>December 9, 2019</b>
Developer(s)	Kukuiula Bungalows II LLC, a Hawaii limited liability company*  *See page 1b, item 1

### 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 ("HRS"), as amended from time to time. The law defines "material facts" as "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 ("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 the 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, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to immediately submit 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; however, a purchaser may have rights to cancel or rescind a sales contract under specific circumstances.

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*For all sales information, please contact the Developer and real estate broker on page 9.*

*Individuals with special needs may request this material by calling the State of Hawaii Real Estate Commission at 586-2644.*

### **Special Attention - - Significant Matters**

Use this page for special or significant matters which should be brought to the purchaser's attention. Subject Headings and page numbers where the subject is explained must 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 are 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.**

THE REMAINDER OF THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK - SEE PAGE 1b.

**Special Attention - - Significant Matters Continued**

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**THE CLUB BUNGALOWS AT KUKUI'ULA CONDOMINIUM PROJECT (THE "PROJECT") IS THE SUBJECT OF A PRIOR DEVELOPER'S PUBLIC REPORT (REG. NO. 7823) (THE "PRIOR PUBLIC REPORT") WITH AN EFFECTIVE DATE OF JUNE 2, 2016, AND WHICH PRIOR PUBLIC REPORT COVERS THE ORIGINAL UNITS 11, 12, 13, 14, 15, 16, 17, 18, AND 19 IN THAT PORTION OF THE PROJECT KNOWN AS PHASE II.**

**SINCE THE EFFECTIVE DATE WAS ISSUED FOR THAT PRIOR PUBLIC REPORT, THE DEVELOPER OF PHASE II OF THE PROJECT HAS CHANGED, AND THE NUMBER OF UNITS IN PHASE II HAS BEEN REDUCED FROM NINE (9) UNITS TO FOUR (4) UNITS. THIS PUBLIC REPORT ONLY COVERS THE NEW UNITS 11, 12, 14, AND 15 IN PHASE II OF THE PROJECT, AND COMPLETELY AMENDS, SUPERSEDES, AND REPLACES IN ITS ENTIRETY THE PRIOR PUBLIC REPORT FOR PHASE II OF THE PROJECT.**

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1. **OVERVIEW.** Kukuiula Bungalows II LLC (the "Developer"), is the successor-in-interest to Lodge Hale Development, LLC ("LHD") for Phase II of the Project, who previously filed the Prior Public Report to register nine (9) units in that portion of the CLUB BUNGALOWS AT KUKUI'ULA (the "Project") known as Phase II. The nine (9) units in Phase II of the Project were never constructed by LHD or sold to the general public. LHD has or shortly will be withdrawing from Phase II of the Project and the Developer is under contract with Kukui'ula Development Company (Hawaii) LLC and Hai Fu International Investment, LLC (collectively, the "Fee Owner") to acquire the fee interest and the reserved development rights in Phase II of the Project. Any sale of the units in Phase II is contingent upon the Developer acquiring the fee interest and the reserved development rights in Phase II. Phase II of the Project, as initially submitted by LHD, consisted of nine (9) units designated as Unit Nos. 11, 12, 13, 14, 15, 16, 17, 18, and 19. Since the Prior Public Report for Phase II was filed, Phase II has been revised and now consists of four (4) units, designated as Unit Nos. 11, 12, 14 and 15. This Public Report completely amends, supersedes, and replaces in its entirety the Prior Public Report for Phase II having an effective date of June 2, 2016.

2. **THE PROJECT.** The Project consists of sixteen (16) units – fifteen (15) residential units and one (1) spatial unit. Of those sixteen (16) units, five (5) residential units are included in Phase IA, six (6) residential units are included in Phase IB, and four (4) residential units are included in Phase II which is the subject of this Public Report. The four (4) residential units covered by this Public Report are Unit Nos. 11, 12, 14, and 15. Additional residential units and common elements in subsequent phases of the Project may be constructed by the Developer, LHD, or the Fee Owner within the area currently shown on the Condominium Map as the spatial unit and land appurtenant to the spatial unit as a limited common element. In addition, the Fee Owner has the reserved right to subdivide and withdraw the spatial unit and its appurtenant limited common element area from the Project without the consent or joinder of the unit owners. Purchasers should review the Developer's and Fee Owner's Reserved Rights (Exhibit H) with respect to the construction of the Project, additional phasing and revision of Common Interest.

3. **FEE OWNERSHIP.** The Developer does not currently own the property on which Phase II of the Project is to be constructed, but has entered into a binding sale agreement with the current Fee Owner pursuant to which the Fee Owner is obligated to sell the units in Phase II to Developer when certain conditions have been met, including: (a) the units have been created; and (b) an effective date has been issued for this amended Public Report. The units in Phases 1A and 1B have been conveyed to individual buyers, are part of a separate Public Report, and are not part of this Public Report.

4. **MASTER ASSOCIATION.** The Project is located within a master planned community known as "Kukui`ula" and is subject to the "Governing Documents" of that community. Owners of units in the Project must comply with the provisions of the Governing Documents, including the payment of various fees and assessments. Although the Developer has attempted to provide a comprehensive overview of Kukui`ula, prospective purchasers should carefully review the Governing Documents listed on Exhibit L (the "Governing Documents"). Purchasers will receive copies of the Governing Documents with this Public Report and are encouraged to read them carefully.

a. **The Community.** The Project is located within a planned resort community known as Kukui`ula which consists of residential, commercial, recreational, historic, archaeological and civic components (the "**Community**"). The developer of the Community is Kukui`ula Development Company (Hawaii), LLC, a Hawaii limited liability company (the "**Master Developer**"). The Master Developer formed the Kukui`ula Community Association, a non-profit Hawaii corporation (the "**Community Association**"), to own, operate and/or maintain parks and trails, primarily non-recreational features, common property, and community improvements, and to administer and enforce the governing documents, and other restrictions and standards established for the Community. All Unit Owners in the Project are automatically members of the Community Association and are obligated to comply with the governing documents, restrictions and standards thereof, and to pay all fees associated with such membership as set forth in the governing documents and established by Board of Governors of the Community Association. The governing documents of the Community Association are included within the meaning of "Governing Documents" and are listed on Exhibit L.

b. **The Club.** In conjunction with the Community, the Master Developer organized The Club at Kukui`ula, a Hawaii non-profit corporation ("**The Club**"), to provide recreational, cultural, fitness, wellness, agricultural, educational, and civic programs, services, and activities, and to own, manage, and control various properties and facilities which the Master Developer designates for recreational and leisure purposes within Kukui`ula. Currently, the following amenities are included in The Club: the Kukui`ula Plantation House, the Kukui`ula Spa; the 18-hole championship Kukui`ula Golf Course and related improvements and facilities, and the clubhouse known as the Kukui`ula Golf Club. All Unit Owners in the Project are automatically members of The Club and are obligated to comply with the Governing Documents, restrictions and standards thereof, and to pay all fees associated with such membership as set forth in the Governing Documents and established by Board of Governors of The Club. It should be noted that if the Purchaser sells the Unit, the new buyer must also pay the initiation fee for The Club. The governing documents of The Club are included within the meaning of "Governing Documents" and are listed on Exhibit L.

c. **Golf Membership.** Owners of Units in the Project may apply to purchase additional membership privileges in The Club which grant priority access and use privileges with respect to The Club's golf facilities ("**Golf Membership**"). Golf Membership is subject to approval, availability, and payment of additional fees in such amount as established by The Club from time to time. **GOLF MEMBERSHIP IS NOT GUARANTEED TO ANY OWNER AND IS A SEPARATE TRANSACTION FROM THE PURCHASE OF THE UNIT.**

5. **USE OF UNITS.** Units may be used only for residential purposes (which include leasing a Unit for residential purposes subject to limitations in accordance with the Governing Documents). Units in the Project have been designated as "TVRs" by the Master Developer, which means that they may be rented for a minimum of a one-week period (i.e. any 7-day consecutive period). Owners of Units in the Project may also elect to participate in a short-term rental program operated by The Club or its designee (which may include nightly rentals) ("**The Lodge Program**") by which their Unit may be rented to guests through a boutique-style lodging program providing access to and use of The Club amenities. Except for Units in The Lodge Program, or as otherwise designated by the Master Developer, no TVR may be rented for less than the seven-day minimum. Participation in the Lodge Rental Program will require that the Unit has a standard furnishings package. Tenants of leased Units or renters of TVRs within the Project shall have no rights to use The Club's facilities (including the Golf Course) unless they otherwise qualify under the terms of the Governing Documents addressing The Lodge Program.

6. **MAINTENANCE FEES.** Pursuant to H.R.S. 514B-41 and Section 11(a)(vi) of the Declaration, a Unit Owner does not pay maintenance fees until a certificate of occupancy is issued for his/her Unit. Accordingly, the budget attached to this Public Report as Exhibit I allocates the maintenance fees only to the fifteen residential units that are intended to be constructed in Phase IA, Phase IB, and Phase II. However, the costs in the budget are limited to the costs associated with the common elements included in Phase IA, Phase IB and Phase II. The costs associated with maintenance of the land appurtenant to the spatial unit will be paid by the owner of that unit. As new units are constructed in future phases, the budget will be adjusted to include maintenance costs associated with those units and phases. The maintenance fees will be reallocated among all owners of the constructed units based on their percentage of common interest (as recalculated pursuant to Section R.3 of the Declaration).

7. **CFD IMPROVEMENTS.** Units in the Project are subject to the Kukui`ula CFD special tax which provides a partial reimbursement to Master Developer of its costs to construct certain improvements benefiting Kukui`ula and the Koloa-Po`ipu area. The improvements funded by the Kukui`ula CFD (the "**CFD Improvements**") include regional transportation improvements designed to provide better access through and around the Koloa-Po`ipu area. Chief among those improvements is Ala Kalanikaumaka (also known as the "**Western Bypass Road**"). Another CFD Improvement is the expansion of the County Department of Water potable water system. As such, a portion of Master Developer's costs to construct the water distribution and storage facilities may be reimbursed to Master Developer via the CFD, meaning that, through each of your CFD payments, you would indirectly contribute toward the costs Master Developer incurred to construct the water distribution and storage facilities. Other planned CFD Improvements include certain civil defense and shoreline recreational improvements (not including Kukui`ula Bay Park) that will benefit residents of and guests to the Koloa-Po`ipu area and that will be specifically designed to meet the objectives of the County.

This special tax for the District is an "ad valorem" tax, meaning that it is based on the value of the real property being taxed. The special tax is currently planned to be assessed as follows:

<b><u>County CFD Tax Based on Land Value</u></b>	
<b>Fiscal Year</b>	<b>Preliminary Estimate of Maximum Tax Rate per \$1,000 of Value (land only)</b>
2019	3.90

For additional information, please see item 6.2 on page 19a and Exhibit L to this Public Report and Exhibit E to the Condominium Purchase Agreement,

8. **FEES AND ASSESSMENTS.** As noted above, Owners of Units in the Project are obligated to pay certain fees and assessments to the Master Association and to the Project Association. The latest fees and assessments include the following:

- (a) **Master Association Capital Start-Up Fee.** The "**Capital Start-Up Fee**" is a mandatory one-time fee payable by the initial owner of each Unit (including Buyer but excluding the Developer) which fee is currently \$1,600.00, and due and payable at the time of closing.
- (b) **Master Association Base Assessment.** The "**Base Assessment**" is an assessment established by the Board of Governors, which is imposed upon the owner of each Unit (including Buyer but excluding the Developer). Currently, the Base Assessment is \$1,024.03/month (\$12,288.36/year) per Unit. Payment of the Base Assessment to the Association is due monthly and shall commence upon closing.
- (c) **Plantation Membership (The Club) Initiation Fee.** The "**Initiation Fee**" is a mandatory one-time fee payable to The Club, currently \$75,000.00 per Unit. The Initiation Fee is unrelated to the use or non-use of golf and other facilities and is due and payable at the time of closing.

- (d) Golf Membership (Optional). An optional “**Golf Membership**” is available at \$75,000.00 (in addition to the Initiation Fee of \$75,000). The monthly assessment for the Golf Membership (the “Golf Assessments”) is currently \$512.01/month (\$6,144.12/year), which is in addition to other assessments
- (e) Plantation Membership (The Club) Regular Club Assessment. The “**Regular Club Assessment**” is currently \$1,280.02/month (\$15,360.24/year) for each Unit. Payment
- (f) the Regular Club Assessment to The Club is a monthly assessment which commences upon closing.
- (g) The Club Bungalows at Kukui`ula maintenance fee as discussed in item 6 above.
- (h) The Club Bungalows at Kukui`ula Capital Start-Up Fee. An amount equal to two months maintenance fees for the Unit in effect on the Closing Date.

The amount of the fees and assessments are subject to change as provided in the Governing Documents.

**PROSPECTIVE PURCHASERS SHOULD READ THIS PUBLIC REPORT, PARTICULARLY PAGES 19a-19c AND EXHIBIT H AND EXHIBIT M, WITH CARE FOR INFORMATION AND DISCLOSURES THAT MIGHT MATERIALLY AFFECT THEIR EXPECTATIONS REGARDING THEIR PURCHASES. SEEKING LEGAL ADVICE MAY BE APPROPRIATE ON IMPORTANT ISSUES OF UNCERTAINTY**

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This Public Report does not constitute approval of the Project by the Real Estate Commission, or any other government agency.

A 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, HRS, 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.

For more general information on condominiums, please go to <http://www.hawaii.gov/hirec>. Contact the Hawaii Real Estate Commission's Condominium hot line at (808) 586-2644 from 9:00 AM to 3:00 PM, Monday through Friday. Contact the Developer and real estate broker on page 9 for any sales information.

## **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 that at first 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	Kukui'ula Development Company (Hawaii) LLC and Hai Fu International Investment, LLC
Address of Project	2840 Ke Alaula Street Koloa, Island and County of Kauai, Hawaii 96756
Address of Project is expected to change because (describe)	
Tax Map Key (TMK)	(4) 2-6-019-017
Tax Map Key is expected to change because	Individual CPR numbers have been issued for the units but new individual CPR numbers may be issued for Phase II.
Land Area (square feet or acres)	408,247 sq. ft.
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	Developer, Fee Owner and the former developer have entered into a purchase contract whereby Developer may purchase Phase II of the property. See page 1b, item 1.

**1.2 Buildings and Other Improvements**

Number of Buildings	4 residential buildings, 2 carport structures (Phase II only)
Floors Per Building	1
Number of New Building(s)	6
Number of Converted Building(s)	0
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Concrete, wood frame, wood siding, wood shingle roof, and wood studs

**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
B.1	1	2/2	1,303 sq. ft.	85 sq. ft.	512 sq. ft.	1,900 sq. ft.
D.1	3	3/3	1,658 sq. ft.	36 sq. ft.	715 sq. ft.	2,409 sq. ft.
See Exhibit <u>    A    </u> .						

4 (Phase II only)	<b>Total Number of Units</b>
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Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.

**1.4 Parking Stalls**

Total Parking Stalls in the Project:	8 (Phase II only)
Number of Guest Stalls in the Project:	4 (Phase II only) (uncovered for guests & owners)
Number of Parking Stalls Assigned to Each Unit:	1 (covered)
Attach Exhibit <u>  A  </u> specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact, or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	
Developer has reserved the right to assign parking stalls and to re-assign for any units owned by the Developer.	

**1.5 Boundaries of the Units**

Boundaries of the unit:  See EXHIBIT B.
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**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.
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**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 the Declaration, is:
Described in Exhibit <u>  D  </u> .
As follows:

**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 checked="" type="checkbox"/>	Trash Chute/Enclosure(s)
<input type="checkbox"/>	Exercise Room
<input type="checkbox"/>	Security Gate
<input type="checkbox"/>	Playground
<input checked="" type="checkbox"/>	Other (describe): See Item No. 4 on page 1b.

**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  E  .

Described as follows:

Common Element	Number
Elevators	0
Stairways	0
Trash Chutes	1

**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 checked="" type="checkbox"/>	Pets: 2 per unit maximum; no birds; leash requirements when outside of Unit
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: See Item No. 5 on page 1c and Item No. 1 on page 19a.
<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  F  describes the encumbrances against title contained in the title report described below.

Date of the title report: September 17, 2019

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

**1.13 Uses Permitted by Zoning and Zoning Compliance Matters**

Uses Permitted by Zoning						
	Zoning/Type of Use	No. of Units	Use Permitted by Zoning		Zoning District	No. of Spatial
<input checked="" type="checkbox"/>	Residential	4 - Phase II	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	R-10/RR10	0
<input type="checkbox"/>	ADU/Ohana		<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"/>	Commercial		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Hotel/Resort		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Timeshare		<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"/>	Preservation/Recreational		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input checked="" type="checkbox"/>	Other (Specify): Transient vacation	4 - Phase II	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	R-10/RR10	0
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lot	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>If a non-conforming use, structure, or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:</p>			

**1.15 Conversions**

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

<p><b>Verified Statement from a County Official</b></p> <p>Regarding any converted structures in the project, attached as Exhibit ____ is a verified statement signed by an appropriate county official which states that either:</p> <p>(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:</p> <ul style="list-style-type: none"> <li>(i) Any variances or other permits that have been granted to achieve compliance;</li> <li>(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</li> <li>(iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance;</li> </ul> <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**

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	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the Declaration chapter 205, HRS, compliant?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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
If the answer is "No", provide explanation.		
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
If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.		
Other disclosures and information:		

**1.17 Project with Assisted Living Facility**

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

**2. PERSONS CONNECTED WITH THE PROJECT**

<p><b>2.1 Developer(s)</b></p>	<p>Name: Kukuiula Bungalows II LLC, a Hawaii limited liability company</p> <p>Business Address: 800 Bethel Street, Suite 403 Honolulu, Hawaii 96817</p> <p>Business Phone Number : (808) 347-3147</p> <p>E-mail Address: jeff@islecommunities.com</p>
<p>Names of officers and directors of Developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	<p>Isle Communities LLC, a Hawaii limited liability company Its Member Adam Sutton, Member of Isle Communities LLC Jeffrey Prostor, Member of Isle Communities LLC</p>
<p><b>2.2 Real Estate Broker*</b></p>	<p>Name: Kukui'ula Realty Group LLC</p> <p>Business Address: 2700 Ke Alaula Street Koloa, Hawaii 96756</p> <p>Business Phone Number: (808) 742-0234</p> <p>E-mail Address: smharding@kukuiula.com</p>
<p><b>2.3 Escrow Depository*</b></p>	<p>Name: Title Guaranty Escrow Services, Inc.</p> <p>Business Address: 235 Queen Street Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 521-0211</p>
<p><b>2.4 General Contractor</b></p>	<p>Name: Isle Builders LLC</p> <p>Business Address: 44-369 Kaneohe Bay Drive Kaneohe, Hawaii 96744</p> <p>Business Phone Number: (808) 222-0251</p>
<p><b>2.5 Condominium Managing Agent</b></p>	<p>Name: Associa Hawaii</p> <p>Business Address: 4-1579 Kuhio Hwy., #102A Kapaa, Hawaii 96746</p> <p>Business Phone Number: (808) 629-7162</p>
<p><b>2.6 Attorney for Developer</b></p>	<p>Name: Clay Chapman Iwamura Pulice &amp; Nervell</p> <p>Business Address: Attn: Anders G. O. Nervell, Esq. 700 Bishop St., Ste 2100, Hono., HI 96813</p> <p>Business Phone Number: (808) 535-8400</p>

\* If different units have different agents, attach an addendum as page 9a listing each unit's respective agents.



### 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), 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	December 9, 2013	A-51650727
<b>Amendments to Declaration of Condominium Property Regime</b>		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau	April 21, 2014	A-52270350A-C
Bureau	September 4, 2014	A-53680874
Bureau	November 14, 2014	A-54410860
Bureau	September 16, 2015	A-53730975
Bureau	March 1, 2016	A-59040610A-B
Bureau	November 1, 2019	A-72790576

#### 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
Bureau	December 9, 2013	A-51650728
<b>Amendments to Bylaws of the Association of Unit Owners</b>		
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	
Bureau of Conveyances Map Number	5254
Dates of Recordation of Amendments to the Condominium Map: April 24, 2014, November 24, 2014, March 1, 2016, December 6, 2019	

**3.4 House Rules**

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

The House Rules for this project:

Are Proposed	<input type="checkbox"/>	
Have Been Adopted and Date of Adoption	<input checked="" type="checkbox"/>	December 9, 2013
Developer does not plan to adopt House Rules	<input type="checkbox"/>	

**3.5 Changes to the Condominium Documents**

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

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

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

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

## 4. CONDOMINIUM MANAGEMENT

### 4.1 Management of the Common Elements

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

The initial Condominium Managing Agent for this project is (check one):

<input checked="" type="checkbox"/>	Not affiliated with the Developer
<input type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (specify):

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

### 4.3 Utility Charges to be Included in the Maintenance Fee

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

### 4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:

<input checked="" type="checkbox"/>	Electricity for the Unit only
<input checked="" type="checkbox"/>	Gas for the Unit only
<input type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer
<input checked="" type="checkbox"/>	TV Cable
<input checked="" type="checkbox"/>	Other (specify): Sewer flat fee of \$40 per month per unit as of the date of this Public Report

**5. SALES DOCUMENTS**

**5.1 Sales Documents Filed with the Real Estate Commission**

<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u>  J  </u> contains a summary of the pertinent provisions of the sales contract, including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: September 16, 2019 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(s)	Buyer's interest is subordinate to mortgagee's interest(s) and is subject to termination. In case of foreclosure prior to closing, Buyer is entitled to return of any deposits paid, less escrow cancellation fees.

**5.4 Construction Warranties**

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

Building and Other Improvements: See Exhibit K
Appliances: See Exhibit K

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

<p>Status of Construction: The Units in Phase II have not been constructed. Unit 11 will be built after closing. Construction for Units 12, 14 and 15 will be completed prior to closing. See Item 6.19 on page 19c.</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: Two (2) years from the date of execution of sales contract by purchaser.</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, or 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 the Developer has met certain requirements, which are described below.

**5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance**

<input 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 checked="" 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><b>Box A</b></p> <p style="text-align: center;"><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><b><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.</b></p>
<p><b>Box B</b></p> <p style="text-align: center;"><input checked="" 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, 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 <b><u>Important Notice Regarding Your Deposits</u></b> 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, <b><u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u></b> (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 <b><u>Important Notice Regarding Your Deposits</u></b> 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. | <b>Developer's Public Report</b>   |
| 2. | <b>Declaration of Condominium Property Regime (and any amendments)</b>   |
| 3. | <b>Bylaws of the Association of Unit Owners (and any amendments)</b>   |
| 4. | <b>Condominium Map (and any amendments)</b>  |
| 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:  
Community Association Governing Documents (See list on Exhibit L)

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

- |   |
|---|
| Website to access official copy of laws: <a href="http://www.capitol.hawaii.gov">www.capitol.hawaii.gov</a> |
| Website to access rules: <a href="http://www.hawaii.gov/dcca/har">www.hawaii.gov/dcca/har</a>               |

## **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, Bylaws, House Rules (if any), the Condominium Map, and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.
- (3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.
- (4) The purchaser does at least one of the following:
  - (a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or
  - (b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or
  - (c) Closes the purchase of the unit before the 30-day cancellation period expires.

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



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

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

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

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

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

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

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

The rescission form must be signed by all purchasers of the affected unit and delivered to the Developer no later than midnight of the 30<sup>th</sup> 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**

THE REMAINDER OF THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK - SEE PAGE 19a.

## 6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT – CONTINUED

**6.1 Zoning Ordinance PM-2004-370.** The land within the Project (Parcel FF) is designated as Urban by the State of Hawaii Land Use Commission, and is zoned R-10 and RR-10 (Residential and Resort Residential) under the zoning regulations for the County. Nevertheless, in accordance with the zoning ordinance PM-2004-370, the permitted density is limited to four residential units per acre. Under its current zoning, Parcel FF may be used only for residential and accessory purposes.

**6.2 Community Facilities District.** The Project is included within a Community Facilities District known as County of Kaua'i, Hawaii Community Facilities district No. 2008-1 (Kukui'ula Development Project) (the "CFD"). The CFD is a financing district under the jurisdiction of the County of Kaua'i. The County of Kaua'i may issue Special Tax Bonds (the "Bonds") payable from special taxes ("Special Taxes") levied on property within the CFD including the Project and Units therein. The proceeds of the Bonds will be used to finance the construction and/or acquisition of significant existing and future public improvements that generally benefit the Project and the Community, some of which may be physically located outside of the Community. The Special Tax is a lien on the land either subordinate to or on a parity with the general real property taxes and the lien of assessments levied in accordance with Hawaii State and County of Kaua'i laws and the ordinance adopting the CFD. If any portion of the Special Tax is not paid when due, the Unit may be foreclosed upon in generally the same manner and under the same conditions and penalties and with the same effect as provided by general Hawaii State law for sales of real property pursuant to default in payment of real property taxes.

**6.3 Drainage Easement.** As a part of, and at the northern end of the Project, is a major drainage way that is at the north end of Parcel FF and serves to drain a portion of Parcel FF as well as other areas of the Community. Easement D-7A, which is part of the overall drainage easement, affects the Project and is reserved in favor of, and is a common element of, the Community Association.

**6.4 Sewer Easement.** A sewer easement located within the Project has been granted to Kukui'ula South Shore Community Services, LLC.

**6.5 Access Easement.** An eight foot wide concrete community path traverses the Project and an access easement across that path has been granted in favor of Lot 33 of the Kukui'ula Residential Subdivision Phase III-A, which is an archeological/biological preserve (the "Benefited Property"). The easement may be used by the owner or occupant and any licensee or guest of an owner or occupant of the Benefited Property, and the owner of the Benefited Property has the right to grade, pave, construct, maintain, operate and repair the easement area.

**6.6 Utility Easements.** An easement for utility purposes affecting the Project has been granted to Kauai Island Utility Cooperative. An easement for a gas system affecting the Project has been granted to The Gas Company, LLC.

**6.7 Wastewater Facility.** A wastewater collection and treatment facility located within the general vicinity of the Project may be constructed in the future. (An existing facility in the vicinity of the Project is no longer in operation). Potential impacts of a wastewater facility include noise, vibrations, and unpleasant odors. Developer makes no representation or assurances or warranties if or when a new wastewater facility will be constructed.

**6.8 Golf Course.** Being near or overlooking the Golf Course may result in various risks, nuisances, hazards, conditions and annoyances to persons and property on Parcel FF as a result of golf course-related operations and activities, which include, but are not limited to: (i) Golf Course construction and maintenance (lawn mowers and watering facilities), pest management (use of pesticides), and weed and fungus control (use of herbicides and pesticides); (ii) irrigation of the Golf Course, surrounding lands and "common areas" as defined in the Charter with irrigation water, treated effluent, or other sources of non-potable water (which water is not for human consumption); (iii) errant golf balls or golf clubs or parts thereof (which may cause personal injury and property damage); (iv) the existence of events (including

tournaments) at the Golf Course, and other land uses in the vicinity, which may create noise, bright lights, traffic congestion, loss of privacy and other inconveniences; (v) noise, loss of privacy, and entry onto the common elements of the Project by golfers, which may affect use and enjoyment of Parcel FF; and (vi) other conditions and risks common to golf courses and golf communities ("**Golf Course Risks**").

**6.9 Assumption of Golf Course Risks.** Purchasers of Units in the Project assume the Golf Course Risks and expressly waive any rights, claims or actions that Purchaser might otherwise have against Developer, Master Developer, the Association of Unit Owners of the Club Bungalows at Kukui'ula, the Community Association, The Club, The Club Operator (as defined in the Governing Documents) and their respective agents, principals, members, employees, affiliates or guests, as a result of such circumstances, including, without limitation, any right to seek damages or make any claim for injury to persons or property attributable thereto, and any right to require that such conditions be corrected or eliminated.

**6.10 Ongoing Construction.** Portions of the Project and adjacent or other nearby properties may be developed after Purchaser has accepted possession of the Unit. Until development or construction of the Project is completed, portions of the Project may be utilized for (a) storing of construction materials or equipment; or (b) a staging area in connection with the construction. The roadways in and around the Project will be used by construction vehicles and equipment for ingress and egress to the construction sites. The development, construction and/or sales within the Project or such other properties (including the Community) may result in noise, dust, increased traffic and other nuisances or annoyances to persons within the Project, and may limit Purchaser's access to portions of the Project.

**6.11 Ongoing Sales Activities.** Purchaser understands and acknowledges that sales activities for the Project or such other properties, including the use of model homes, sales offices, Project parking stalls, signs, banners, flags, and extensive displays and activities will continue on, near or adjacent to the Project until such time as the sales for such properties have been completed. Such sales activities may result in increased vehicular and pedestrian traffic in the area, increased noise, and less privacy.

**6.12 Minor Encroachment.** There is a minor encroachment by a golf cart pathway at the southern end of Parcel FF where, if further phases are constructed, the final phase will be located. The encroachment cuts across the very southeastern tip of Parcel FF and will have no impact on future development/use of the Project. A copy of a surveyor's map showing the encroachment is available from the Developer upon request.

**6.13 Developer's Control Period.** Developer or Developer's designees (including without limitation, its parent companies, affiliates, successors and assigns) shall have control of the Association until the date of termination of such control of the Association (the "**Developer's Control Period**"), during which period Developer shall have sole power and authority to appoint and remove the officers and members of the Board of Directors. The date of termination of Developer's Control Period shall be no later than the earlier of: (1) sixty (60) days after conveyance of seventy-five percent (75%) of the Common Interest appurtenant to Units that may be created in the Project (which, for this purpose, shall be thirty-five Units, which is the maximum number of units that may be constructed under the Class III Zoning Permit Z-III-2012-1 or, if applicable, such other increased number of units that may be constructed if such permit is modified or a new permit is obtained that allows the construction of an increased number of units) to Unit Owners other than Developer or an affiliate of Developer; (2) two (2) years after Developer has ceased to offer Units for sale in the ordinary course of business; (3) two (2) years after any right to add new Units was last exercised; or (4) the date Developer, after giving written notice to Unit Owners at least sixty (60) days prior to such date, records an instrument voluntarily surrendering all rights to control activities of the Association. Developer may voluntarily surrender the right to appoint and remove officers and members of the Board before termination of Developer's Control Period, but in that event Developer shall have the right to require, for the duration of Developer's Control Period, that specific actions of the Board or the Association, as described in a recorded instrument executed by Developer, be approved by Developer before such actions become effective.

**6.14 Alternative Dispute Resolution Procedures.** The Declaration, Sales Contract and Unit Deed all contain alternative dispute resolution procedures that require mediation and binding arbitration for any and all disputes (whether based on contract, tort, or statute) that arise out of or relate to: the Project; the Project documents, including any disagreements with respect to the rights reserved under the Declaration or any other Project documents by Developer or Fee Owner or the interpretation or exercise thereof; the development, construction, sales, marketing, financing and delivery of the Unit or the Project; the design or construction of any improvements comprising a part of the Project or Unit, including any claimed construction or design defects; any condition affecting the Project or Unit including soils or grading conditions; any alleged breach of contract or warranty; and the determination of the scope or the applicability of the agreements to mediate and arbitrate. The Sales Contract and Unit Deed both contain the Purchaser's acknowledgement that inclusion of the agreement to arbitrate is a material inducement to the Developer to enter into the Sales Contract. By agreeing to arbitrate disputes, the Purchaser is waiving Purchaser's rights to a jury trial of any such dispute.

**6.15 Adjacent Land Use.** The Declaration includes provisions that each Purchaser agrees that (a) the Project is adjacent to or nearby other lands classified or zoned for agricultural, commercial or residential uses owned by related or unrelated entities of Developer or Fee Owner, and that the operations and activities of, and such entities and their respective, licensees, invitees, or others on such lands include or may include, without limitation, housing, commercial, and resort activities, construction-related activities, agricultural or livestock operations, and other activities incident thereto and such other uses as may be permitted by law on said lands (including, but not limited to, the Hawaii Right to Farm Act, Chapter 165, Hawaii Revised Statutes with respect to those lands classified as agricultural district lands), (b) that the Project is nearby or in the vicinity of lands being, or which in the future may be, actively used for growing, harvesting and processing of sugar cane and other agricultural products, for farming, aquacultural or livestock operations or for other activities incident thereto, and (c) that the Unit may be affected by nuisances or hazards to persons and property from such operations and activities including odors, noise, dust pollution, soot, lights, heat, smoke, noxious vapors and other nuisances or hazards emanating or deriving from or incidental to operations on such lands.

**6.16. CONDOMINIUM DOCUMENTS.** Each prospective purchaser is cautioned to carefully review the condominium documents referenced in this Public Report for further information regarding the Project and the Units. EACH PROSPECTIVE PURCHASER IS ALSO ADVISED TO CONSULT WITH AN ATTORNEY AND OTHER APPROPRIATE PROFESSIONALS REGARDING THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT.

**6.17. DEVELOPER MAKES NO PROMISES OR WARRANTY ABOUT THIRD-PARTY REPORTS.** Developer makes no warranty or representation whatsoever that Developer has provided all studies, reports, tests or other written investigations that may pertain to the condition of the Project. To the extent that Developer may have hired or commissioned any study, test or other investigation of the condition, legal compliance, or any other matter relating to the Project, and to the extent Developer may make the results of any such study, test or investigation available to Purchaser in connection with the offer or sale of the Project, Developer disclaims and makes no warranty or promise regarding the accuracy, reliability or value of any statement or opinion expressed by such third-party. PURCHASER AGREES THAT PURCHASER'S USE OR CONSIDERATION OF ANY SUCH INFORMATION IN CONNECTION WITH THE OFFER OR SALE OF THE UNIT SHALL BE AT PURCHASER'S SOLE RISK.

**6.18. DISCLOSURE REGARDING GENERAL CONTRACTOR.** The Developer is affiliated with the Project's general contractor, Isle Builders LLC, in that Isle Communities LLC, a Hawaii limited liability company, is the sole Member of the Developer and the general contractor.

**6.19 CONSTRUCTION OF UNITS.** Developer intends to complete construction on Units 12, 14 and 15 prior to closing. Unit 11 will be sold prior to commencement of construction and the buyer for Unit 11 will be required to enter into a separate agreement(s) with the Developer and the Developer's contractor to construct Unit 11 after the closing date. The agreement(s) will provide that, as a condition of the sale of Unit 11, the Unit 11 buyer must enter into an agreement with the Developer's contractor to construct the unit. The agreement will also require the Unit 11 buyer to obtain his or her own financing to construct the Unit in accordance with the construction agreement. Specimen copies of the Purchase Agreement are available for inspection from the Developer upon request.

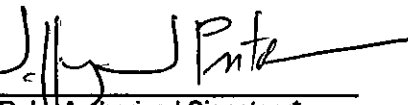
The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes, and all applicable permitting requirements adopted by the county in which the project is located, 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. 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, belief, true, correct, and complete. The Developer hereby agrees to promptly 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.

KUKUIULA BUNGALOWS II LLC,  
a Hawaii limited liability company

\_\_\_\_\_  
Printed Name of Developer

By:   
\_\_\_\_\_  
Duly Authorized Signatory\*

December 6, 2019  
\_\_\_\_\_  
Date

ISLE COMMUNITIES LLC, a Hawaii limited liability company,  
its Member, by Jeffrey Prostor, its Member

\_\_\_\_\_  
Printed Name & Title of Person Signing Above

County Distribution:

Department of Finance, County of Kauai

Planning Department, County of Kauai

**\*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.**

**\*\*In the event of multiple Developers, each Developer must sign on their own signature page.**

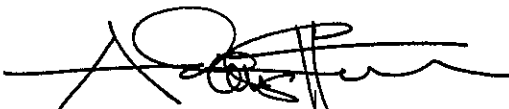
The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes, and all applicable permitting requirements adopted by the county in which the project is located,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

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KUKUIULA BUNGALOWS II LLC,  
a Hawaii limited liability company

\_\_\_\_\_  
Printed Name of Developer

By:   
\_\_\_\_\_  
Duly Authorized Signatory\*

December 6, 2019  
Date

ISLE COMMUNITIES LLC, a Hawaii limited liability company,  
its Member, by Adam Sutton, its Member

\_\_\_\_\_  
Printed Name & Title of Person Signing Above

County Distribution:

Department of Finance, County of Kauai

Planning Department, County of Kauai

**\*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.**

**\*\*In the event of multiple Developers, each Developer must sign on their own signature page.**

## **EXHIBIT A**

### **UNIT PLAN TYPES AND SIZE OF UNITS**

#### **UNIT PLAN TYPES**

The seven (7) different Unit Plan Types of the Project are as described below:

**Plan A:** Single-story Unit with one bedroom, one bathroom, one great room with kitchen facilities, and one appurtenant attached exterior shower area and two appurtenant lanais that are for the exclusive use of said Unit. The Net Living Area of the Unit (which excludes the shower area and lanais) is approximately 766 square feet.

**Plan AR:** Single-story Unit with one bedroom, one bathroom, one great room with kitchen facilities, and one appurtenant attached exterior shower area and two appurtenant lanais that are for the exclusive use of said Unit. The Net Living Area of the Unit (which excludes the shower area and lanais) is approximately 766 square feet.

**Plan B:** Single-story Unit with two bedrooms, two bathrooms, one great room with kitchen facilities, and one appurtenant attached exterior shower area and three appurtenant lanais that are for the exclusive use of said Unit. The Net Living Area of the Unit (which excludes the shower area and lanais) is approximately 1,113 square feet.

**Plan B.1:** Plan B.1 is approximately the reverse of Plan B and is a single-story Unit with two bedrooms, two bathrooms, one great room with kitchen facilities, and one appurtenant attached exterior shower area and three appurtenant lanais that are for the exclusive use of said Unit. The Net Living Area of the Unit (which excludes the shower area and lanais) is approximately 1,303 square feet.

**Plan C:** Two-story Unit with two bedrooms, two and one-half bathrooms, one great room with kitchen facilities, dining area, foyer, and one appurtenant attached exterior garden shower area and three appurtenant lanais that are for the exclusive use of said Unit. The Net Living Area of the Unit (which excludes the garden shower area and lanais) is approximately 1,797 square feet.

**Plan D:** Single-story Unit with three bedrooms, three bathrooms, one great room with kitchen facilities, and one appurtenant attached exterior shower area and two appurtenant lanais that are for the exclusive use of said Unit. The Net Living Area of the Unit (which excludes the shower area and lanais) is approximately 1,658 square feet.

**Plan D.1:** Plan D.1 is the reverse floor plan of Plan D and is a single-story Unit with three bedrooms, three bathrooms, one great room with kitchen facilities, and one appurtenant attached exterior shower area and two appurtenant lanais that are for the exclusive use of said Unit. The Net Living Area of the Unit (which excludes the shower area and lanais) is approximately 1,658 square feet.

**Access to Common Elements.** Each Unit has direct access to the grounds of the Project.



**PHASE II**

Unit Number	Building Type	Unit Plan Type	Net Interior Area (sq. ft.)	Lanai Area (total sq. ft.)	Garden Shower Area (sq.ft.)	Total Living Area, including lanais and garden shower areas (sq.ft.)
11	Single	D.1	1,658	715	36	2,409
12	Single	D.1	1,658	715	36	2,409
14	Single	D.1	1,658	715	36	2,409
15	Single	B.1	1,303	512	85	1,900

**ASSIGNED PARKING STALLS\***

**PHASE II**

Unit Number	Parking Stall Number
11	P28
12	P29
14	P30
15	P31

\* All assigned parking stalls are regular size and covered to the extent that "cover" is provided by a carport structure.

## **EXHIBIT B**

### **BOUNDARIES OF THE UNITS**

**Residential Units:** Each Single Unit shall be comprised of all portions and components of the Single Unit Building in which it is located, including, without limitation, all perimeter, party and load-bearing walls, the lanais and the attached areas such as garden showers and the air conditioning unit(s) servicing such Single Unit Building (exclusive of the underground lines between the air conditioning unit and the Building, which is a Common Element). The Duplex Units shall not be deemed to include: the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls; the unfinished floors and ceilings located within or surrounding each Unit; the space above the interior decorated or finished surfaces of all ceilings; or the portion of all pipes, shafts, chutes, flues, vents, ducts, pumps, conduits, cables, wiring or other utility or service lines or fixtures which lie outside the designated boundaries of such Unit all of which shall be deemed Limited Common Elements. Each Duplex Unit shall be deemed to include: all the walls and partitions which are not load-bearing within the perimeter or party walls; the interior decorated or finished surfaces of all perimeter, party and load-bearing walls and the interior decorated or finished surfaces of all floors and ceilings, including all plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces; all doors and door frames located along the boundary of the Unit, including the exterior unfinished surfaces thereof; all windows and window frames located along the boundary of the Unit, including the exterior unfinished surfaces of all window frames; all doorknobs on doors comprising a part of the Unit; the portion of all pipes, shafts, chutes, vents, ducts, pumps, conduits, cables, wiring and other utility or service lines or fixtures within the designated boundaries of such Unit which are utilized for and serve only that Unit; and all fixtures originally installed or contained in the Unit.

All Units in Phase II are Single Unit Buildings.

## EXHIBIT C

### PERMITTED ALTERATIONS

Proposed Alterations. Except as otherwise provided in the Declaration including without limitation with respect to the Developer's reserved rights, material and nonmaterial additions or alterations to units (the "**Proposed Alterations**") may be made by any Unit Owner(s) subject to the terms and provisions of Section 514B-140 of the Condominium Property Act.

Compliance with Design Guidelines. The Proposed Alterations must comply with the provisions of the Design Guidelines and any Supplements thereto for Kukui`ula, and the plans and specifications for the Proposed Alterations shall be prepared by a licensed architect or licensed professional engineer and approved by the Board and the appropriate agencies of the State of Hawaii and the County of Kauai (if such agencies so require).

Amendment to Condominium Map. Promptly upon completion of any Proposed Alterations which is different in any material respect from the Condominium Map, the Association or Unit Owner(s), whomever made the Proposed Alterations, may file or record in the Bureau an amendment to the Declaration and the Condominium Map showing the Project as so altered, certified as built by a registered architect or licensed professional engineer, without the need for any further consent or joinder by any Owner but subject to approval of the Board, which approval shall not be unreasonably withheld if the Proposed Alterations complied with any approval required and obtained from the Board pursuant to Section 514B-140 of the Condominium Property Act.

**EXHIBIT D**

**COMMON INTEREST**

The Spatial Unit has been assigned the Common Interest as shown below; the balance of the Common Interest has been allocated to the remainder of the Units based upon the square feet of Net Living Area of each Unit divided by the total square feet of Net Living Area of all Units in the Project. The Common Interests derived from such calculations have been adjusted to provide that all Units with the same Net Living Area have the same Common Interest, with minor differences, if any, to account for all one hundred percent (100%) of the Common Interest. The Common Interest appurtenant to each Unit may change if Developer exercises its rights to alter the Project and will change if Developer exercises its rights to decrease or increase the Project or if the Fee Owner withdraws lands, all as such Developer's rights are further described in Exhibit H.

Whenever in the exercise of Developer's reserved rights, the Common Interest appurtenant to Units needs to be recalculated, the Common Interest for each Unit shall be calculated by first allocating 1% to the Spatial Unit (unless the Spatial Unit has been eliminated) and then allocating to each other Unit the remaining 99% in the ratio that the Unit's Net Living Area bears to the Net Living Area of all Units in the Project; provided that Developer shall have the right, in its sole discretion, to round the results of such calculations so that the sum of the Common Interests equals exactly one hundred percent (100%). **IN OTHER WORDS, EACH UNIT'S COMMON INTEREST WILL DIMINISH WHENEVER ADDITIONAL UNITS ARE ADDED TO THE PROJECT (BY CREATING NEW PHASES OUT OF THE SPATIAL UNIT).**

As used herein, Developer's reserved rights shall includes both the reserved rights for Phase I retained by the Phase I Developer (Lodge Hale Development, LLC) and/or the rights for Phase II reserved by the Developer herein for Phase II.

The Common Interest appurtenant to each Unit in the Project is as follows (NOTE: the PHASE II Units are only Unit Numbers 11, 12, 14, and 15 but the common interest for all Units is shown for clarity):

UNIT NUMBER	PERCENTAGE OF COMMON INTEREST
1A	4.29
1B	4.29
2	6.24
3	9.29
4	4.29
5	4.29
6	6.24
7	10.07
8	4.29

<b>UNIT NUMBER</b>	<b>PERCENTAGE OF COMMON INTEREST</b>
9	4.29
10	6.24
11	9.29
12	9.29
14	9.29
15	7.31
50 (Spatial Unit)	1%

## EXHIBIT E

### COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

Common Elements: The Common Elements of the Project shall specifically include, but not be limited to:

- (a) The Land in fee simple.
- (b) All gateways, fences, grounds, landscaping, driveways, roadways, lanes, concrete aprons, carport structures (including the attached linen storage structure, if any), cart storage areas, electrical rooms, pathways, sidewalks, walkways, uncovered parking stalls, entrances and entry areas to the Project, exits, exterior light fixtures including those affixed to carports, and refuse areas.
- (c) The portion of all ducts, vents, shafts, sewer lines, drainlines, storm drain improvements, gutters, electrical rooms or closets, electrical equipment and fixtures, wiring, irrigation pipelines and sprinklers, pipes, and other central and appurtenant transmission facilities and installations over, under and across the Project which is not part of a Unit and which serves any portion of the Project for services such as power, light, water, drainage, gas, sewer, refuse, telephone and radio and television signal distribution, including the underground lines between an air conditioning unit and a Building and the solar panel system(s) attached to the carport structures, if any.
- (d) The structure which houses the individual assigned mailboxes.
- (e) Any and all other apparatus and installations intended for common use and all devices and other parts of the Land necessary or convenient to the existence, maintenance and safety of the condominium property regime, or normally in common use.

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

- (a) The portion of all ducts, vents, shafts, sewer lines, drainlines, storm drain improvements, gutters, electrical rooms or closets, electrical equipment and fixtures, wiring, irrigation pipelines and sprinklers, pipes, and other central and appurtenant transmission facilities and installations over, under and across the Project which is not included as part of a Single Unit Building or Duplex Building and which serves one or more, but less than all, Units for services such as power, light, water, drainage, gas, sewer, refuse, telephone and radio and television signal distribution, shall to the extent servicing such Unit(s) be Limited Common Elements appurtenant to and reserved for the exclusive use of the Units served.
- (b) The lanai(s) (including all fans, lighting and fixtures therein) and the stairs leading to each of them and any exterior garden shower (including all surrounding rock or other walls,

stairs, poles and landscaping within the garden shower) in each case immediately adjacent to and accessed from a Duplex Unit; the gas meter and the air conditioning unit servicing only one Duplex Unit; and the portion of any pipes, shafts, chutes, flues, vents, ducts, pumps, conduits, cables, wiring or other utility or service lines or fixtures within the Duplex Building servicing only one Duplex Unit but not comprising part of that Unit shall be Limited Common Elements appurtenant to such Duplex Unit.

(c) All portions and components of a Duplex Building which are neither part of a Duplex Unit nor a Limited Common Element appurtenant to only one Duplex Unit as described in (b) above, including the undecorated or unfinished perimeter, party and interior load-bearing walls, the undecorated or unfinished floors and ceilings, roofs (including the supporting structure), columns, girders, beams and supports shall be Limited Common Elements appurtenant to those Duplex Units within such Duplex Building.

(d) The bicycle post immediately adjacent to each Residential Unit shall be a Limited Common Element appurtenant to that Unit.

(e) The walkway (cross-hatched on the Condominium Map) from the main path to each Residential Unit shall be a Limited Common Element appurtenant to that Unit.

(f) A portion of the Land as shown on the Condominium Map, located closest to Unit 15 of the Project, as shown on the Condominium Map and by the boundaries of the Land on all other sides, shall be a Limited Common Element appurtenant to and reserved for the exclusive use of the Spatial Unit. For avoidance of doubt, the portion of the Land on which the Spatial Unit is located is included within such Limited Common Element.

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

(h) The uncovered parking stall or covered parking stall with owner closets assigned to a particular Residential Unit as set forth in Exhibit B, shall be a Limited Common Element appurtenant to and reserved for the exclusive use of such Unit and shall include, as applicable (a) the interior of the adjacent owner closets; and (b) the parking stall up to but not including the marking separating the parking stall from any adjacent parking stall and also not including any adjacent pillar, wall, ceiling or roof or any other portion of the carport structure except as provided herein with respect to the owner closet.

(i) Any other Common Element which is rationally related to less than all of the Units shall be a Limited Common Element appurtenant to such Unit(s) to which it is rationally related.

## EXHIBIT F

### ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes, if any, that may be due and owing.

Unit 11 is covered by Tax Key: (4) 2-6-019-017, CPR 0011.

Unit 12 is covered by Tax Key: (4) 2-6-019-017, CPR 0013.

Unit 13 is covered by Tax Key: (4) 2-6-019-017, CPR 0014.

Unit 14 is covered by Tax Key: (4) 2-6-019-017, CPR 0015.

Unit 15 is covered by Tax Key: (4) 2-6-019-017, CPR 0016.

Unit 16 is covered by Tax Key: (4) 2-6-019-017, CPR 0017.

Unit 17 is covered by Tax Key: (4) 2-6-019-017, CPR 0018.

Unit 18 is covered by Tax Key: (4) 2-6-019-017, CPR 0019.

Unit 19 is covered by Tax Key: (4) 2-6-019-017, CPR 0020.

2. Any and all improvement assessments that may be due and owing.

3. Mineral and water rights of any nature in favor of the State of Hawaii.

4. The terms and provisions contained in the DEED dated March 31, 2003 and recorded as Document No. 2003-058405.

The foregoing includes, but is not limited to, matters relating to water reservation and agricultural activities, including sugar cane burning, on nearby lands.

5. The terms and provisions contained in the DECLARATION OF CONDITIONS dated November 4, 2003 and recorded as Document No. 2003-244116.

6. The terms and provisions contained in the LIMITED WARRANTY DEED dated March 31, 2005 and recorded as Document No. 2005-062345.

The foregoing includes, but is not limited to, matters relating to water reservation and agricultural activities, including sugar cane burning, on nearby lands.

7. The terms and provisions contained in the AGREEMENT dated November 9, 2004 and recorded as Document No. 2005-080268 between KUKUI'ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company; ALEXANDER & BALDWIN, INC., a Hawaii corporation; McBRYDE SUGAR COMPANY, LIMITED, a Hawaii corporation; and the COUNTY OF KAUAI PLANNING DEPARTMENT, a political subdivision of the State of Hawaii.

8. The terms and provisions contained in the DECLARATION dated --- (acknowledged September 8, 2006) and recorded as Document No. 2006-170244 executed by KUKUI'ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawai'i limited liability company.



9. The terms and provisions contained in the KUKUI'ULA TRAIL SYSTEM DECLARATION dated February 28, 2008 and recorded as Document No. 2008-034082.

10. DESIGNATION OF EASEMENT A-23A for access purposes as shown on Exhibit Map dated September 14, 2013, prepared by Erik S. Kaneshiro, Licensed Professional Land Surveyor with Austin, Tsutsumi & Associates, Inc., attached to instrument dated November 27, 2013, recorded as Document No. A-50840983.

-NOTE:- File Plan 2483 continues to show Easement "A-23" which has been replaced by Easement "A-23-A".

11. DESIGNATION OF EASEMENT "D-7A" for drainage channel and landscaping purposes, as shown on Exhibit Map dated September 24, 2013, prepared by Erik S. Kaneshiro, Licensed Professional Land Surveyor with Austin, Tsutsumi & Associates, Inc., attached to instrument dated November 27, 2013, recorded as Document No. A-50840984.

-NOTE:- File Plan 2483 continues to show Easement "D-7" which has been replaced by Easement "D-7A".

12. DESIGNATION OF EASEMENT "S-6" for sewer purposes as shown on File Plan No. 2483.

13. DESIGNATION OF FLOOD AND BUILDING SETBACK LINE-1A as shown on Exhibit Map dated September 24, 2013, prepared by Erik S. Kaneshiro, Licensed Professional Land Surveyor with Austin, Tsutsumi & Associates, Inc., attached to instrument dated November 27, 2013, recorded as Document No. A-50840984

-NOTE:- File Plan No. 2483 continues to show Flood and Building Setback Line-1A which has been replaced by said Flood and Building Setback Line-1.

14. DETENTION BASIN AND BUILDING SETBACK LINE-4 as shown on File Plan No. 2483.

15. GRANT to KAUAI ISLAND UTILITY COOPERATIVE dated July 14, 2010 and recorded as Document No. 2010-141038 granting a perpetual right and easement for utility purposes over, under, upon, across and through Easement "E-5", said easement being more particularly described therein.

16. The terms and provisions contained in the CERTIFICATE OF FORMATION OF COUNTY OF KAUAI COMMUNITY FACILITIES DISTRICT NO. 2008-1 (KUKUI'ULA DEVELOPMENT PROJECT) dated September 22, 2010 and recorded as Document No. 2010-143092.

The foregoing includes, but is not limited to, matters relating to the levy of the Special Tax, the lien of which is on parity with the lien of general real property taxes and the lien of assessments levied under Section 46-80, Hawaii Revised Statutes.

17. The terms and provisions contained in the SECOND AMENDED AND RESTATED COMMUNITY CHARTER FOR KUKUI'ULA dated as of August 5, 2015 and recorded as Document No. A-56951009.

The foregoing Second Amended and Restated Community Charter for Kukui'ula restates the original Community Charter for Kukui'ula dated May 8, 2006, recorded as Document No. 2006-088739, and any amendments thereto.

Said Second Amended and Restated Community Charter for Kukui'ula, as amended, was supplemented by instrument dated November 27, 2013, recorded as Document No. A-50840986.

The foregoing Second Amended and Restated Community Charter for Kukui'ula was amended by instrument dated February 4, 2019, recorded as Document No. A-69780391.

The foregoing includes, but is not limited to, matters relating to assessment liens which may be superior to certain mortgages.

18. The terms and provisions contained in the SECOND AMENDED AND RESTATED COVENANT FOR THE CLUB AT KUKUI'ULA, dated as of August 5, 2015, recorded as Document No. A-56951010.

Said Second Amended and Restated Covenant for the Club at Kukui'ula restates the original Covenant for the Club at Kukui'ula dated May 8, 2006, recorded as Document No. 2006-088740, and any amendments thereto.

Said Second Amended and Restated Covenant for the Club at Kukui'ula was supplemented by instrument dated November 27, 2013, recorded as Document No. A-50840987.

The foregoing includes, but is not limited to, matters relating to assessment liens which may be superior to certain mortgages.

19. AMENDMENT AND RESTATEMENT OF GRANT OF EASEMENT (Easement S-6, File Plan 2483) to KUKUI'ULA SOUTH SHORE COMMUNITY SERVICES, LLC, a Hawaii limited liability company, dated November 27, 2013, recorded as Document No. A-50840982, granting a nonexclusive easement for sanitary sewer purposes over, under, across, along, upon and through said Easement "S-6", as shown on File Plan No. 2483.

The foregoing Amendment and Restatement of Grant of Easement amends and restates in its entirety the original Grant of Easement (Easement S-6, File Plan 2483) dated November 3, 2011, recorded as Document No. 2011-184926.

20. The terms and provisions contained in the DECLARATION OF EASEMENT A-23A AND REPLACEMENT OF DESIGNATION OF EASEMENT A-23, dated November 27, 2013 and recorded as Document No. A-50840983.

The foregoing includes, but is not limited to, granting a nonexclusive easement for access purposes on, over and across said Easement "A-23A", said easement being more particularly described in Exhibit "C-1" attached thereto, and also shown on the Exhibit Map attached thereto as Exhibit "C-2".

-NOTE:- File Plan No. 2483 continues to show Easement "A-23" which has been replaced by Easement "A-23A", as stated in said Declaration.

21. The terms and provisions contained in the GRANT OF EASEMENT D-7A, QUITCLAIM BILL OF SALE, AND REPLACEMENT OF DESIGNATION OF EASEMENT D-7 AND FLOOD AND BUILDING SETBACK LINE-1 dated November 27, 2013 recorded as Document No. A-50840984.

The foregoing includes, but is not limited to, granting a nonexclusive easement for drainage channel and landscaping purposes over, under, across, along, upon and through said Easement "D-7A", said easement being more particularly described in Exhibit "B-1" attached thereto, and also shown on the Exhibit Map attached thereto as Exhibit "B-2".

-NOTE:- File Plan No. 2483 continues to show Easement "D-7" and Building Setback Line-1 which have been replaced by Easement "D-7A" and Building Setback Line-1A, respectively, as stated in said Grant of Easement.

22. The terms and provisions contained in the DECLARATION OF CONDOMINIUM PROPERTY REGIME OF THE CLUB BUNGALOWS AT KUKUI'ULA dated December 9, 2013 and recorded as Document No. A-51650727.

Said Declaration was amended by instruments dated April 21, 2014, recorded as Document Nos. A-52270350A thru A-52270350C; dated September 4, 2014, recorded as Document No. A-53680874; and dated November 14, 2014, recorded as Document No. A-54410860; dated September 16, 2015, recorded as Document No. A-57370975; dated February 24, 2016, recorded as Document No. A-59040610A thru B; and dated November 1, 2019, recorded as Document No. A-72790576.

23. The terms and provisions contained in the BYLAWS OF THE ASSOCIATION OF UNIT OWNERS OF THE CLUB BUNGALOWS AT KUKUI'ULA dated December 9, 2013 and recorded as Document No. A-51650728.

24. The condominium map filed as Condominium Map No. 5254, and any amendments thereto.

25. The terms and provisions contained in the following:

INSTRUMENT : LIMITED WARRANTY DEED WITH COVENANTS AND  
RESERVATIONS (PARCEL FF)  
DATED : February 25, 2014  
RECORDED : Document No. A-51690335

CORRECTION TO LIMITED WARRANTY DEED WITH COVENANTS AND  
RESERVATIONS (PARCEL FF) dated as of February 25, 2014, recorded as Document No. A-  
51890266.

26. The terms and provisions contained in the following:

INSTRUMENT : WAIVER, RELEASE AND INDEMNITY  
AGREEMENT FOR TMK: (4) 2-6-019:017;  
(REFERENCE: BUILDING PERMIT NO. (S) 14-480  
THROUGH 14-489)

DATED : August 25, 2014  
RECORDED : Document No. A-54311138  
PARTIES : LODGE HALE DEVELOPMENT, LLC, a Hawaii  
limited liability company ("APPLICANT"), and  
DEPARTMENT OF WATER, COUNTY OF KAUAI, a  
political subdivision of the State of Hawaii  
("DEPARTMENT OF WATER")

-NOTE:- No joinders by KUKUI'ULA DEVELOPMENT COMPANY  
(HAWAII), LLC; and HAI FU INTERNATIONAL INVESTMENT, LLC,  
each a Hawaii limited liability company

27. GRANT OF EASEMENT in favor of KAUAI ISLAND UTILITY  
COOPERATIVE, a cooperative association formed pursuant to the provisions of Chapter 421C of  
the Hawaii Revised Statutes, dated effective as of December 2, 2015, recorded as Document No.  
A-58560453A, granting a right and easement for utility purposes over, under, upon, across and  
through Easement "E-1", said easement being more particularly described therein, and shown on  
the map attached thereto.

JOINDER by KUKUI'ULA DEVELOPMENT COMPANY (HAWAII), LLC,  
dated effective as of December 2, 2015, recorded as Document No. A-58560453B.

No Joinder by HAI FU INTERNATIONAL INVESTMENT, LLC, a Hawaii  
limited liability company.

28. GRANT OF EASEMENT in favor of THE GAS COMPANY, LLC, a Hawaii  
limited liability company, dated effective as of January 20, 2016, recorded as Document No. A-  
58630702A, granting a right and easement for gas system purposes in, over, under, across, along,  
and through Easement "G-1", said easement being more particularly described therein, and shown  
on the map attached thereto.

JOINDER by KUKUI'ULA DEVELOPMENT COMPANY (HAWAII), LLC, a Hawaii limited liability company, and HAI FU INTERNATIONAL INVESTMENT, LLC, a Hawaii limited liability company, dated effective as of January 20, 2016, recorded as Document No. A-58630702B.

29. The terms and provisions contained in the following:

INSTRUMENT : CONVEYANCE OF WATER FACILITY FOR  
TMK: (4) 2-6-15: 017 (POR)

DATED : December 17, 2015  
RECORDED : Document No. A-59480629A  
PARTIES : LODGE HALE DEVELOPMENT, LLC, a Hawaii  
limited liability company, "Owner", and BOARD  
OF WATER SUPPLY, COUNTY OF KAUAI,  
"BOARD"

JOINDER by KUKUI'ULA DEVELOPMENT COMPANY (HAWAII), LLC,  
dated December 17, 2015, recorded as Document No. A-59480629B.

30. GRANT

TO : BOARD OF WATER SUPPLY, COUNTY OF KAUAI

DATED : December 17, 2015  
RECORDED : Document No. A-59480630A  
GRANTING : a non-exclusive easement for utility purposes on, over and  
under Easement "W-1", said easement being more particularly  
described therein, and shown on the map attached thereto

JOINDER by KUKUI'ULA DEVELOPMENT COMPANY (HAWAII), LLC, a  
Hawaii limited liability company, dated December 17, 2015, recorded as  
Document No. A-59480630B.

31. Any unrecorded leases and matters arising from or affecting the same.  
32. Encroachments, if any, which would be shown on a correct survey.

## EXHIBIT G

### OTHER ZONING COMPLIANCE MATTERS

**Zoning.** The land upon which the Project is to be constructed (“Parcel FF”) is designated as Urban by the State of Hawaii Land Use Commission, and is zoned R-10 and RR-10 (Residential and Resort Residential) under the zoning regulations for the County. Nevertheless, in accordance with the zoning ordinance PM-2004-370, the permitted density is limited to four residential units per acre. Under its current zoning, Parcel FF may be used only for residential and accessory purposes.

**VDA.** The foregoing notwithstanding, the Community is zoned as one large Visitor Destination Area (“VDA”) and up to 750 units in the entire Community may be designated as Transient Vacation Rentals (“TVR” or “TVRs”), which allows transient rental of a home or Club Bungalows. The Final Subdivision Map provides that all Units within the Project are designated for TVR use (all Units in the Project are designated as “Club Bungalows”). Under the TVR zoning designation, residential dwellings in the Community may be used for short-term rental purposes, pursuant to the terms and restrictions set forth in the Governing Documents. Units in the Project are subject to the various TVR-related restrictions in the Charter and any supplement thereto.

**Zoning and Land Uses Subject to Change.** County approvals, and existing and/or proposed uses of the property located adjacent to or in the vicinity of Parcel FF are subject to change and are not within Developer’s control. All zoning is subject to change in the future and Developer makes no representations, promises, or warranties regarding how the property adjacent to or in the vicinity of the Project will be used or developed. Owners of lands adjacent to or in the vicinity of Parcel FF may seek to rezone their property, may seek zoning variances for their property, and/or may modify their site plan within existing zoning.

## EXHIBIT H

### DEVELOPER'S AND FEE OWNER'S RESERVED RIGHTS

[Note: any capitalized terms not otherwise defined in this Exhibit shall have the meaning set forth in the Declaration, except that when reference to the "Developer" pertains to the Initial Phases of the Project (Phases IA and IB) the Developer shall mean Lodge Hale Development, LLC]

1. Sales and Advertising Activities. Developer, its agents, designees, mortgagees, successors and assigns shall have the right to conduct extensive sales activities on the Common Elements (except the Limited Common Elements appurtenant to any Units not owned by Developer) and on any Units owned by Developer and Limited Common Elements appurtenant thereto, including without limitation, the use of parking areas and extensive sales displays and activities. The aforementioned right to conduct extensive sales activities on the Common Elements shall include the right to install directional or informational signs, monuments, flags and banners, and the right of Developer to place such signs, monuments, flags and banners between the Units and the sidewalks. In connection with said sales and advertising activities, Developer reserves unto itself, agents, designees, mortgagees, successors and assigns the right to allow invitees, guests, prospective purchasers, and other third parties reasonable access over, across, under and through the Common Elements of the Project (except the Limited Common Elements appurtenant to any Units not owned by Developer) to inspect, tour, or view any Unit and the model units for the Project, if any.
  
2. Completion of Improvements. Developer, its agents, employees, contractors, licensees, designees, successors, and assigns shall have an easement over, across, and upon the Common Elements and any Units owned by Developer and Limited Common Elements appurtenant thereto as may be reasonably necessary or convenient for the completion of the improvements of the Project, the correction of any defects therein, or any repairs, renovations, modifications or other work as may be required or which Developer elects to perform. The easement described herein shall terminate twelve (12) months from the date Developer's rights described in Section R of the Declaration terminate or are surrendered or, if later, the date any warranty provided to any purchaser of a Unit expires.
  
3. Developer's Easement for Noise, Dust, Etc. DEVELOPER AND ITS AGENTS, EMPLOYEES, CONTRACTORS, LICENSEES, DESIGNEES, SUCCESSORS AND ASSIGNS (COLLECTIVELY, "**Developer's Representatives**"), SHALL HAVE AN EASEMENT OVER, UNDER, ACROSS AND UPON THE PROJECT AND ALL OF ITS PARTS, TO CREATE AND CAUSE NOISE, DUST, SOOT, SMOKE, ODORS, SURFACE WATER RUNOFF, VIBRATIONS, AND OTHER NUISANCES OR HAZARDS IN CONNECTION WITH: (a) the exercise of the rights and easements Developer has under Section F of the Declaration; (b) the development and construction of the Project including, if applicable, additional phases of the Project as described in Section R of the Declaration, and including the construction of model units for the Project; and (c) the exercise of Developer's reserved rights or any other rights of Developer described elsewhere in the Declaration. Every person who has an interest in the Project or who has the right to use the Project or any part of it, including, but not limited to, each Unit Owner, each mortgagee of a Unit, and the lessees, occupants and guests of each Unit (individually and

collectively, an “**Interested Person**”): (i) understands, acknowledges and accepts that these activities may result in noise, dust, soot, smoke, odors, surface water runoff, vibrations and other nuisances and hazards; (ii) consents to these activities; and (iii) gives up (in legal terms, “waives, releases and discharges”) any rights, claims or actions that he or she may have, now or in the future, against Developer and Developer’s Representatives. Each Unit Owner and other Interested Person assumes the risk of any property damage, personal injury or loss in property value arising from these activities. WITHOUT LIMITATION, DEVELOPER SHALL HAVE NO OBLIGATION TO POWERWASH ANY BUILDING OR CLEAN THE INTERIOR OF ANY UNIT OR SHAMPOO ANY CARPETS AS A RESULT OF DUST CREATED IN CONNECTION WITH CONSTRUCTION BY DEVELOPER OR DEVELOPER’S REPRESENTATIVES.

4. Developer’s Rights to Use Units. Notwithstanding the provisions of Section H of the Declaration, Developer shall have the right to use any Unit which Developer owns, or with the consent of the Unit Owner any other Unit, for promotional purposes, including the right to have guests stay in such Unit for any length of time, and to conduct marketing, sales and other activities within or from such Units.

5. Phasing. Subject to Developer’s rights to modify the composition of any phase or to delete any phase as hereinafter provided:

(a) Units 3 through 7 of the Project together with the Carport stalls appurtenant to such Units; parking/Carport stalls P1 through P9 and P22 through P23; and the pathways, grounds and landscaping and other improvements depicted on the Condominium Map as being part of Phase IA (and specifically excluding the parking/Carport stalls and the pathways, grounds, landscaping and other improvements on the areas depicted on the Condominium Map as being part of Phase IB or Phase II or being on the land area that is a Limited Common Element appurtenant to the Spatial Unit), will comprise the initial, or first, phase of the Project (the “**Initial Phase**” or “**Phase IA**”);

(b) Units 1, 2 and 8 through 10 together with the Carport stalls appurtenant to such Units; parking/Carport stalls P10 through P21; and pathways, grounds, landscaping and other improvements (and specifically excluding the parking/Carport stalls and the pathways, grounds, landscaping and other improvements on the areas depicted on the Condominium Map as being part of Phase IA or Phase II or being on the land area that is a Limited Common Element appurtenant to the Spatial Unit) depicted on the Condominium Map as being part of Phase IB comprise the next phase of the Project (“**Phase IB**”); and

(c) Units 11, 12, 14 and 15 together with the Carport stalls appurtenant to such Units; parking/Carport stalls P28 through P31; and pathways, grounds, landscaping and other improvements (and specifically excluding the parking/Carport stalls and the pathways, grounds, landscaping and other improvements on the areas depicted on the Condominium Map as being part of Phase IA or Phase IB or being on the land area that is a Limited Common Element appurtenant to the Spatial Unit) depicted on the Condominium Map as being part of Phase II will comprise the next phase of the Project (“**Phase II**”);



(d) subsequent phases (if any) will be created by Developer and Fee Owner: (i) amending this Declaration and the Condominium Map to remove from the Limited Common Element appurtenant to the Spatial Unit portions of the land area and (ii) adding and constructing additional Units and other improvements including any additional Common Elements on that portion of the land area which does not then comprise a Limited Common Element appurtenant to the Spatial Unit.

Accordingly, Developer reserves the right from time to time at any time prior to the date which is twenty-five (25) years from the date of recordation of the Declaration, as amended, without being required to obtain the joinder or consent of the Association, or any Unit Owner, lienholder or other Person except the Fee Owner, whose consent and/or joinder shall be required so long as the Fee Owner holds title to the Spatial Unit or any other Unit, to expand the Project by increasing the number of Units in the Project as follows: by recording amendments to the Declaration, Condominium Map and any other Project Documents as necessary and as set forth in the Declaration.

6. Developer's Rights for Effecting Expansion of the Project with Construction of Additional Phases. Developer expressly reserves the right to so amend the Declaration, the Condominium Map and other Project Documents as provided in Item No. 5 above notwithstanding the lease, sale or conveyance of any or all of the Units in any or all phases of the Project, and Developer may, without being required to obtain the consent or joinder of the Association or any Unit Owner, lienholder or other Person except the Fee Owner, whose joinder and/or consent shall be required so long as the Fee Owner holds title to the Spatial Unit or any other Unit, execute and file amendments to the Declaration, the Condominium Map, the other Project Documents and any and all other instruments necessary or appropriate for the purpose of carrying out the provisions or exercising the rights, powers, or privileges reserved to Developer in the Declaration including without limitation grants of easements. Any such action shall be deemed taken by Developer as the true and lawful attorney-in-fact of the respective Unit Owners or other Person.

7. Rights Reserved to Developer with Respect to the Construction of Additional Phases of the Project. Subject to the provisions in Section R. of the Declaration and in furtherance of the rights reserved to Developer thereunder, Developer, its successors and assigns, and their respective contractors and subcontractors, and their respective employees and agents, shall have the right and an easement at any time, and from time to time prior to the date which is twenty-five (25) years from the date of recordation of the Declaration, to enter upon and use the Common Elements of the Project and do all things reasonably necessary, desirable or useful for designing, developing, constructing or completing the Project and any additional phases of the Project, connecting the same to the utility installations of prior phase(s) of the Project, and selling the Units contained within the additional phases, upon and subject to the following terms and conditions:

(a) Each additional phase, if constructed, shall be constructed in accordance with plans and specifications prepared by a licensed architect; provided, however, that such plans and specifications shall not require the alteration or demolition of any existing Units.

(b) Developer shall have the right to temporarily close and use portions of the Common Elements including, without limitation, parking and landscaped areas for construction, staging, buffer and safety.

(c) Developer shall have the right, without notice to, or the approval, consent or joinder of, the Association, any Unit Owner, lienholder or any other Person except the Fee Owner, whose consent shall be required so long as the Fee Owner holds title to the Spatial Unit or any other Unit: to add, delete, relocate, realign, reserve and grant all easements and rights-of-way over, under, on and across any Common Elements including but not limited to easements and rights-of-way for utilities, sanitary and storm sewers, refuse disposal, driveways, parking areas and roadways; to otherwise make alterations to the Common Elements; to use the Common Elements for such development and construction; and to designate Limited Common Elements over, under, on and across the Common Elements or recharacterize portions of the existing Common Elements as Limited Common Elements, or to recharacterize portions of the Limited Common Elements as Common Elements, all as determined by Developer to be necessary or desirable with respect to any additional phase.

(d) Every Unit Owner (except the Fee Owner) and all holders of liens affecting any of the Units in the Project and each and every other Person acquiring an interest in the Project or any part thereof, by acquiring such Unit, lien or other interest, consents to and agrees that such Owner shall, if required by law or by Developer, join in, consent to and execute all instruments and documents necessary or desirable to effect the granting of easements and/or rights-of-ways and/or covenants or restrictions affecting the Common Elements or Limited Common Elements and/or the designation of Limited Common Elements or recharacterization of Common Elements or Limited Common Elements provided for hereinabove.

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

Nothing in the Declaration pertaining to expansion of the size of the Project shall be construed as a representation or warranty by Developer that all or any part of Phase IB or any additional phase will be constructed, or to require Developer to develop all or any part of Phase IB or any additional phases.

8. Right to Alter the Project by Eliminating or Altering Any Phase, Any Unit or Any Other Improvements. Developer reserves: (a) the right from time to time at any time prior to the date which is twenty-five (25) years from the date of recordation of the Declaration without being required to obtain the joinder or consent of the Association, any Unit Owner, lienholder or other Person: (i) to reconfigure or alter the type, location, design, size and number of: phases in the Project including the Initial Phase, Phase IB and any other phase; the Units in any phase (including the right to add or delete Units and the right to change any Building in a phase from a Single Unit Building to a Duplex Building or from a Duplex Building to a Single Unit Building); and any

improvements including any Common Elements, (ii) to add or delete Common Elements including without limitation the addition or deletion of garages and storage areas within the Common Elements; (iii) to recharacterize Common Elements as Limited Common Elements appurtenant to any Unit owned by Developer (or owned by an Owner consenting to the recharacterization), (iv) to recharacterize Limited Common Elements appurtenant to any Unit owned by Developer (or owned by an Owner consenting to the recharacterization) as to Common Elements, and (v) to designate Limited Common Elements appurtenant to a Unit owned by Developer to instead be appurtenant any other Unit owned by Developer (or from or to any Unit owned by an Owner consenting to the redesignation), and (b) with respect to any Unit (other than the Spatial Unit or any other Unit owned by the Fee Owner for which consent of the Fee Owner shall be required), whether within the Initial Phase, Phase IB or any subsequent phase, the right, at any time prior to the recordation in the Bureau of a deed conveying such Unit to a purchaser other than another developer and regardless of whether any other Unit has been sold or conveyed and without being required to obtain the joinder or consent of the Association, any Unit Owner, lienholder or other Person, to: (i) modify in any way the size, shape, layout, location, design or other attributes of the Unit and the Limited Common Elements appurtenant to such Unit, including without limitation, the right to change or reverse the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of such Unit (and the Limited Common Elements appurtenant thereto); (ii) recharacterize and redesignate any Limited Common Elements as may be appurtenant to such Unit as being Common Elements of the Project; (iii) recharacterize and redesignate and/or further covenant or restrict certain Common Elements of the Project, including recharacterizing and redesignating certain Common Elements as Limited Common Elements appurtenant to such Unit; or (iv) as to an unconstructed Unit change the phase in which such Unit is included or eliminate such Unit in its entirety (with the right but not the obligation to reincorporate a replacement Unit into a subsequent phase). Developer may effect such alterations as follows: by recording amendments to the Declaration and/or Condominium Map and by taking such other actions as necessary or appropriate.

9. Developer's Rights for Effecting Alteration of the Project. Developer expressly reserves the right to so amend the Declaration and Condominium Map as provided in Item 8 above notwithstanding the lease, sale or conveyance of any of the Units in any or all phases of the Project, and Developer may, without being required to obtain the consent or joinder of the Association or any Unit Owner, lienholder or other Person except as specifically required in paragraph (a) above, execute and file amendments to the Declaration and Condominium Map and any and all other instruments necessary or appropriate for the purpose of carrying out the provisions or exercising the rights, powers, or privileges reserved to Developer as set forth in Item 8 above. Any such action shall be deemed taken by Developer as the true and lawful attorney-in-fact of the respective Unit Owners or other Person.

10. Rights Reserved to Developer to Withdraw Land. Notwithstanding anything to the contrary in the Declaration, Developer reserves the right and option, from time to time at any time prior to the date which is twenty-five (25) years from the date of recordation of the Declaration without being required to obtain the joinder or consent of the Association, any Unit Owner, lienholder or other Person except the Fee Owner, whose consent or joinder shall be required so long as the Fee Owner holds title to the Spatial Unit to: (a) subdivide the Land to create separate legal parcels of land and to withdraw any parcels of land and improvements thereon (including,

but not limited to, model homes constructed thereon in connection with the sales of Units in the Project and, subject to parking requirements under applicable law, portions of the parking areas) from the condominium property regime created by the Declaration such that only the Units in the Initial Phase (as the same may be amended pursuant to Developer's reserved rights) and, if developed or to be developed pursuant to Section R of the Declaration, the Units in Phase IB and any additional phase of the Project as elected by Developer are subject to this condominium property regime; (b) create, realign, relocate, delete, reserve and grant such easements over, under and across the Project and/or the withdrawn portion of the Land for utilities, sanitary and storm sewers, cable television, telecommunication systems, driveways, parking areas, walkways and any other use as Developer determines in its sole discretion are necessary or appropriate and, without limiting the foregoing, specifically reserves the right to grant easements for access and utilities over, under and across the Project in favor of the withdrawn land; (c) enter into and execute any grants or licenses or other agreements required in connection with such subdivision and withdrawal; and (d) amend the Declaration to reflect the withdrawal of such lands and improvements thereon and if applicable to delete the Spatial Unit (including the reallocation of the Common Interest appurtenant to each Unit as provided in Section R.3 of the Declaration). In connection with the exercise of such rights, Developer and its agents and contractors shall have the right to enter upon the Project to do all things necessary or proper to effectuate such subdivision and withdrawal including without limitation, making surveys, and filing and recording any necessary file plan or subdivision map and related subdivision documentation. No representation is made or obligation assumed to construct a development of any particular type or character upon any land withdrawn; to the contrary, Developer, Fee Owner or any other Person shall have the right to determine the use in their sole discretion to which such withdrawn land will be put, including the right to develop a project of any nature and character whether or not requiring a modification to the Class III Permit.

11. Right of Developer to Grant Easements or Create Covenants. Without limiting the generality of the other rights reserved to Developer, Developer reserves the right, at any time and from time to time prior to the date which is twenty-five (25) years from the date of recordation of the Declaration, to designate, grant, dedicate, or declare without notice to, or the approval, consent or joinder of, any Unit Owner, lienholder or other Person except the Fee Owner, whose consent or joinder shall be required so long as the Fee Owner holds title to the Spatial Unit, perpetual easements, rights-of-way (which shall also include the right to transfer, relocate, realign, cancel or otherwise deal with existing rights-of-way or easements) and covenants restricting or obligating use or maintenance, which benefit the Project, other lands, or other third parties (including any utility or governmental entity), over, across, under and through the Common Elements for any purpose as Developer, in its sole discretion, may from time to time determine, including, but not limited to, for roadway (including service lane), bikeway, sidewalk, parking, pedestrian access, landscaping, park, recreation, swales and fence purposes, for public services, for utility lines and other transmission facilities and appurtenances, for electricity, gas, telephone, electromagnetic and/or optical signal distribution, and any other utility or similar distribution system, including, but not limited to, microwave, radio and television antennas, cable, broadband, computer networking, advanced telecommunications (including electromagnetic and optical transmission facilities and similar services), water, sewer, drainage, flowage, fire hydrants, and other public or private services and utilities, and rights to enter for the purpose of installing, repairing, maintaining, altering and removing such roadways, bikeways, sidewalks, parking stalls, fences,

walls, retaining walls, swales, lines and facilities and of trimming, pruning, or otherwise, any trees, hedges, or other landscaping and improvements in connection therewith.

12. Developer's Reserved Rights With Respect to Garages, Parking Spaces and Storage Areas. Developer shall have the right and option, from time to time at any time prior to the date which is twenty-five (25) years from the date of recordation of the Declaration without being required to obtain the joinder or consent of the Association, any Unit Owner, lienholder or any other Person to amend the Declaration and, if applicable, the Condominium Map to reflect the addition (or deletion) of garage(s) and/or storage structure(s) within the Common Elements and/or to designate garage spaces, parking spaces and storage spaces as Limited Common Elements appurtenant to such Units as determined by Developer and/or to transfer to or from a Unit owned by Developer (or owned by an Owner consenting to the amendment) one or more garage parking spaces, parking spaces or storage spaces which are appurtenant to one Unit to thereafter be a Limited Common Element appurtenant to another Unit.

13. Reserved Right to Approve Alterations. Developer shall have the right, but not the obligation, to approve any alteration of any kind that affects or may affect the appearance of all or any portion of the Project which is made at any time prior to the date which is twenty-five (25) years from the date of recordation of the Declaration.

14. Reserved Right to Amend Recorded Deeds. Any modification to the Declaration, the Bylaws or the Condominium Map which effects or modifies any provision in any deed or other document conveying or encumbering a Unit or interest in a Unit, including without limitation, any reference to a specific Common Interest, Limited Common Element, the description of the Unit or any other matter therein, shall be deemed to likewise automatically amend that deed or other document without any necessity for preparing or recording a specific amendment to such deed or document. Nevertheless, Developer shall have the reserved right to amend any recorded deed or other document conveying or encumbering a Unit or interest in a Unit so that it conforms to amendments made to the Declaration, the Bylaws or the Condominium Map, or Developer may record a new deed for that purpose or record an appropriate amendment to the Declaration, the Bylaws and/or the Condominium Map, any Unit Owner, lienholder or other Person. For example, if Developer creates new Units in the Project, it will need to adjust the Common Interest of each existing Unit as set forth in Section R.3 of the Declaration. In that event, upon recordation of an amendment to the Declaration reflecting the change in the Common Interest, all existing deeds to Units will be deemed to have likewise been amended to reflect the new Common Interests, but Developer may nevertheless amend the deeds for existing Units to reflect the change in the Common Interest and/or or it may issue replacement deeds reflecting the new Common Interest of each Unit.

15. Reserved Right to Modify Project to Comply with Law; Amend Permit. From time to time and at any time prior to the date which is twenty-five (25) years from the date of recordation of the Declaration, Developer shall have the reserved right without being required to obtain the joinder or consent of the Association, any Unit Owner, lienholder or other Person: (a) to effect such modifications to the Units and Common Elements in the Project and/or to execute, record and deliver any amendments to the Declaration, the Condominium Map, the Bylaws and the House Rules as may be necessary or required to effect compliance by the Project, the Association, or

Developer with laws which apply to the Project, including, without limitation, the Fair Housing Act, as amended, 42 U.S.C. §§ 3601 at seq., including any and all rules and regulations promulgated thereunder, and the Americans With Disabilities Act, as amended, 42 U.S.C. §§ 12101 et seq., including any and all rules and regulations promulgated thereunder, and (b) to obtain a modification of the Class III Permit or a new class III permit as may be necessary or advisable in connection with the exercise by Developer of any of its reserved rights.

16. Right to Restate Project Documents. Any amendment to the Declaration, the Bylaws or the Condominium Map which Developer or Fee Owner is authorized to make, may be accomplished by use of an amended and restated document.

17. Reserved Right Respecting Warranty. If and for as long as Developer remains or is alleged to remain liable under warranty, whether statutory, express or implied, for acts or omissions of Developer in the design, development, construction, sale, resale, leasing, financing and marketing of the Project, then Developer and its contractors, agents and designees shall have the right, in Developer's sole discretion and from time to time and without requiring prior approval of the Association and/or any Unit Owner or other Person and without requiring any consideration to be paid by Developer to the Unit Owners and/or Association or other Person (provided, however, that absent an emergency situation, Developer shall provide reasonable advance notice), to enter the Project, including the Units, Common Elements and Limited Common Elements for the purpose of inspecting, testing and surveying same to determine the need for repairs, improvements and/or replacements, and effecting same, so that Developer can fulfill any of its obligations. The failure of the Association or any Unit Owner to grant, or the interference by the Association or any Unit Owner with, such access shall alleviate Developer from having to fulfill its warranty obligations and the costs, expenses, liabilities or damages arising out of any unfulfilled Developer warranty will be the sole obligation and liability of the person or entity who or which impedes Developer in any way in Developer's activities described in this Item No.18. NOTHING HEREIN SHALL BE DEEMED OR CONSTRUED AS DEVELOPER MAKING OR OFFERING ANY WARRANTY, ALL OF WHICH ARE DISCLAIMED.

18. Assignment of Reserved Rights. Notwithstanding anything stated in the Declaration to the contrary, every Owner of a Unit in the Project and all holders of liens affecting any of the Units and each and every other Person acquiring an interest in the Project or in the Land, or any part thereof, by acquiring or holding such Unit, lien or other interest, agrees, consents to and recognizes: (a) the right of Developer to assign, in whole or in part and on an exclusive or non-exclusive basis, the rights reserved to Developer in the Declaration; (b) upon any such assignment, Developer shall be relieved of any and all liability arising after the assignment; (c) any assignee of Developer shall thereafter be recognized as such under the Declaration; and (d) the right of Developer to also transfer its rights as Developer as collateral for a loan, in which event the assignee lender shall not have the rights and obligations as "developer" until it: (i) forecloses on the loan or obtains a deed in lieu of foreclosure and takes title to Developer's interest in the Project, and (ii) records an instrument declaring itself to be "Developer".

19. Consent to Developer's Reserved Rights; Appointment of Developer as Attorney-in-Fact. Each and every Unit Owner, including the Fee Owner (except to the extent the Fee Owner's joinder or consent is specifically required above in which case such joinder or consent shall not be

unreasonably withheld or delayed) and all holders of liens affecting any of the Units in the Project and each and every other Person acquiring an interest in the Project or any part thereof, by acquiring or holding such Unit, lien or other interest, consents to all of the rights reserved unto Developer in the Declaration and to the execution, delivery and recordation by Developer of all instruments or documents necessary, appropriate or convenient to effectuate the same; agrees that such Person shall, if required by law or by Developer, join in, consent to and execute all instruments and documents necessary or convenient to effectuate the same; and appoints Developer and its assigns as the attorney-in-fact for such Person with full power of substitution to execute such documents and to do such things on behalf of such Person, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights and shall not be affected by disability of any such Person.

20. Conflict with Bylaws. If any of the provisions contained in Section R of the Declaration (which sets forth the reserved rights) conflict with the Bylaws (including if any provision in the Bylaws could be construed to in any way limit the exercise of the reserved rights or impose additional conditions to the exercise of the reserved rights), the provisions of Section R of the Declaration shall control.

21. Fee Owner's Reserved Right to Withdraw Lands. Notwithstanding anything to the contrary in the Declaration, if the Purchase Agreement (as defined in the Declaration) is terminated or if there is a Major Buyer Default as defined in the Purchase Agreement, in each case as set forth in an affidavit of the Fee Owner recorded in the Bureau, the Fee Owner hereby reserves and shall have the right and option, at any time prior to the date which is twenty-five (25) years from the date of recordation of the Declaration without being required to obtain the joinder or consent of Developer, the Association, any Unit Owner, lienholder or other Person to: (a) subdivide the Land such that the portion of the Land which is then a Limited Common Element appurtenant to the Spatial Unit constitutes one or more separate legal parcels of land and to withdraw such separate legal parcels of land and improvements thereon from the condominium property regime created by the Declaration; (b) create, realign, relocate, delete, reserve and grant such easements over, under and across the Project and/or the withdrawn portion of the Land for utilities, sanitary and storm sewers, cable television, telecommunication systems, driveways, parking areas, walkways and any other use as Fee Owner determines in its sole discretion are necessary or appropriate and, without limiting the foregoing, specifically reserves the right to grant easements for access and utilities over, under and across the Project in favor of the withdrawn land; (c) enter into and execute any grants or licenses or other agreements required in connection with such subdivision and withdrawal, and (d) amend the Declaration to reflect the withdrawal of such lands and improvements thereon and the deletion of the Spatial Unit (including the reallocation of the Common Interest appurtenant to each Unit as provided in Section R.3 of the Declaration). In connection with the exercise of such rights, the Fee Owner and its agents and contractors shall have the right to enter upon the Project to do all things necessary or proper to effectuate such subdivision and withdrawal including without limitation, making surveys, and filing and recording any necessary file plan or subdivision map and related subdivision documentation. No representation is made or obligation assumed to construct a development of any particular type or character upon any land withdrawn; to the contrary, the Fee Owner or any other Person shall have the right to determine the use in their sole discretion to which such withdrawn land will be put, including the right to develop a project of any nature and character and to rezone the land. No

representation is made or obligation assumed to construct a development of any particular type or character upon any land withdrawn; to the contrary, Fee Owner or any other Person shall have the right to determine the use in their sole discretion to which such withdrawn land will be put, including the right to develop a project of any nature and character and to rezone the land.

22. Required Percentage Vote. Except as otherwise provided in the Act or in the Declaration (including without limitation with respect to the reserved rights of Developer and Fee Owner), and subject to and conditioned upon the prior written approval of Eligible First Lienholders as provided in Section T.2 of the Declaration, the Declaration may be amended by the vote or written consent of Unit Owners holding at least sixty-seven percent (67%) of the total Common Interests of the Project; PROVIDED, HOWEVER, that any amendment affecting Developer's rights under the Declaration, including without limitation any amendment to Section R and Section T of the Declaration shall also require the consent of Developer; any amendment affecting the rights of the Fee Owner under the Declaration, including without limitation any amendment to Section R, Section S, Section T, or Section W.3 of the Declaration shall also require the consent of the Fee Owner; and any amendment to Section V of the Declaration on or before twenty-five years from the date of recordation of the Declaration shall require the consent of the Developer and the Fee Owner.

23. Amendment by Developer.

(a) Developer reserves and has the right from time to time at any time prior to the recording in the Bureau of the first Unit deed in favor of a purchaser, to amend the Declaration, the Bylaws and the Condominium Map in any manner, without notice to, or the approval, consent or joinder of, the Association or any purchaser of any Unit or any other Person other than the Fee Owner to the extent such consent is required by the Declaration.

(b) Developer reserves and has the right from time to time at any time prior to the recording in said Bureau of Unit deeds in favor of purchasers covering 100% of the Units in the Project and the expiration of Developer's right to add additional Units, to amend the Declaration, the Bylaws and the Condominium Map without the approval, consent or joinder of any purchaser of any Unit or any of the Persons then owning any Unit, or any lienholder, or any other Person other than the Fee Owner to the extent such consent is required by the Declaration, to make such amendments: (i) as may be necessary to correct any technical defects or to make non-substantive changes, or (ii) as may be required by law, the Real Estate Commission of the State of Hawaii, any title insurance company issuing a title insurance policy on the Project or any of the Units, any institutional lender lending funds on the security of the Project or any of the Units, or any governmental agency administering governmental loan programs (including without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Department of Housing and Urban Development, the Veterans Administration, the State Housing Finance and Development Corporation, and any successor entities or agencies), (iii) as may be necessary or desirable as determined by Developer to comply with statutory provisions adopted under Chapter 514B of the Hawaii Revised Statutes; or (iv) as may be necessary or desirable as determined by Developer as a result of conditions or requirements imposed upon Developer by any governmental agency of the state, county, or local government related to the development of the lands comprising the Project or by any governmental agency of any state,



territory, possession or foreign country or other foreign jurisdiction as a condition precedent to the marketing or sale of Units in any such jurisdiction.

(c) Notwithstanding the recording of Unit deeds conveying any or all of the Units in favor of any Person and without limiting the rights otherwise reserved to Developer, Developer reserves and has the right to successively amend the Declaration, the Bylaws and the Condominium Map without notice to, or the approval, consent or joinder of, the Association or any purchaser of any Unit or any of the persons then owning or leasing any Unit or any lienholder or any other Person, to make such amendments to file or record an amendment to the Condominium Map as provided in Section 514B-34 of the Act.

**Consequences of expansion or alteration of the Project pursuant to Item Nos. 5 and 8 above, are set forth in Sections R.1.(c) and R.2.(c) of the Declaration. Purchasers should carefully read the afore-mentioned sections of the Declaration.**

## EXHIBIT I

### ESTIMATE OF INITIAL MAINTENANCE FEES

The Maintenance Fee Analysis for The Club Bungalows at Kukui`ula has been compiled by Associa Hawaii Management Company, a licensed property manager. Although the Managing Agent makes every effort to estimate the actual cost of operation, many factors will affect the ultimate cost of operation and certain budget items may change. Such estimates are not intended to be and do not constitute any representation or warranty by Developer, including, but not limited to, any representation or warranty as to the accuracy of such estimates. Developer advises that costs and expenses of maintenance and operation of a condominium community are very difficult to estimate initially and even if such maintenance charges have been accurately estimated, such charges will tend to increase in an inflationary economy and as the improvements age. Maintenance charges can vary depending on services desired by unit owners and may increase significantly depending on the level of services eventually selected by the Association's Board of Directors.

Purchasers should also be aware that the estimates provided are as of the date reflected in the Managing Agent's certification. Inasmuch as the estimates are the Managing Agent's best estimate as of the date reflected in the Managing Agent's certification, there may be an increase in the cost of operation for reasons not in the control of Developer.

The estimate of the initial schedule of annual maintenance fees and monthly estimated maintenance fees for each Unit is attached hereto. **Unit Owners are obligated to start paying Unit Owner's share of the common expenses on the date of closing on the purchase of their Unit.**

**It should be noted that the estimates are based on the development of Phase IA, Phase IB and Phase II only and thus the percentage share of the Common Expenses is allocated only among the Units in Phase IA, Phase IB and Phase II. The percentage allocated to each Unit in Phase IA, Phase IB and Phase II is based on the ratio that the Unit's Net Living Area bears to the Net Living Area of all Units in Phase IA, Phase IB and Phase II. As any additional Phases are developed, the percentage allocation will change to reflect the additional units.**



PROJECT NUMBER: 96

MONTHLY BUDGET ANALYSIS FOI Club Bungalows at Kukui'ula AOC

Prepared By: Alina Kuznetsova		PHASE I & II	
		Proposed Phase I and Phase II Budget	Approved Phase I and Phase II Budget
<b>REVENUE:</b>			
4000	ASSESSMENT INCOME	21,076	21,076
4200	USER FEE INCOME		0
4400	RENTAL INCOME	0	0
4500	FOOD & BEVERAGE INCOME	0	0
4700	COLLECTIONS INCOME	0	0
4800	OTHER INCOME	0	0
4900	INVESTMENT INCOME	0	0
<b>TOTAL REVENUES</b>		<b>21,076</b>	<b>21,076</b>
<b>EXPENSES:</b>			
<b>OPERATING EXPENSES:</b>			
5000	ADMINISTRATIVE	109	109
5200	COMMUNICATIONS	45	45
5300	PAYROLL & BENEFITS	0	0
5400	INSURANCE	2,300	2,300
6000	UTILITIES	3,350	3,350
6100	LANDSCAPING	10,592	10,592
6200	IRRIGATION	50	50
6300	OPERATIONS	0	0
6400	CONTRACTED SERVICES	1,800	1,800
6500	REPAIR & MAINTENANCE	100	100
7000	PROFESSIONAL SERVICES	528	528
8100	SHARED EXPENSES	0	0
8900	ASSOCIATION OWNED UNIT EXPENSES	0	0
9000	TAXES	2	2
9100	OTHER EXPENSES	2,200	2,200
<b>TOTAL OPERATING EXPENSES:</b>		<b>21,076</b>	<b>21,076</b>
<b>NET INCOME/LOSS</b>		<b>0</b>	<b>0</b>
<b>RESERVES:</b>			
4905	RESERVES CONTRIBUTION	2,200	2,200
4910	RESERVES INTEREST INCOME	0	0
9800	RESERVE EXPENSES	0	0
<b>RESERVE DEPT - NET INCOME/LOSS</b>		<b>2,200</b>	<b>2,200</b>

NOTE: The budgeted revenues and expenses are based on accrual basis accounting.



PROJECT NUMBER: 96

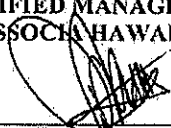
MAINTENANCE FEE ANALYSIS FOR: Club Bungalows at Kukuiula

Prepared By: Alina Kuznetsova

Unit Type	PerCent Common Interest	Number Of Units	Maint Fee Per Unit	Total Maint Fee (Unit Type)	Other Fees Per Unit	Special Assess Per Unit	Total Spc Assess (Unit Type)	Total Amount Per Unit
A/AR	4.340000	6	914.70	5,488.20	-	-	-	914.70
B	6.300000	3	1,327.79	3,983.37	-	-	-	1,327.79
B	7.370000	1	1,553.30	1,553.30	-	-	-	1,553.30
C	10.170000	1	2,143.43	2,143.43	-	-	-	2,143.43
D	9.380000	4	1,976.93	7,907.72	-	-	-	1,976.93
			-	-	-	-	-	-
			-	-	-	-	-	-
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			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
TOTALS	100.0000%	15	7916	21,076.00	-	-	0	

We hereby certify that the monthly operating budget for the Club Bungalows at Kukui'ula AOUO condominium project (the "Project") and the estimates of the monthly maintenance fees assessable against the owner(s) of each of the apartments in the Project set forth in this Exhibit C to the Public Report for Phase II of the Project were prepared in accordance with generally accepted accounting principles.

CERTIFIED MANAGEMENT, INC.  
dba ASSOCHAWAII

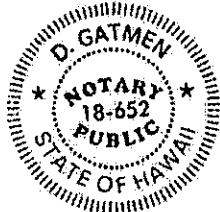
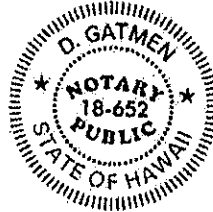
By   
Name: Pauli Wong  
Title: President

Date: September 26, 2019

The attached 2 page Monthly Budget Analysis and Maintenance Fee Analysis dated 09/26/19 was subscribed and sworn to before me Pauli Wong on September 26, 2019, in the First Circuit of the State of Hawaii.

  
Name: D. Gatmen  
Notary Public, State of Hawaii

My commission expires: 11/25/2022



Doc. Date: 09/26/19 # Pages: 3  
Notary Name: D. Gatmen 1st Circuit  
Doc. Description: Monthly Budget Analysis and Maintenance Fee Analysis  
d. gatmen 09/26/19  
Notary Signature Date  
NOTARY CERTIFICATION

## EXHIBIT J

### SUMMARY OF PURCHASE AGREEMENT AND ESCROW AGREEMENT

#### Purchase Agreement:

Specimen Purchase Agreements (each, a "**Purchase Agreement**") have been submitted to the Real Estate Commission. ALL PURCHASERS AND PROSPECTIVE PURCHASERS SHOULD CAREFULLY READ THE PURCHASE AGREEMENT IN FULL since this summary is NOT A COMPLETE DESCRIPTION of its contents. The Purchase Agreement contains, among other things, the following terms and conditions (which may be modified or otherwise limited by provisions which are not summarized herein below):

- (a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of a Unit (and Furnishings, if applicable).
- (b) That Purchaser acknowledges having received the public report for the Project prior to signing the Purchase Agreement.
- (c) That Purchaser's money will be held in escrow (SUBJECT TO THE RIGHT OF SELLER TO USE SUCH FUNDS FOR CONSTRUCTION COSTS and the cost of Furnishings, if applicable), under the terms of the Escrow Agreement.
- (d) That unless Purchaser complies with the conditions in the Purchase Agreement, all interest on deposits toward the purchase price shall be the property of Seller.
- (e) That the Purchase Agreement is NOT subject to any financing contingency.
- (f) That Purchaser must close the purchase at a certain date established by Seller and pay closing costs, in addition to the purchase price. PURCHASER IS FREE TO PURCHASE TITLE INSURANCE FROM ANY TITLE INSURANCE COMPANY AUTHORIZED TO DO BUSINESS IN HAWAII.
- (g) That the Purchase Agreement shall not be construed as a present transfer of any rights or of any interest in the Unit, but rather is an agreement to transfer in the future.
- (h) That if Purchaser defaults, Seller may retain Purchaser's deposits as liquidated damages and may pursue specific enforcement of the Purchase Agreement.
- (i) That the Seller will complete construction of Purchaser's Unit within 24 months from the date Purchaser signs the Purchase Agreement.
- (j) That, in the event of a default by Seller prior to the close of escrow, Purchaser may terminate the Purchase Agreement and recover Purchaser's deposit and any interest earned thereon or shall have the right to take advantage of any other rights which the law allows, including specific performance.

- (k) An alternate dispute resolution procedure setting forth the mechanism for resolving any “disputes” that arise under the Purchase Agreement, which includes provisions for mandatory mediation and binding arbitrations.
- (l) Notice of a contractor’s rights to resolve alleged construction defects as provided by Chapter 672E of the Hawaii Revised Statutes, including the requirements imposed on Purchaser under that law.
- (m) Purchaser may not at any time assign its rights or obligations under the Purchase Agreement without the prior written consent of Seller in its sole discretion.
- (n) Purchaser may not prior to closing market, list for sale or otherwise seek to sell (through advertising or other means) the Unit without the prior written consent of Seller in its sole discretion.
- (o) That the Unit and Purchase Agreement are or will be subject to mortgages. Purchaser’s interest under the Purchase Agreement will be subordinate to the mortgages, and if a mortgage is foreclosed, there is no assurance that any portion of the Purchaser’s deposits used for construction (or Furnishings, if applicable) will be refunded to Purchaser, nor that the Project will be built, nor that the lender will assume the Seller’s obligations under the Purchase Agreement.
- (p) That the Project is part of a master-planned community and that the Unit is subject to various “Governing Documents” and fees and assessments in connection with the master-planned community that are in addition to the condominium maintenance fees.
- (q) That there are specific zoning and other restrictions governing the rental of the Unit.
- (r) That Seller makes no representations concerning rental of a Unit, income or profit from a Unit, or any other economic benefit to be derived from the purchase of a Unit.
- (s) That the Project and Unit are included within a Community Facilities District known as County of Kaua’i, Hawaii Community Facilities district No. 2008-1 (Kukui’ula Development Project) (the “CFD”), that CFD is a financing district under the jurisdiction of the County of Kaua’i, and that the County of Kaua’i may issue Special Tax Bonds payable from special taxes levied on property within the CFD including the Project and Unit. Thus, there is assessed against the Unit a special tax and the Purchase Agreement includes a specific acknowledgement with respect to that tax.
- (t) That the Project will be subject to ongoing construction and sales activities which may result in certain damages or annoyances to Purchaser and that the Purchaser waives the right to make claims as a result of those damages or annoyances.
- (u) That the unit is near or overlooks a golf course which may result in various risks, nuisances, hazards, conditions and annoyances as a result of golf course-related operations and activities and that Purchaser assumes all risks and accepts all conditions and annoyances.
- (v) That Seller (as Developer) and the Fee Owner have reserved certain rights and powers relating to the Project, and Purchaser acknowledges and consents to the exercise of such

rights and powers. In addition to the rights reserved in the Declaration (See Exhibit H), some of which are described in the Purchase Agreement, the Seller reserves the right to make the following changes to the Project Documents and to all other contracts, documents or instruments related to the Project without the approval, consent or joinder of Purchaser:

- (i) Changes required by law, the Real Estate Commission, any title insurance company, any institutional lender, or any governmental agency;
  - (ii) Changes deemed necessary or appropriate by Seller, in its sole discretion, at any time prior to the conveyance of the first unit in the Project or any interest therein to any person other than Seller or any mortgagee of Seller;
  - (iii) Technical or non-substantive changes deemed appropriate by the Project's architect, in its sole discretion, including any increase or decrease in the thickness of any wall within any building in the Project resulting in the room dimensions thus affected becoming smaller or larger;
  - (iv) Minor changes in the Unit covered hereby, or changes in the configuration, the number of rooms, the size, or the location of any other unit (including, without limitation, the relocation of walkways, stairs, roads and parking areas), provided that such changes do not affect the physical location or design of the Unit covered hereby without the consent of Purchaser;
  - (v) Deviations from the plans and specifications for the Project and substitution of materials of equal utility, quality and service; or
  - (vi) Any other changes which are permitted or desirable as provided in the Project Documents.
- (w) That the master developer has reserved certain rights with respect to the master development of Kukui`ula.
- (x) That the Seller reserves the right to exercise control of the Association including the sole right to appoint its Board of Directors and officers for the "Developer's Control Period" as defined in the Declaration.
- (y) See Exhibit K for a description of the warranties and limitations thereon.

The Purchase Agreement contains various other important provisions relating to the purchase of a unit in the Project. As previously stated, all purchasers and prospective purchasers should carefully read the specimen Purchase Agreement on file with the Real Estate Commission.

**Escrow Agreement:**

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



- (a) Escrow will let Purchaser know when payments are due.
- (b) Escrow will arrange for Purchaser to sign all necessary documents.
- (c) Purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Purchase Agreement.

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

1. As and when Seller enters into a Purchase Agreement, Seller will give Escrow a signed copy of the Purchase Agreement and Purchaser's deposit towards the purchase price of a Unit. The Purchase Agreement will require Purchaser to pay to Escrow all other payments of the purchase price required under the Purchase Agreement. If Purchaser gets a mortgage loan, the money from the loan will be paid to Escrow. The Purchase Agreement will show the correct name and address of each Purchaser.
2. In accordance with written instructions from Seller that are acceptable to Escrow, Escrow shall deposit all funds received, within a reasonable time of their receipt by Escrow and in reasonably convenient sums, in a federally-insured, interest-bearing account at any bank, or savings and loan association authorized to do business in the State of Hawaii. Unless otherwise provided in the Escrow Agreement, any interest earned on funds deposited in escrow under the Escrow Agreement shall accrue as specified in the Purchase Agreement.
3. The Purchase Agreement states when refunds of deposits may be made to Purchaser. In the case where the Purchase Agreement is not yet binding and Purchaser requests a refund, Escrow shall notify Seller of such request. Escrow may refund the deposit to Purchaser, less any cancellation or other fees to which Escrow is entitled, only after receiving written approval from Seller. In all other cases, Escrow shall not make any refund to a Purchaser who asks for it unless Escrow receives written approval from Seller or from a court of competent jurisdiction. The words "cancellation fees" mean Escrow's cancellation fees which are described in the Purchase Agreement and are described later in the Escrow Agreement. Escrow shall give each Purchaser who is to get a refund written notice of the refund. Escrow will send this notice by registered or certified mail to Purchaser at the address shown on Purchaser's Purchase Agreement or to the last address which Purchaser may have given to Escrow.
4. Escrow will notify Seller promptly if Purchaser fails to make a payment under the Purchase Agreement. If Seller subsequently certifies in writing to Escrow that Seller has terminated the Purchase Agreement 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 Purchase Agreement as funds of Seller and not as funds of the Purchaser. Thereafter, such funds shall be free of the escrow established by this Agreement and shall be held by Escrow for the account of Seller. Upon written request by Seller, Escrow shall pay such funds to Seller, less any escrow cancellation fee. Escrow shall thereupon be released from any further duties or liability hereunder with respect to such funds and such Purchaser.

5. Except for the Purchase Agreements and any note and mortgage that are to be closed by the mortgagee thereof, Escrow shall promptly and diligently arrange for and supervise the execution of all documents related to the Project and shall promptly and diligently close the transactions and perform such services as are necessary or proper therefor. Upon receipt by Escrow of the conveyance document, the receipt for the Public Report, all other receipts required by Escrow under the Escrow Agreement, all necessary releases of encumbrances, the full amount of the purchase price of the unit, any mortgage or other instruments securing payment by the Purchaser of all or part of the purchase price of the unit and Purchaser's share of closing costs, Escrow will act with diligence and dispatch to "close" the sale of the unit by performing the following:

(a) Escrow shall cause the recording of such releases, conveyance document and mortgage, if any; and

(b) After recordation, Escrow may cause a copy of said conveyance document to be delivered to the Purchaser, the release or partial releases to be delivered to Seller, the mortgage, if any, to be delivered to the Purchaser's lending institution, and all sums respecting the purchase of the unit to be disbursed to Seller after deduction by Escrow of Seller's share of the closing costs.

## EXHIBIT K

### WARRANTIES

- 1. Developer's Assignment of Construction Defect Warranties.** EXCEPT AS SPECIFICALLY PROVIDED BELOW, DEVELOPER IS NOT MAKING OR OFFERING ANY WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, HABITABILITY, QUALITY OF CONSTRUCTION, OR FITNESS FOR A PARTICULAR PURPOSE. At closing of each sale, by execution and delivery of a unit deed, Developer shall assign to purchaser any and all of the construction defect warranties on the property from the general contractor as set forth in the construction contract between Developer and such general contractor for the Project, which warranties will be in effect for a period expiring on the earlier of: (i) twelve (12) months from the date of closing of the sale of the unit to purchaser or (b) eighteen (18) months after the date of the certificate of occupancy for the unit purchased by purchaser (the "**Construction Defect Warranties**"). Developer shall provide reasonable assistance to purchaser in making any claim under the Construction Defect Warranties during the effective period of any such warranties, provided that Developer shall have no further obligation nor any liability with respect to the Construction Defect Warranties.
- 2. Developer's Assignment of Manufactures' Warranties.** Appliances, equipment, or other items which are "consumer products" for purposes of the Magnuson-Moss Warranty Act, 15 USC 2301, et seq. are for convenience collectively called the "Consumer Products". The closing of the purchase and sale of a Unit shall constitute Developer's assignment to purchaser of any manufacturer's warranties covering any Consumer Products which are incorporated into the property for the unexpired terms of such warranties, to the extent such warranties exist and to the extent that Developer has the right and power to make such an assignment. Developer is not stating that any such warranties exist, or that such an assignment will be effective, nor is Developer adopting any such manufacturer's or dealer's warranties or acting as a co-warrantor, but Developer is merely attempting to pass through to purchaser the benefits of any such warranties, if any exist. Purchaser shall follow the procedure set forth in the manufacturer's warranty if any defects should appear in that item. Purchaser is obligated to read and understand these warranties and any service request should be made directly to the service representative for the manufacturer. Consumer Products are excluded from the Limited Warranty described below, and Developer makes no warranties and does not assume any obligation to service or repair the Consumer Products. Developer makes no representation or warranty with respect to the energy consumption of, or efficiency of, any appliance, equipment, or consumer product, or with respect to energy or utility costs.
- 3. Warranty by Developer.** Developer warrants that the items listed below will be free from Cosmetic Flaws on the date of closing, subject to the terms and conditions contained herein. "Cosmetic Flaw" means a material flaw in the appearance of an item (as opposed to a structural or other construction defect) which is readily visible, exceeds normal tolerances, and is substantial enough to affect the overall appearance of and materially affect the market value of the item. An obscured or minor flaw is considered to be of no consequence and to be within building industry standards and is not considered a Cosmetic Flaw.

Following substantial completion of the Property, a walk-through of the Property (“**Walk-through**”) by the Purchaser or a representative designated by the Purchaser in writing (“**Purchaser’s Representative**”) will be scheduled by Seller. Any Cosmetic Flaws must be recorded during the Walk-through on the report (the “**Defect Report**”) to be signed by Purchaser or Purchaser’s Representative immediately following the Walk-through. Seller will promptly correct any Cosmetic Flaws that are recorded on the Defect Report. Seller will not have any obligation to correct any claimed Cosmetic Flaw not noted on the Defect Report. **Without limitation, Purchaser (or Purchaser’s Representative) must carefully inspect the following items during the Walk-through as damage to the items can occur easily during move-in and, therefore, will not be warranted after Purchaser takes possession of the Property:**

Bathroom fixtures and finishes, towel bars, rings, toilet paper dispensers, bathtub and sink finishes, cabinets, ceramic floor tile, counter top tile, cultured marble, plastic laminate, solid surface, marble or granite surface counter tops, door and cabinet handles, vinyl, stone, tile, carpet or laminate floor coverings, tub and shower units, lighting fixtures, luminous lighting panels, mirrors and medicine cabinets, plumbing fixtures, drywall, handrails, window screens, frames and glass, doors and door trim, and appliance finishes.

#### **4. Limitations of Warranty and Developer Liability.**

THIS IS AN IMPORTANT PROVISION AND PURCHASER IS URGED TO READ IT CAREFULLY. PURCHASER IS ALSO ADVISED TO SEEK LEGAL ADVICE IF PURCHASER DOES NOT UNDERSTAND WHAT THIS PROVISION MEANS.

THE WARRANTIES DISCUSSED ABOVE ARE BEING PROVIDED TO PURCHASER IN LIEU OF ANY OTHER EXPRESS OR IMPLIED WARRANTY BY DEVELOPER. EXCEPT FOR SUCH SPECIFIED WARRANTIES, DEVELOPER NEITHER MAKES NOR GIVES ANY OTHER WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY OR PROJECT.

WITHOUT LIMITING THE FOREGOING, DEVELOPER DOES NOT MAKE AND EXPRESSLY DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTY OF HABITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR WORKMANSHIP, OR THAT THE PROPERTY AND PROJECT ARE FREE FROM DEFECTS.

## EXHIBIT L

### LIST OF GOVERNING DOCUMENTS

1. The Articles of Incorporation, the Bylaws, the Resolutions of the Board of Governors, if any, and the Standards of the Community Association;
2. The Bylaws of The Club at Kukui'ula, adopted on August 10, 2005 as amended and restated by the Amended and Restated Bylaws of The Club at Kukui'ula adopted on September 4, 2012, as amended by the First Amendment to the Amended and Restated Bylaws of the Club at Kukui'ula adopted on August 5, 2015; The Amended and Restated Club Rules for The Club at Kukui'ula effective September 4, 2012; The Club at Kukui'ula Schedule of Membership Fees; and The Club at Kukui'ula Membership Agreement (requiring the choice, if applicable, to request additional golf use privileges thereby triggering a Golf Initiation Fee and Golf Membership assessments);
3. The Community Charter for Kukui'ula dated May 8, 2006, as amended and restated by instrument dated September 4, 2012, recorded in the Bureau as Document No. A-46320954, as amended by Amendment to the Community Charter for Kukui'ula dated February 12, 2013, recorded in the Bureau as Document No. A-47991323, and all Supplements thereto, as amended, restated, replaced and superseded by instrument dated August 5, 2015 and recorded in the Bureau as Document No. A-56951009 preserving in effect all Supplements (collectively the "**Community Charter for Kukui'ula**" or "**Charter**"), which imposes upon the Property and other real property, under a general plan of development, certain covenants, conditions, restrictions, easements, servitudes and other provisions running with the land and binding title to the Property and all owners of any portion thereof or interest therein, whether or not referenced in any future deed or instrument;
4. The Covenant for The Club at Kukui'ula ("**The Club**") dated May 8, 2006, as amended and restated by instrument dated September 4, 2012, recorded in the Bureau as Document No. A-46320955, and all Supplements thereto, as amended, restated, replaced and superseded by instrument dated August 5, 2015 and recorded in the Bureau as Document No. A-56951010 preserving in effect all Supplements (collectively, the "**Covenant**"), which guides the entity responsible for owning, maintaining, promoting and overseeing the recreational facilities and amenities and managing programs offered within Kukui'ula and imposes upon Purchaser, subsequent owners, the Property and other real property certain provisions relating to The Club and property and facilities owned by The Club;
5. The Design Guidelines and any Supplemental Design Guidelines containing design standards and architectural and aesthetic guidelines adopted pursuant to Chapter 5 of the Charter that govern new construction and modifications to units within Kukui'ula, including structures, landscaping, and other features on units (generally, those features on or visible from the exterior of the Unit) and which may include specific or supplemental design guidelines for the Project (collectively, the "**Design Guidelines**"); and
6. Any other "Governing Documents" as defined in Table 1.1 of the Charter.