

IMPORTANT - - Read This Developer Prepared Report Before Buying

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

DEVELOPER'S PUBLIC REPORT FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME	PILI MAI AT PO'IPŪ (PHASE 5)
Project Address	2611 Kiahuna Plantation Drive, Koloa, Hawaii 96756
Registration Number	7955
Effective Date of Report	March 16, 2017
Developer(s)	Kiahuna Fairways LLC

*Project previously filed under HRS 514A as Registration No. 6335. (See Page 1a)

Preparation of this Report

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

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

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

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

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

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

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

Special Attention - - Significant Matters

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

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

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

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

1. Previous Registration. The Project was previously registered with the Commission under Chapter 514A of the Hawaii Revised Statutes, as amended (Reg. No. 6335 - Pili Mai at Po'ipū (Phase 1)). However, the Developer allowed that registration to lapse as of April 4, 2009, as Developer did not enter into any binding sales contracts to sell any of the residential condominium units which were previously registered with the Commission.

2. Deregistration of Project Land from Land Court. The Project Land was removed from the Land Court System and has been deregistered from the Land Court System pursuant to Hawaii Revised Statutes Section 501-261, as evidenced by Deregistration of Certificate of Title No. 705,687 recorded on December 19, 2011, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. A-43700697.

3. Amended and Restated Declaration. By Amended and Restated Declaration of Condominium Property Regime of Pili Mai at Po'ipū dated April 9, 2014, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. A-52120701 (the "***Pili Mai Declaration***"), Developer (a) opted the Project fully into Chapter 514B of the Hawaii Revised Statutes, as amended, pursuant to Section 514B-23 of the Hawaii Revised Statutes, (b) restructured and reconfigured the contemplated phased development and construction of the Project, and (c) further amended and restated the Original Declaration, as amended, in its entirety.

4. Recommendation of Development. The Developer recommenced development of the Project and registered Phase 1 of the Project by means of that certain Developer's Public Report for a Condominium (the "***Public Report***") with an effective date of May 22, 2014 (Registration No. 7518), as Amended by Developer's Public Report of a Condominium (the "***Phase 1 Amended Public Report***") with an effective date of September 17, 2015.

5. The Phase 1 Amended Public Report (Reg. No. 7518) was Limited to Phase 1. The Public Report issued an effective date of May 22, 2014, covered only what was identified at that time as Phase 1 of the Pili Mai at Po'ipū condominium project which consisted of fifty-one (51) residential units located in four (4) 2 to 3-story buildings (being Building Nos. 10, 11, 12 and 13), and one (1) commercial unit located in Building No. 13. However, pursuant to the Developer's reserved right to amend and reduce the number of Buildings and residential units in Phase 1, the Developer executed and recorded the First Amendment to Amended and Restated Declaration dated June 18, 2015, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. A-56471005, which amended and reduced the Buildings and number of residential units in Phase 1 so that Phase 1 consisted only of twenty-five (25) residential units located in two (2) 3-story buildings (being Building Nos. 10 and 11) and one (1) commercial unit located in Building No. 11. The Phase 1 Amended Public Report covers only the modified and reduced size of Phase 1.

6. Phase 3 Consists of the Conversion of the Commercial Unit in Phase 1 to a Residential Unit, One (1) New Building containing Thirteen (13) Residential Units, and One (1) New Building containing the Developer Reserved Unit. The Public Report for Phase 3 of the Project with an effective date of July 8, 2016 consists of (a) the conversion of Commercial Unit 11-F in Phase 1 to a residential unit, (b) thirteen (13) residential units contained in Building No. 12, and (c) the Developer Reserved Unit contained in the Developer Reserved Unit Building. As a result of the conversion of Commercial Unit 11-F to a residential unit, the Developer has deleted the Commercial Unit from the Project, but has added to Phase 3 the Developer Reserved Unit, and the Developer Reserved Unit shall be substituted for and replace the Commercial Unit for all purposes provided in the Pili Mai Declaration.

7. Remaining Common Interest Allocated to the Developer Reserved Unit. Under the terms of the Declaration the Developer has assigned all of the Common Interests in the Project not assigned to the twenty-six (26) residential units in Phase 1, the thirteen (13) residential units in Phase 2, the thirteen (13) residential units in Phase 3, the thirteen (13) residential units in Phase 4, and the thirteen (13) residential units in Phase 5 to the Developer Reserved Unit in Phase 3. The Developer Reserved Unit in Phase 3 has an appurtenant common interest of 59.0848%.

8. Phasing or Incremental Development of Project. The Pili Mai at Po`ipū condominium project (the "***Pili Mai Condominium***") is being developed and constructed by the Developer in multiple phases or increments on the lands submitted to the Pili Mai Declaration. Under the Pili Mai Declaration the Pili Mai Condominium may contain upon full build out up to one hundred ninety-one (191) residential units (each a "***Unit***" and collectively the "***Units***") as will and may be shown from time to time on Condominium Map No. 1832, as amended, originally filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii (collectively, the "***Pili Mai Condominium Map***"). The Pili Mai Declaration and Pili Mai Condominium Map currently depict Phase 1 as being comprised of twenty-six (26) residential Units, Phase 2 as being comprised of thirteen (13) residential Units, Phase 3 as being comprised of thirteen (13) residential Units and one (1) Developer Reserved Unit (hereinafter referred to as the "***Developer Reserved Unit***"), Phase 4 as being comprised of thirteen (13) residential Units, and Phase 5 as being comprised of thirteen (13) residential Units. The Developer will still retain the future right and option, in its sole discretion, to develop and construct up to one hundred thirteen (113) new residential Units on the areas designated in the Pili Mai Declaration and shown on the Pili Mai Condominium Map as the "Undeveloped Land Area" and the reserved right to either (a) remove the Developer Reserved Unit in its entirety, or (b) convert the Developer Reserved Unit into a Common Element, a Limited Common Element, or a new residential Unit. The Developer has no obligation to build any new Units and related Improvements beyond the Units contained in Phase 1, Phase 2, Phase 3, Phase 4 and Phase 5, and the Developer may also at any time reconfigure and re-divide the future phases or increments and change or reconfigure any future planned new Units or New Improvements as set forth and provided in the Pili Mai Declaration. All future phases or increments shall be identified in consecutive Arabic numbers (i.e., 1, 2, 3, etc.)

9. Discretionary Development of Future Phases. This Developer's Public Report only covers Phase 5 of the Pili Mai at Po`ipū condominium project which is contemplated upon full build out by the Developer to contain approximately one hundred ninety-one (191) residential Units. This Phase 5 consists of the thirteen (13) residential Units in Building No. 1. The Developer has expressly stated that the development and construction of Units beyond those contained in Phase 1, Phase 2, Phase 3, Phase 4 and Phase 5 will be commenced in the sole discretion of the Developer. Prospective Buyers should consider the possibility that the Developer will not exercise its discretion to continue with the future phases and development of the Project. For example, although not promised, the Developer currently contemplates constructing a recreation facility for the Project in one of the future phases, but only after approximately 54 residential Units have been constructed and sold in the Project. There may be some impacts as viewed by a prospective Buyer if not all Units planned for the Project are built and there are less new owners and residents to become members of the Association. Others may potentially view a less dense Project with less traffic and use of the internal Project roadways and common elements as a positive benefit. There may also be some impact on and increase in the maintenance fees payable by the individual Unit Owners in the completed portion of the Project as a result of the loss of certain economies of scale if the overall Project is smaller in size. The Developer feels this will be mitigated by the fact that under the Declaration the Developer is 100% responsible for the maintenance and upkeep of the

Undeveloped Land Area comprising a portion of the Project. If the Developer exercises its discretion to not build all of the future phases the Developer will still be the owner of the Developer Reserved Unit to which the Undeveloped Land Area is appurtenant as a limited common element and therefore will continue to be responsible for the maintenance and upkeep of its appurtenant limited common elements, which reduces the risk that the Association and the other Unit Owners will suddenly become responsible for the maintenance and upkeep of the Undeveloped Land Area, an expense not currently allocated to them.

It should be noted in considering this purchase that the infrastructure for the Project being constructed and installed in Phase 1, Phase 2, Phase 3, Phase 4 and Phase 5 is designed for and sized in order to accommodate the full build out of the Project and that full recovery of those costs by the Developer will only occur with the full build out of the Project, as those costs have not been front loaded by the Developer into the sales prices for the Units in Phase 1, Phase 2, Phase 3, Phase 4 and Phase 5. While there are substantial economic incentives to the Developer in deciding to proceed over time with the full phased build out of the Project, it is also true that the general state of the real estate market in Hawaii and on the Island of Kauai in particular and of the financial and loan markets for resort condominium units will likely be the largest determining factors.

10. Kiahuna Maintenance District Agreement. The Developer has entered into that certain unrecorded Kiahuna Maintenance District Agreement dated July 3, 2012, a short form memorandum of which is effective as of July 11, 2013, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. T-8621275, and also recorded in the Bureau of Conveyances of the State of Hawaii as Document No. A-49690590 (the "**Kiahuna Maintenance District Agreement**"). The Kiahuna Maintenance District Agreement establishes the Kiahuna Maintenance District for the Kiahuna Project Lands which includes the Project lands and certain other neighboring parcels of land identified in the Kiahuna Maintenance District Agreement as Parcels 32A, 32B, 34 and 35. The Kiahuna Maintenance District was established for the purpose of owning, maintaining, administering, repairing, replacing, restoring, operating and/or keeping in good order and condition the Maintenance District Property for the direct and indirect benefit of the respective lands within the Kiahuna Maintenance District.

The conditions imposed by the Kiahuna Maintenance District shall run with the Project lands and shall bind and constitute notice to all subsequent lessees, grantees, assignees, mortgagees, lienors, and any other persons who shall claim an interest in any Unit in the Project. The terms and conditions of the Kiahuna Maintenance District Agreement include, among other provisions, for the establishment of an annual budget and collection of assessments from the Project lands and the other lands subject to the Kiahuna Maintenance District Agreement in connection with the maintenance, repair and upkeep of the shared Kiahuna Maintenance District Property. In accordance with the Declaration, the prorated share of such assessments against the Project shall be a common expense of the Association of Unit Owners of Pili Mai at Po'ipū established under the Bylaws (the "**Condominium Association**"), and each of the Owners of a Unit in the Project shall by taking title to such Unit be deemed to have accepted the provisions of the Kiahuna Maintenance District Agreement, as the same may be amended from time to time, and will, as such Owner's proportionate share of the expense thereof, cause the Condominium Association to observe, perform, and comply with all applicable terms and conditions set forth in the Kiahuna Maintenance District Agreement. The currently allocated per Unit share of the monthly assessment made against the Project by the Kiahuna Maintenance District is \$12.00 per month, subject to adjustment from time to time. Therefore it is recommended that you or your real estate consultants/advisors review the terms and conditions of the Kiahuna Maintenance District Agreement.

11. Liability Insurance Under Kiahuna Maintenance District Agreement. As noted above the assessments by the Kiahuna Maintenance District are made against the Project lands and not the individual units and are for the stated purpose of paying for the costs of maintaining, administering, repairing, replacing, restoring, operating and keeping in good order and condition the Maintenance District Property. In the event of legal action against the Kiahuna Maintenance District that results in a monetary award against the Kiahuna Maintenance District which is not fully covered by the insurance maintained either by the Kiahuna Maintenance District or the Project it could result in an assessment as a common expense among the Members of the Kiahuna Maintenance District, including the Project. Section 12 of the Kiahuna Maintenance District Agreement currently provides for public liability insurance to be maintained by the Kiahuna Maintenance District as a common expense. The Developer has been

advised that that the Kiahuna Maintenance District currently maintains a Commercial General Liability Policy with a general aggregate limit of liability of \$2.0 million, and a per occurrence limit of \$1.0 million. Section 12 of the Kiahuna Maintenance District Agreement also provides that each Member (the Condominium Association) shall to carry or provide insurance with such limits as a reasonably prudent person would obtain. It is recommended that prospective buyers examine and consider these risks and the available insurance coverages and limits provided by the Kiahuna Maintenance District and the Condominium Association on these matters.

12. Shared Sewer Main. The Developer has reserved the right and option, in its sole discretion and at any time prior to the earlier of December 31, 2029, or the date when the Developer records a document giving up all of the Developer's reserved rights under the Pili Mai Declaration, to enter into an agreement with the developer of the project(s) to be built on the adjoining parcel of land known as the KMP-4 Land (identified by Tax Map Key No. (4) 2-4-014: 032) which provides for the construction and installation of a shared main sewer trunk line running through the Project lands for the joint use of the Units and other improvements in the Project and the units and other improvements to be constructed on the KMP-4 Land, and to grant a non-exclusive sewer easement in favor of and appurtenant to the KMP-4 Land for use of such shared main sewer trunk line.

13. Certain Disclosures Cover All Previously Existing Phases and Current Phase. As noted above in paragraphs 8 and 9 the Pili Mai Condominium is being developed in phases or increments over time. This Developer's Public Report covers Phase 5 of the Pili Mai Condominium and most of the disclosures contained in this Developer's Public Report are intended to cover only the Units which are being developed in Phase 5 of the Pili Mai Condominium. However, please be aware that certain aspects of the Pili Mai Condominium need to be described as part of both the Units in any previously developed phase or increment of the Pili Mai Condominium and the Units in the phase covered by this Developer's Public Report. For example, Exhibit A-2 describes all Buildings, Unit Types, Floor Plans, Common Interest for Phase 1, Phase 2, Phase 3, Phase 4 and Phase 5, as limiting to only Phase 5 would not disclose the other existing Buildings, etc. to a prospective buyer. As another example Exhibit J which sets forth the estimate of Maintenance Fees and Budget shows all existing Buildings and Units as the maintenance fees are collected or to be collected from all owners of Units in the then existing Pili Mai Condominium which in this case includes all Units in Phase 1, Phase 2, Phase 3, Phase 4 and Phase 5.

14. No Time Share or Fractional Ownership Plans. By means of the Fourth Amendment to Amended and Restated Declaration dated November 12, 2015, the Developer has used the Developer's Reserved Right to delete in their entirety the provisions contained in Sections 9.1.4 and 9.1.5 of the Amended and Restated Declaration. As a result, time share and/or fractional ownership plans are not permitted in any phase of the Project.

15. Addendum to Sales Contract Re Limitation on Resale of Unit within First Year of Ownership. As part of each Buyer's purchase of a Unit in the Project, Seller and Buyer will execute, deliver and record against title to the Unit a Memorandum of Agreement (re: Subsequent Conveyance of Unit) substantially in the form attached to an Addendum to the Sales Contract (the "**Memorandum**"), which will be recorded concurrently with the Unit Deed conveying title to the Unit to Buyer. Pursuant to the terms of the Memorandum, Buyer and any of Buyer's successors in title and assigns are prohibited from conveying all or any portion of the title to the Unit to another party within three hundred sixty-five (365) days following the date of recordation of the Unit Deed to Buyer without the Seller's prior written consent, and which consent is contingent, among other things, on payment of a "Sales Premium" to Seller as such term is defined in the Memorandum. This consent requirement and the conditions applicable to a subsequent conveyance shall be applicable only for the first 365 days after recordation of the Unit Deed to Buyer, and after the expiration of that 365-day time period the covenants and conditions contained in the Memorandum shall be null and void and no longer applicable to a transfer or conveyance of title to the Unit which occurs thereafter.

PROSPECTIVE BUYERS SHOULD READ THE FOREGOING AND PAGES 19A-19G WITH CARE TO UNDERSTAND THE DEVELOPER'S PHASED PLAN, DISCRETIONARY RIGHTS AND DISCLOSURES AND CONSIDER HOW THESE MAY IMPACT ON BUYERS' OBLIGATIONS AND EXPECTATIONS.

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General Information On Condominiums

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

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

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

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

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

Operation of the Condominium Project

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

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

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

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	
Address of Project	2611 Kiahuna Plantation Drive, Koloa, Hawaii 96756
Address of Project is expected to change because	
Tax Map Key (TMK)	(4) 2-8-014: 033
Tax Map Key is expected to change because	
Land Area	19.125 Acres
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	

1.2 Buildings and Other Improvements

Number of Buildings	1
Floors Per Building	1 - 3 floors
Number of New Building(s)	1
Number of Converted Building(s)	N/A
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Concrete, wood, aluminum, glass, steel, drywall, flooring material and tile.

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc)	Total Area
See Exhibit						
A-2						
See Exhibit	A-1 & A-2					

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

1.4 Parking Stalls

Total Parking Stall in the Project:	13 one car garages, 12 open parking stalls
Number of Guest Stalls in the Project:	0
Number of Parking Stalls Assigned to Each Unit:	2 for each Unit in Phase 5 (1 garage & 1 open), other than Unit 1-G
Attach Exhibit <u>A-2</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).	(1 garage)
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	

1.5 Boundaries of the Units

Boundaries of the unit:
See Exhibit B

1.6 Permitted Alterations to the Units

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

1.7 Common Interest

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

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

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

1.9 Common Elements

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

Described in Exhibit D .

Described as follows:

Common Element	Number
Elevators	N/A
Stairways	N/A
Trash Chutes	N/A

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

1.12 Encumbrances Against Title

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

Exhibit G-1 describes the encumbrances against title contained in the title report described below.

Date of the title report: December 22, 2016

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

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning				
	Type of Use	No. of Units	Use Permitted by Zoning	Zoning
<input checked="" type="checkbox"/>	Residential	13	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	R-10
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Hotel		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Ohana		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Industrial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Agricultural		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Other (Specify):		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Variances to zoning code have been granted.			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Describe any variances that have been granted to zoning code				

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots			
<p>In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.</p> <p>If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.</p> <p>A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.</p>			
	Conforming	Non-Conforming	Illegal
Uses	<input 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>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</p>	<p><input type="checkbox"/> Applicable</p> <p><input checked="" type="checkbox"/> Not Applicable</p>
<p>Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units:</p>	
<p>Developer's statement of the expected useful life of each item reported above:</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations:</p>	
<p>Estimated cost of curing any violations described above:</p>	

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

1.16 Project In Agricultural District

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

1.17 Project with Assisted Living Facility

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

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer(s)	<p>Name: Kiahuna Fairways LLC</p> <p>Business Address: 55 Merchant Street, Suite 3000 Honolulu, Hawaii 96813</p> <p>Business Phone Number : (808) 676-3300</p> <p>E-mail Address: DavidF.Murphy@brookfieldrp.com</p>
<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	<p>See Exhibit H</p>
2.2 Real Estate Broker	<p>Name: Island Paradise Properties, LLC</p> <p>Business Address: 55 Merchant Street, Suite 3000 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 676-3300</p> <p>E-mail Address: Egen.Moe@brookfieldrp.com</p>
2.3 Escrow Depository	<p>Name: Title Guaranty Escrow Services, Inc.</p> <p>Business Address: 235 Queen Street, 1st Floor Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 521-0211</p>
2.4 General Contractor	<p>Name: Brookfield Homes Hawaii Inc.</p> <p>Business Address: 55 Merchant Street, Suite 3000 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 676-3300</p>
2.5 Condominium Managing Agent	<p>Name: Certified Management, Inc. dba Associa Hawaii</p> <p>Business Address: 3179 Koapaka Street Honolulu, Hawaii 96819</p> <p>Business Phone Number: (808) 836-0911</p>
2.6 Attorney for Developer	<p>Name: McCorrison Miller Mukai MacKinnon LLP</p> <p>Business Address: 5 Waterfront Plaza, Suite 400 500 Ala Moana Boulevard Honolulu, Hawaii 96813 Attention: D. Scott MacKinnon</p> <p>Business Phone Number: (808) 529-7300</p>

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

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

3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	June 26, 2006	3447110

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	September 8, 2006	3479016
Land Court	August 7, 2007	3639383
Bureau of Conveyances	April 9, 2014	A-52120701
(See attached Page 10a)		

3.2 Bylaws of the Association of Unit Owners

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	June 26, 2006	3447111

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	April 9, 2014	A-52120702

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	1832
Bureau of Conveyances Map Number	

Dates of Recordation of Amendments to the Condominium Map:
June 18, 2015, October 8, 2015, May 23, 2016, October 12, 2016 and December 21, 2016.

3.1 Declaration of Condominium Property Regime (continued)

Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	June 18, 2015	A-56471005
Bureau of Conveyances	September 3, 2015	A-57241000
Bureau of Conveyances	October 6, 2015	A-57590690
Bureau of Conveyances	November 12, 2015	A-57950960
Bureau of Conveyances	May 20, 2016	A-59871025
Bureau of Conveyances	October 12, 2016	A-61290753
Bureau of Conveyances	November 16, 2016	A-61661163
Bureau of Conveyances	December 21, 2016	A-61991129

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"/>	April 3, 2015
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 I

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

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

4.2 Estimate of the Initial Maintenance Fees

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

4.3 Utility Charges to be Included in the Maintenance Fee

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

4.4 Utilities to be Separately Billed to Unit Owner

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

*The monthly sewer charges against the Project by the Poipu Water Reclamation Facility are made against the Project and not the individual units. The currently allocated per Unit share of these monthly sewer charges against the Project is \$37.00 per month, subject to adjustment from time to time.

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u> K </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: April 23, 2014 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit <u> L </u> contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other:

5.2 Sales to Owner-Occupants

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

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

5.3 Blanket Liens

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

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

<u>Type of Lien</u>	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	If the Developer defaults before the unit is conveyed to Purchaser, the Lender will have the right to decide whether to sell the unit to Purchaser under the Sales Contract. If not, the Purchaser's interest will be terminated and Purchaser's deposit will be refunded, less the escrow cancellation fee.

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 M

Appliances:

See Exhibit M

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

<p>Status of Construction: Construction of the 1 building containing 13 residential units in Phase 5 will commence on or about March 1, 2017 and is estimated to be completed on or before January 31, 2019.</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: The completion deadline set forth in the Sales Contract shall be the date occurring not more than two (2) years after the Sales Contract becomes binding.</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:</p>

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

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

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

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

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

5.7 Rights Under the Sales Contract

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

1.	Developer's Public Report
2.	Declaration of Condominium Property Regime (and any amendments)
3.	Bylaws of the Association of Unit Owners (and any amendments)
4.	Condominium Map (and any amendments)
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other: Kiahuna Maintenance District Agreement more particularly described in Paragraph 10 of the Special Attention Section on Page 1c. A summary is attached as Exhibit O. Design Review Committee Guidelines more particularly described in summary attached as Exhibit P.

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

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

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

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

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

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

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

- (1) The purchaser has signed the sales contract.
- (2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.
- (3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.
- (4) The purchaser does at least one of the following:
 - (a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

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

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

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

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

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

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

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

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

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

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

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

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

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

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

1. Affiliated Parties. Prospective purchasers are hereby advised that the Real Estate Broker and the General Contractor for the Project are affiliated with the Developer. See Exhibit N.
2. Development of Project in Phases or Increments. The Developer intends to develop the Project in stages. Each stage is called a "phase" or "increment". Each phase may include Units and other Improvements. Under the Pili Mai Declaration the Pili Mai Condominium may contain upon full build out up to one hundred ninety-one (191) residential units (each a "**Unit**" and collectively the "**Units**") as will be shown from time to time on Condominium Map No. 1832, as amended, originally filed in Office of the Assistant Registrar of the Land Court of the State of Hawaii (collectively, the "**Pili Mai Condominium Map**"). The Pili Mai Declaration and Pili Mai Condominium Map currently depict Phase 1 as being comprised of twenty-six (26) residential Units, Phase 2 as being comprised of thirteen (13) residential Units, Phase 3 as being comprised of thirteen (13) residential Units and one (1) Developer Reserved Unit (hereinafter referred to as the "**Developer Reserved Unit**"), Phase 4 as being comprised of thirteen (13) residential Units, and Phase 5 as being comprised of thirteen (13) residential Units. The Developer will still retain the future right and option to develop and construct up to one hundred thirteen (113) additional or new residential Units and New Improvements on the areas shown on the Pili Mai Condominium Map as the "Undeveloped Land Area" and the reserved right to either (a) remove the Developer Reserved Unit in its entirety, or (b) convert the Developer Reserved Unit into a Common Element, a Limited Common Element, or a new residential Unit. The Developer has no obligation to build any new Units and related Improvements beyond the Units contained in Phase 1, Phase 2, Phase 3, Phase 4 and Phase 5, and the Developer may also at any time in its sole and absolute discretion, reconfigure and redivide the future phases or increments and change or reconfigure any future planned new Units or New Improvements.
3. Developer's Reserved Rights to Create New Units, Create New Improvements, Convert Common Elements, Designate Limited Common Elements, and Participate in Kiahuna Maintenance District. The Developer has reserved the right under the Pili Mai Declaration to develop and construct New Units and New Improvements on the Land, including the Undeveloped Land Area, convert the use of Common Elements and designate Limited Common Elements as the Developer deems appropriate and as may be permitted or otherwise approved by any appropriate governmental authorities, all as set forth in Paragraphs 19 and 20 of the Pili Mai Declaration. The Developer has further reserved the right to participate in the Kiahuna Maintenance District under the Kiahuna Maintenance District Agreement as set forth in Paragraph 20.5 of the Pili Mai Declaration. The development, construction and sale of the New Units and New Improvements, conversion of Common Elements and/or designation of Limited Common Elements may result in the creation of dust, noise, vibrations and other nuisances. The Developer has expressly reserved the right, at its sole option and discretion, at any time and from time to time up to but not later than December 31, 2029, to exercise any of these reserved rights. The Developer has also expressly reserved the right and an easement to enter upon and use the Common Elements of the Project and do all things reasonably necessary, desirable or useful, for the purposes of designing, developing, constructing and completing the New Unit(s) and New Limited Common Elements, connecting the New Units and New Improvements to the Project, providing access for the New Units and New Improvements through the Common Elements of the Project to any public roadways, connecting the New Units and New Improvements to the utility installations of the Project, and selling the New Units and New Improvements, and the right in the nature of an easement over and upon the Project to create and cause dust, noise, vibration and other nuisance created by and resulting from any work connected with or incidental to the development, construction and sale of the New Units or New Improvements.
4. Developer's Reserved Rights to Execute Documents Governing the Shared Sewer Main. Under the Pili Mai Declaration, the Developer expressly reserves the right and option, in its sole discretion and at any time prior to the earlier of (i) December 31, 2029, or (ii) the date when the Developer records a document giving up all of the Developer's Reserved Rights, to enter into an agreement with the developer of the project(s) to be built on the adjoining parcel of land known as the KMP-4 Land (identified by Tax Map Key No. (4) 2-4-014: 032) which provides for the construction and installation

of a shared main sewer trunk line running through the Land for the joint use of the Units and other improvements constructed by Developer on the Land, and the units and other improvements to be construction on the KMP-4 Land, and to grant a non-exclusive sewer easement in favor of and appurtenant to the KMP-4 Land for use of such shared main sewer trunk line (collectively the "**Shared Sewer Line Documents**"). The terms and conditions of this Shared Sewer Line Documents shall include, among other provisions, for the establishment of an annual budget and collection of assessments from the Project and the project built on the KMP-4 Land in connection with the maintenance, repair, upkeep, and replacement of the shared main sewer trunk line. The share of such assessments against the Project shall be a common expense of the Association. The acceptance of a deed or other conveyance of any Unit in the Project shall constitute an agreement that the provisions of the Shared Sewer Line Documents, as each may be amended from time to time, are accepted and ratified, and will, at such Owner's proportionate share of the expense thereof, cause the Association to observe, perform, and comply with all applicable terms and conditions set forth in the Shared Sewer Line Documents. The Developer has also the reserved right, but not the obligation, on behalf of the Association, at any time or times prior to the earlier of (i) December 31, 2029, or (ii) the date when the Developer records a document giving up all of the Developer's Reserved Rights, to establish, enter into and amend or modify the Shared Sewer Line Documents, as the Developer deems necessary or desirable in the Developer's sole discretion, and the Developer may, without being required to obtain the consent or joinder of any Owner, lienholder or other persons, execute and record amendments to the Shared Sewer Line 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 herein reserved to the Developer.

5. Developer's Reserved Right to Withdraw Portions of the Land. The Developer has reserved the right to subdivide the Land of the Project, and to withdraw and delete from the Project and from the condominium property regime all or any part of the areas designated on the Condominium Map from time to time as "Undeveloped Land Area."
6. Developer's Easement for Sales Activities. Under the terms of the Pili Mai Declaration, the Developer and its representatives, licensees, and invitees have the right and an easement to conduct extensive sales activities on the Common Elements (including, but not limited to, the Limited Common Elements) and from any Unit owned or leased by the Developer. This right includes, but it is not limited to, the right: (a) to permit purchasers and prospective purchasers and their family members and guests, to come onto the Project through the Common Elements intended for access to and from any nearby roads, streets or highways; (b) to permit purchasers and prospective purchasers to park motor vehicles in any unassigned parking stalls; (c) to show the Project (including, but not limited to, model Units) to purchasers and prospective purchasers (who will have a right of ingress and egress for these purposes); (d) to use Units owned or leased by the Developer as model Units, sales, management, and/or administrative offices; and (e) to use banners, signs or other extensive sales displays and activities at the Project. This easement applies to activities conducted in connection with the initial sale of any Unit in the Project. Buyer understands, acknowledges and accepts that these easements and the use of them may result in increased traffic, noise, and related inconveniences. Buyer gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions Buyer may have, now or in the future, against the Developer and its representatives, licensees, invitees, successors and assigns and arising from or with respect to the exercise of this easement.
7. Developer's Easement for Noise, Dust, Etc. The Developer and its representatives, licensees, and invitees, have an easement over, under 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 easements the Developer has reserved under the Pili Mai Declaration, or (b) the exercise of the Developer's reserved rights or any other rights of the Developer as described in the Pili Mai Declaration. Buyer (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 this activity, and (iii) gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions that Buyer may have, now or in the future, against the Developer and/or its representatives, licensees, invitees, successors and

assigns with respect to such easement. Buyer shall assume the risk of any property damage, personal injury or loss in property value which may arise out of or from these activities.

8. Developer's Easements for Access. The Developer and its representatives, licensees, invitees (including any governmental officials that the Developer may invite), successors and assigns, have reserved under the Pili Mai Declaration an easement over, under and upon the Project, including the Common Elements, Limited Common Elements, and any Unit, as may be reasonably necessary or convenient to complete any Improvements and to correct any defects and other punch list items in the Common Elements or any Unit or to the exercise of any of the other Developer's Reserved Rights under the Pili Mai Declaration. The easement to complete Improvements or correct defects or punch list items terminates sixty (60) months after the later to occur of (i) the filing/recording date of the first deed for an Unit in the Project; or (ii) the "date of completion" (as the term is used in Chapter 507, Part II, Hawaii Revised Statutes) of the Improvement to be completed or corrected.
9. Developer's Reserved Right to Utilize Common Elements. The Developer reserves the right, for itself, its representatives, licensees and invitees, to utilize the Common Elements for ingress and egress, for the exercise of any of the Developer's reserved rights under the Pili Mai Declaration, for access to parking spaces and model Units within the Project, and in order to show the Common Elements to prospective purchasers.
10. Developer's Reserved Right to Grant Easements. The Developer reserves the right to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across or through the Common Elements as necessary or convenient to the exercise of any of the Developer's reserved rights under the Pili Mai Declaration, or for any reasonable purpose, which easements may include, but will not be limited to, easements in favor of the KMP-4 Land with respect to the shared sewer main, and easements or rights-of-way in favor of any public or governmental authority or utility company which do not materially and adversely interfere with the use, nor materially and adversely impair the value, of the Project or any Unit in it, over, across, under and through the Common Elements for lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, drainage and other public services and utilities, and rights to enter for the purpose of installing, repairing, altering and removing such lines and facilities and of trimming any trees in the way thereof.
11. Changes in Price, Size and Design. The Developer has made no promises, representations or assurances to Buyer regarding the pricing, size, design or configuration of any Units in the Project other than the Unit, and Buyer acknowledges that as market conditions or other facts change, such matters may be subject to change, including reduction in prices of such other Units in the Project or sales incentives offered in connection therewith, and changes in size, design or product type of such other Units in the Project.
12. View Impairment. Neither the Developer nor any of its authorized agents, representatives or employees has made any representations, warranties or promises concerning any view, present or future, that may be enjoyed from all or any portion of the Unit or the Project. The views from the Unit or Project may change, be affected or obstructed by (i) construction or installation of buildings, improvements, structures, walls and/or landscaping by the Developer or owners of property outside the Project and/or (ii) the growth of trees, landscaping and/or vegetation within or outside the Project. The Pili Mai Declaration does not contain any provisions intended to protect the view from any Unit or any other portion of the Project.
13. Noise; Traffic. Noise, dust, vibrations, and/or traffic in the vicinity of the Project may increase if and when any structures are constructed on lands adjacent to or in the vicinity of the Project. Buyer and every other person who has any interest in the Project or who has the right to use the Project or any part of it gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions that such person may have, now or in the future, against the Developer and its representatives, licensees, successors and assigns, and arising directly or indirectly out of or from such obstruction of views, additional noise, dust, vibrations, and/or additional traffic by reason of such further development.

14. Developer's Reserved Rights Re Developer Reserved Unit. The Developer will be assigning to the Developer Reserved Unit in Phase 3 an undivided 59.0848% common interest in the Project, which represents the remaining undivided percentage common interest in the Project which is not assigned to the twenty-six (26) residential Units in Phase 1, the thirteen (13) residential Units in Phase 2, the thirteen (13) residential Units in Phase 3, the thirteen (13) residential Units in Phase 4, and the thirteen (13) residential Units in Phase 5. It is not the intention of the Developer to complete construction of the Developer Reserved Unit and to obtain a certificate of occupancy therefor until the last phase of the Project. At least until such time as the Developer Reserved Unit is completed and the certificate of occupancy for the Developer Reserved Unit is issued, the Developer will retain sole ownership of the Developer Reserved Unit. As is described in more detail in Sections 19, 25, and 28.2 of the Pili Mai Declaration, it is the intention of the Developer, as subsequent phases of the Project are developed, to transfer, allocate and assign a portion of the common interest assigned to the Developer Reserved Unit to each of the New Units to be developed in each of the future phases as the New Units are incorporated into the Project. The Pili Mai Declaration also provides that the land comprising the "**Undeveloped Land Area**" will be made a Limited Common Element appurtenant to and for the exclusive use of the owner of the Developer Reserved Unit. As the Project is developed and future phases are incorporated into the Project, the Developer will have the right to exercise its reserved rights under the Pili Mai Declaration to alter, modify and change the Limited Common Elements appurtenant to the Developer Reserved Unit and convert the same into New Units, Common Elements and Limited Common Elements, including without limitation, the reserved right to either (a) remove the Developer Reserved Unit in its entirety, or (b) convert the Developer Reserved Unit into a Common Element, a Limited Common Element, or a new residential Unit. (Also see Exhibit I)
15. Agricultural District Lands. Buyer acknowledges 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 and for farming, aquaculture or livestock operations (such activities and operations being herein collectively called the "**Agricultural Activities**"), which Agricultural Activities may from time to time affect the use and enjoyment of the Project and a Buyer's Unit due to odors, noise, dust pollution, heat, smoke, odors, noxious vapors and other nuisances or hazards emanating or deriving from, or incidental to operations on, such lands (collectively, the "**Agricultural By-Products**"). Buyer hereby assumes complete risk of and forever releases Developer and Developer's Representatives from all claims for damages (including, but not limited to, consequential, special, exemplary and punitive damages) and nuisances occurring on the Project and arising out of the Agricultural Activities or Agricultural By-Products. Without limiting the generality of the foregoing, Buyer hereby, with full knowledge of its rights, forever waives any right to require Developer or Developer's Representatives, and releases Developer and Developer's Representatives from any obligation, to take any action to correct, modify, alter, eliminate or abate any Agricultural Activities or Agricultural By-Products. Any Agricultural Activities or Agricultural By-Products, and any claim, demand, action, loss, damage, liability or expense arising therefrom, shall not constitute a breach of any covenant or warranty of Developer under this Public Report or be the basis for a suit or other claim for injunction or abatement of nuisances occurring on the Project and arising out of any Agricultural Activities or Agricultural By-Projects, and Buyer hereby forever waives any right to file any such suit or claim. Further, Buyer is notified that the Hawaii Right to Farm Act, HRS Chapter 165, may limit the circumstances under which Agricultural Activities may be deemed a nuisance by a court, official, public servant or public employee.
16. Nearby Golf Course: Golf Hazards. Buyer understands and acknowledges that: (i) the Project is in the immediate vicinity of or adjacent to a golf course commonly known as the Kiahuna Golf Course (the "**Golf Course**"); (ii) the Golf Course and related facilities do not constitute common property of the Association, and are not subject to the Pili Mai Declaration; (iii) membership in the Association, nor ownership or occupancy of the Unit, confers any ownership or membership interest in the Golf Course; and (iv) the location of the Golf Course to the Project and the Unit may result in nuisances or hazards to persons or property on or within the Project or the Unit as a result of Golf Course operations, including, but not limited to, the risk of errant golf balls, noise, agricultural chemicals, particulates, the use of non-potable water irrigation systems, loss of privacy and entry upon the

Project by golfers, which may affect the use and enjoyment of the Project. By acquiring ownership of the Unit, Buyer, for itself and on behalf of its successors and assigns, hereby expressly (a) acknowledges the foregoing conditions as well as any inconvenience or annoyance that Buyer may experience as a result of such conditions, and (b) releases Developer, the owners and operators of the Golf Course, and their respective successors and assigns, from any and all claims, actions and/or liabilities arising out of such conditions, including but not limited to any claim for damages attributable thereto or for the abatement thereof.

17. Kiahuna Golf Village; Poipu Resort Area. The Project is located in the Kiahuna Golf Village subdivision and in the vicinity of the Poipu Resort Area on the Island of Kauai. Resort-related activities such as golf tournaments, concerts and luaus may result in further nuisances to persons or property on or about the Project.
18. Private Refuse Collection. Refuse collection for the Project will be provided through a private refuse collection firm. All collection fees charged by such refuse collection firm shall be common expenses of the Association and be included in the Association's monthly maintenance fees.
19. Environmental Issues – Mold. Mold is a type of fungus that occurs naturally in the environment and is spread by means of microscopic spores in the air. Residential home construction is not, and cannot be, designed to exclude mold spores from a home. Mold spores may enter a home through open doorways, windows, and air conditioning systems. Spores in the air also attach themselves to people and animals, making clothes, shoes, and pets convenient vehicles for carrying mold spores indoors. Mold spores require a food source and a moisture source. The food source may be supplied by decorative items found in the home, such as fabric, carpet, wallpaper, or even building materials. Moisture sources include spills, leaks, overflows, condensation, excessive landscape watering and high humidity. Although the vast majority of molds are not known to cause health problems, some molds have the potential to cause health effects to individuals whose susceptibility is affected by existing sensitivities to allergies, underlying lung disease, and suppressed immune systems. There are currently no federal, state, or local standards that establish permissible limits for exposure to mold. Since microscopic mold spores exist everywhere naturally in the environment, mold cannot be prevented or removed entirely. The only way to prevent mold growth is to eliminate excessive moisture in the home. Homeowners must therefore take positive steps to eliminate excessive moisture in the home through: (a) regular vacuuming and cleaning; (b) reducing humidity in the home by adequately venting the home; (c) promptly repairing water leaks; (d) regularly maintaining the home; and (e) performing routine visual inspections for mold growth and signs of leaks, moisture or water damage. Developer cannot ensure that mold and mold spores will not be present in the Project. Accordingly, the Developer shall not be liable for any actual, special, incidental or consequential damages based on any legal theory whatsoever, including, but not limited to, strict liability, breach of express or implied warranty, negligence or any other legal theory, with respect to the presence and/or existence of molds, mildew and/or microscopic spores at the Project unless caused by the sole negligence or willful misconduct of Developer.
20. Utility Charges for Lighting. The Units in the Project may include certain light fixtures that will be installed above the garage door, and on the exterior side of certain end unit Units for the purpose of providing general lighting to the entry areas, pathways, and driveways appurtenant to the Units. The light fixtures will be Limited Common Elements such that the owner will maintain and replace light bulbs for the fixtures appurtenant to his or her Unit in accordance with the House Rules, and the electricity charge for operating such light fixtures shall be borne by the owner of the Unit to which the light fixtures are appurtenant.
21. Metal Work Disclosure. Exterior metal work finish is severely impacted by salt air conditions. Notwithstanding anything in this Agreement to the contrary, no warranty is given for such finishes and Developer makes no representations regarding rust prevention maintenance requirements. Aggressive action to prevent rust is required by Buyer or the Association. Metal work includes railings, hinges, gate mechanisms, if any, etc. All metal work may corrode, have pock marks, peel, rust or, in the case of painted metal materials, bubble and peel. Vinyl coated metal work may peel due to salt air conditions, which will require replacement more frequently than normally expected.

22. Vog. The long term volcanic activity/eruptions from Kilauea volcano on the Island of Hawaii has resulted in emissions into the air which are commonly called "vog". Vog refers to a type of air pollution or volcanic smog created by the gases emitted into the air from the ongoing volcanic eruption mixing with water vapor and very small particles which are primarily sulfur compounds and sulfur dioxide. Vog may be the haze you may see in the air on the Island of Kauai from time to time. Vog becomes thicker or lighter depending upon the amount of emissions from Kilauea volcano, the direction and amount of wind, and other weather conditions within the State of Hawaii. People with pre-existing respiratory conditions are more prone to adverse effects from vog which may include: headaches, breathing difficulties, increased susceptibility to respiratory ailments, watery eyes, and sore throat, but the long-term health effects of vog are currently unknown. Since the weather, wind direction and amount of volcanic activity vary from day to day it is not possible to provide specific guidance regarding when the vog will be heavy or light on the Island of Kauai. Buyer will be provided by the Developer with a copy of the publication from the County of Hawaii entitled "Emissions from Kilauea Volcano (March 2008)" which contains a brief summary of the health hazards and protective measures relating to vog. Having been apprised of the foregoing condition and risk, by acquiring a Unit in the Project each Buyer will be agreeing to accept such condition and to assume all risks associated therewith, and to give up (in legal terms, "waive, release and discharge") any rights, claims or actions that Buyer may have, now or in the future, against Developer and the Developer's representatives, successors and assigns, and arising directly or indirectly out of or from the presence of vog in the air surrounding the Project lands.
23. Tsunami Risk. The Project lands are not currently located in a high risk tsunami inundation area, but nonetheless the Project lands are located in a coastal area of the Island of Kauai where a particularly severe series of tsunami waves could potentially impact the Poipu Resort Area and indirectly the Project and the Units. Having been apprised of the foregoing condition and risk, by acquiring a Unit in the Project each Buyer will be agreeing to accept such condition and to assume all risks associated therewith, and to give up (in legal terms, "waive, release and discharge") any rights, claims or actions that Buyer may have, now or in the future, against Developer and the Developer's representatives, successors and assigns, and arising directly or indirectly out of or from the impact or effect of a tsunami on the Project lands and Units.
24. Security. Developer has the right, but not the duty to take steps designed to make the Project safer than it otherwise might be. Developer and each of its representatives are not in any way to be considered insurers or guarantors of safety or security within the Project, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate or effective safety or security measures. Developer makes no representation or warranty that any fire protection, burglar alarm, or other safety or security system or measures, including anything intended to limit access to the Project, (i) will be effective in all cases and cannot be compromised or circumvented; (ii) will prevent all losses; (iii) will limit access to the Project; or (iv) will provide the detection or protection which it is designed or intended to provide. Each person using the Project assumes all risks of personal injury, death, or loss or damage to property resulting from the acts of third parties.
25. Tax and Insurance Estimates. Any sum estimated for taxes or insurance affecting the Unit or Project may increase or decrease depending upon fluctuation of real property taxes or insurance rates.
26. Rules and Guidelines adopted by the Design Review Committee of the Association. The Design Review Committee of the Association of Unit Owners of Pili Mai at Poi'pū has prepared and adopted Rules and Guidelines, a copy of which, as updated by said Design Review Committee from time to time, shall be available for review either through the Developer or through the Managing Agent for the Project. A summary of the current Design Review Committee Guidelines is attached as Exhibit P to this Developer's Public Report.
27. Nearby Roadways. The Project development is bordered by a private roadway, Kiahuna Plantation Road. Kiahuna Plantation Road connects to various secondary roadways within Poipu. Due to the

proximity of the Project development to these roadways, there may be increased noise, dust, traffic and other nuisances or annoyances to persons residing within the Project.

28. Shearwater Bird Population. Newell's Shearwater birds are generally docile seabirds that are known to travel to Kauai during the spring and summer seasons to lay their eggs and nest in the interior portions of the island. The bright lights of populated areas of the island, however, have been known to attract such birds and sometimes cause them to fly into unseen objects and "ground" themselves. Accordingly, exterior lighting for the Project will be arranged so as to minimize the impact of Shearwater grounding and House Rules should be reviewed by the Buyer and Buyer's guests and invitees for the procedures to follow, including notifying as soon as possible property management for the collection of any grounded Shearwater bird, to assure proper care and reintroduction of the bird into the environment. Buyer and Buyer's guests and invitees should not personally handle any grounded Shearwater in the Project.
29. School Information. Developer has made no representations, warranties or assurances to Buyer that the Project will be included within any particular school district. Buyer is responsible for determining the availability of schools and the same are subject to change by the applicable school district.
30. Changes in Price, Size and Design. Developer has made no promises, representations or assurances to Buyer regarding the pricing, size, design or configuration of any Units in the Project other than the Unit covered by this Purchase Agreement, and Buyer acknowledges that as market conditions or other facts change, such matters may be subject to change, including reduction in prices of such other Units in the Project or sales incentives offered in connection therewith, and changes in size, design or product type of such other Units in the Project.
31. Agreement Regarding Kiahuna Golf Course Privileges dated April 4, 2003. This Agreement provides that the future homeowners of the Adjacent Parcels, including the Project Lands (Lot 4 / Parcel 33), shall have equivalent playing or fee privileges at the Kiahuna Golf Course as those which are made available to homeowners in the Kiahuna Golf Village Subdivision. The Declarant reserved the right to enter into other agreements or to grant additional Kiahuna Golf Course Privileges to one or more selected developments within the Adjacent Parcels.
32. Agreement Regarding County of Kauai Employee Housing. The Project Lands are subject to the terms of that certain Agreement Re County of Kauai Employee Housing dated January 23, 2007, recorded as Land Court Document No. 3557897, as amended by First Amendment to the Agreement Re County of Kauai Employee Housing Agreement dated March 31, 2016, recorded in the Bureau of Conveyances of the State of Hawaii (the "**Bureau**") on June 8, 2016 as Document No. A-60030518, which revised the Agreement Re County of Kauai Employee Housing to confirm payment of the first installment in the amount of \$382,000 on November 25, 2015, and to confirm that the second and final installment of \$372,400 is to be paid to the County on the earlier to occur of (i) the date of issuance of the Certificate of Occupancy for the fifth (5th) residential building constructed by the Owner on the Subject Property, or (ii) January 31, 2017. On June 8, 2016, an Acknowledgment of Receipt of First Installment and Partial Release of Agreement by County of Kauai Employee Housing Assessment was recorded in the Bureau as Document No. A-60030517 which confirmed receipt of the first installment and partially released the Developer and the Project Lands from the First Installment.

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

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

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

Kiahuna Fairways LLC

Printed Name of Developer

By: (See attached Page 20a)
Duly Authorized Signatory*

March 10, 2017

Date

David F. Murphy, Assistant Secretary

Printed Name & Title of Person Signing Above

Distribution:

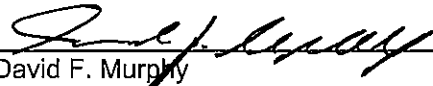
Department of Finance, County of Kauai

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.**

Developer:

KIAHUNA FAIRWAYS LLC
a Hawaii limited liability company

By 
David F. Murphy
Its Assistant Secretary

**EXHIBIT A-1
(Section 1.3)**

**BUILDING TYPE AND FLOOR PLANS
(Phase 5 Only)**

BUILDING TYPE.

Phase 5 of the Project includes one (1) building designated as Building 1, as shown on the Condominium Map. The building will not have a basement.

Building 1 in Phase 5 of the Project is a type 100 building. The Building Type 100 is described below:

Building Type 100. The Type 100 building contains a total of thirteen (13) Units within three floor levels. One ground floor end-unit is a single-story unit of Unit Plan Type 1. The other ground floor end-unit is a single-story unit of Unit Plan Type 4. The remaining four (4) ground floor units are each single-story units consisting of: one (1) Unit Plan Type 2; one (1) Unit Plan Type 2R; one (1) Unit Plan Type 3; and one (1) Unit Plan Type 3T. The layout and location of each Unit are as shown on the Condominium Map. Unit Plan Types that end with the letter "R" mean that such Unit Plan Type is constructed in a reverse floor plan from the Unit Plan Type designated with the number preceding that letter. Therefore, for example, Unit Plan Type 2R means that it is the reverse floor plan of a Unit Plan Type 2. Unit Plan Types that contain the letter "T" mean that such Unit Plan Type has the same floor plan layout as the Unit Plan Type designated with the same number immediately preceding that letter, except that such Unit Plan Type is located under a tower design feature on the third story of the building and therefore, contains different net living area measurements due to the structural requirements related to the increased building elevation of the tower. Further, Unit Plan Types that contain the letter "A" mean that such Unit Plan Type is the same Unit Plan Type designated with the number immediately preceding that letter, except that such Unit Plan Type has its entrance on the second floor of the building; whereas its counterpart has its entrance on the ground floor of the building. Therefore, for example, Unit Plan Type 2AR means that it is the reverse floor plan of a Unit Plan Type 2 and the entrance of that unit is located on the second floor of the building.

The Type 100 building also contains one (1) end-unit of a Unit Plan Type 5, which is a two-story unit with its entrance located on the second floor of the building. The other second floor end-unit is a single-story unit of Unit Plan Type 4A. The remaining five (5) units in the building, each of which has its entrance located on the second floor of the building, consist of: one (1) single-story unit of Unit Plan Type 2A; one (1) single-story unit of Unit Plan Type 2AR; one (1) two-story unit of Unit Plan Type 6; one (1) two-story unit of Unit Plan Type 6T; and one (1) two-story unit of Unit Plan Type 7. The layout and location of each Unit are as shown on the Condominium Map.

UNIT PLAN TYPES.

The ten (10) different Unit Plan Types in Phase 5 of the Project are as described below:

Residential Unit Floor Plans:

Plan 1 (and Plan 1R): Single-story Unit with two bedrooms, two and one-half bathrooms, two walk-in closets, living area, dining area, kitchen, laundry/service area, an attached one-car garage, and one appurtenant lanai and one appurtenant entry that are for the exclusive use of said Unit. The net living area of the Unit (which excludes the garage, entry, and lanai) is approximately 1,296 square feet.

Plan 2 (including Plan 2R, Plan 2A and Plan 2AR): Single-story Unit with three bedrooms, three bathrooms, one walk-in closet, living area, dining area, kitchen, laundry/service area, a one-car garage located on the ground floor of the building, and one appurtenant lanai and one appurtenant entry that are for the exclusive use of said Unit. The net living area of the Unit (which excludes the garage, entry and lanai) is approximately 1,443 square feet.

Plan 3 (and Plan 3R): Single-story Unit with two bedrooms, two and one-half bathrooms, two walk-in closets, living area, dining area, kitchen, laundry/service area, an attached one-car garage, and one appurtenant lanai and one appurtenant entry that are for the exclusive use of said Unit. The net living area of the Unit (which excludes the garage, entry and lanai) is approximately 1,208 square feet.

Plan 3T (and Plan 3TR): Single-story Unit with two bedrooms, two and one-half bathrooms, two walk-in closets, living area, dining area, kitchen, laundry/service area, an attached one-car garage, and one appurtenant lanai and one appurtenant entry that are for the exclusive use of said Unit. The net living area of the Unit (which excludes the garage, entry and lanai) is approximately 1,229 square feet.

Plan 4 (including Plan 4R, Plan 4A and Plan 4AR): Single-story Unit with three bedrooms, three bathrooms, two walk-in closets, living area, dining area, kitchen, laundry/service area, a one-car garage located on the ground floor of the building, and one appurtenant lanai and one appurtenant entry that are for the exclusive use of said Unit. Plan Type 4 and Plan Type 4R only, which are each located on the ground floor of a building, also include an appurtenant courtyard that is for the exclusive use of said Unit. The net living area of the Unit (which excludes the garage, entry, lanai and courtyard (if any)) is approximately 1,478 square feet.

Plan 5 (and Plan 5R): Two-story Unit with four bedrooms and three and one-half bathrooms. The first floor contains two bedrooms and two and one-half bathrooms, living area, dining area, kitchen, two walk-in closets, and laundry/service area, and is connected by an interior stairway to the second floor, which contains two bedrooms, one bathroom and one walk-in closet. The Unit has a one-car garage located on the ground floor of the building, and one appurtenant lanai and an appurtenant entry that are for the exclusive use of said Unit. The net living area (which excludes the garage, entry and lanai) is approximately 1,850 square feet.

Plan 6 (and Plan 6R): Two-story Unit with three bedrooms and two and one-half bathrooms. The first floor contains one bedroom, one and one-half bathrooms, one walk-in closet, living area, dining area, kitchen, laundry/service area, and is connected by an interior stairway to the second floor, which contains two bedrooms and one bathroom. The Unit has a one-car garage located on the ground floor of the building and two appurtenant lanais that are for the exclusive use of said Unit. The Unit also has an

appurtenant entry which begins on the ground floor of the building and includes two stairways up to the second floor, which is for the exclusive use of the Unit and the neighboring Plan Type 7 (or 7R) and Plan Type 6T (or 6TR). The net living area (which excludes the garage, entry and lanais) is approximately 1,576 square feet.

Plan 6T (and Plan 6TR): Two-story Unit with three bedrooms and two and one-half bathrooms. The first floor contains one bedroom, one and one-half bathrooms, one walk-in closet, living area, dining area, kitchen, laundry/service area, and is connected by an interior stairway to the second floor, which contains two bedrooms and one bathroom. The Unit has a one-car garage located on the ground floor of the building and two appurtenant lanais that are for the exclusive use of said Unit. The Unit also has an appurtenant entry which begins on the ground floor of the building and includes two stairways up to the second floor, which is for the exclusive use of the Unit and the neighboring Plan Type 7 (or 7R) and Plan Type 6 (or 6R). The net living area (which excludes the garage, entry and lanais) is approximately 1,602 square feet.

Plan 7 (and Plan 7R): Two-story Unit with two bedrooms and two bathrooms. The first floor contains one bedroom, one bathroom, living area, dining area, kitchen, laundry/service area, and is connected by an interior stairway to the second floor, which contains one bedroom, a den, one bathroom, and one walk-in closet. The Unit has a one-car garage located on the ground floor of the building and one appurtenant lanai that is for the exclusive use of said Unit. The Unit also has an appurtenant entry which begins on the ground floor of the building and includes two stairways up to the second floor, which is for the exclusive use of the Unit and the neighboring Plan Type 6 (or 6R) and Plan Type 6T (or 6TR). The net living area (which excludes the garage, entry and lanai) is approximately 1,277 square feet.

EXHIBIT A-2

Sections 1.3, 1.4 and 1.7

Description of Unit Types, Floor Plans

Parking, and Common Interest

(Phase 1, Phase 2, Phase 3, Phase 4 and Phase 5)

Unit No.	Unit Type	Building Type	BR/Bath	Net Living Area (SF)	Net Lanai Area (SF)	Net Garage Area (SF)	Net Entry Area (SF)	% Common Interest	Net Courtyard Area (SF)	Parking Stall No.
10-A	1	100	2/2.5	1296	147	231	57	0.4712%		116
10-B	5	100	4/3.5	1850	126	231	52	0.6722%		115
10-C	2A	100	3/3.0	1443	152	231	115	0.5243%		114
10-D	2	100	3/3.0	1443	164	314	140	0.5243%		109
10-E	6	100	3/2.5	1576	278	231	264*	0.5727%		113
10-F	3	100	2/2.5	1208	233	231	107	0.4390%		112
10-G	7	100	2/2.0	1277	54	231	264*	0.4640%		
10-H	3T	100	2/2.5	1229	202	231	105	0.4466%		111
10-I	6T	100	3/2.5	1602	249	231	264*	0.5821%		110
10-J	2R	100	3/3.0	1443	164	314	140	0.5243%		105
10-K	2AR	100	3/3.0	1443	152	231	115	0.5243%		106
10-L	4A	100	3/3.0	1478	136	231	63	0.5371%		107
10-M	4	100	3/3.0	1478	136	231	63	0.5371%	131	108
11-A	1	100	2/2.5	1296	147	231	57	0.4712%		128
11-B	5	100	4/3.5	1850	126	231	52	0.6722%		127
11-C	2A	100	3/3.0	1443	152	231	115	0.5243%		126
11-D	2	100	3/3.0	1443	164	314	140	0.5243%		125
11-E	6	100	3/2.5	1576	278	231	264*	0.5727%		124
11-F	3	100	2/2.5	1208	233	231	107	0.4390%		123
11-G	7	100	2/2.0	1277	54	231	264*	0.4640%		
11-H	3T	100	2/2.5	1229	202	231	105	0.4466%		122
11-I	6T	100	3/2.5	1602	249	231	264*	0.5821%		121
11-J	2R	100	3/3.0	1443	164	314	140	0.5243%		117
11-K	2AR	100	3/3.0	1443	152	231	115	0.5243%		118
11-L	4A	100	3/3.0	1478	136	231	63	0.5371%		119
11-M	4	100	3/3.0	1478	136	231	63	0.5371%	131	120
Ph 1: 26										
15-A	4R	100R	3/3.0	1478	136	231	63	0.5371%	131	179
15-B	4AR	100R	3/3.0	1478	136	231	63	0.5371%		180
15-C	2A	100R	3/3.0	1443	152	231	115	0.5243%		174
15-D	2	100R	3/3.0	1443	164	314	140	0.5243%		175
15-E	6TR	100R	3/2.5	1602	249	231	264*	0.5821%		173

Unit No.	Unit Type	Building Type	BR/Bath	Net Living Area (SF)	Net Lanai Area (SF)	Net Garage Area (SF)	Net Entry Area (SF)	% Common Interest	Net Courtyard Area (SF)	Parking Stall No.
15-F	3TR	100R	2/2.5	1229	202	231	105	0.4466%		172
15-G	7R	100R	2/2.0	1277	54	231	264*	0.4640%		178
15-H	3R	100R	2/2.5	1208	233	231	107	0.4390%		171
15-I	6R	100R	3/2.5	1576	278	231	264*	0.5727%		170
15-J	2R	100R	3/3.0	1443	164	314	140	0.5243%		176
15-K	2AR	100R	3/3.0	1443	152	231	115	0.5243%		177
15-L	5R	100R	4/3.5	1850	126	231	52	0.6722%		169
15-M	1R	100R	2/2.5	1296	147	231	57	0.4712%		168
Ph 2: 13										
12-A	4R	100R	3/3.0	1478	136	231	63	0.5371%	131	141
12-B	4AR	100R	3/3.0	1478	136	231	63	0.5371%		140
12-C	2A	100R	3/3.0	1443	152	231	115	0.5243%		139
12-D	2	100R	3/3.0	1443	164	314	140	0.5243%		138
12-E	6TR	100R	3/2.5	1602	249	231	264*	0.5821%		137
12-F	3TR	100R	2/2.5	1229	202	231	105	0.4466%		136
12-G	7R	100R	2/2.0	1277	54	231	264*	0.4640%		133
12-H	3R	100R	2/2.5	1208	233	231	107	0.4390%		135
12-I	6R	100R	3/2.5	1576	278	231	264*	0.5727%		134
12-J	2R	100R	3/3.0	1443	164	314	140	0.5243%		129
12-K	2AR	100R	3/3.0	1443	152	231	115	0.5243%		130
12-L	5R	100R	4/3.5	1850	126	231	52	0.6722%		132
12-M	1R	100R	2/2.5	1296	147	231	57	0.4712%		131
DR Unit	DR	DRU Bldg	loft	132**	0	0	0	59.0848%		
Ph 3: 14										
9-A	1	100	2/2.5	1296	147	231	57	0.4712%		104
9-B	5	100	4/3.5	1850	126	231	52	0.6722%		103
9-C	2A	100	3/3.0	1443	152	231	115	0.5243%		101
9-D	2	100	3/3.0	1443	164	314	140	0.5243%		102
9-E	6	100	3/2.5	1576	278	231	264*	0.5727%		100
9-F	3	100	2/2.5	1208	233	231	107	0.4390%		99
9-G	7	100	2/2.0	1277	54	231	264*	0.4640%		

Unit No.	Unit Type	Building Type	BR/Bath	Net Living Area (SF)	Net Lanal Area (SF)	Net Garage Area (SF)	Net Entry Area (SF)	% Common Interest	Net Courtyard Area (SF)	Parking Stall No.
9-H	3T	100	2/2.5	1229	202	231	105	0.4466%		98
9-I	6T	100	3/2.5	1602	249	231	264*	0.5821%		97
9-J	2R	100	3/3.0	1443	164	314	140	0.5243%		93
9-K	2AR	100	3/3.0	1443	152	231	115	0.5243%		94
9-L	4A	100	3/3.0	1478	136	231	63	0.5371%		95
9-M	4	100	3/3.0	1478	136	231	63	0.5371%	131	96
Ph 4: 13										
1-A	1	100	2/2.5	1296	147	231	57	0.4712%		12
1-B	5	100	4/3.5	1850	126	231	52	0.6722%		11
1-C	2A	100	3/3.0	1443	152	231	115	0.5243%		10
1-D	2	100	3/3.0	1443	164	314	140	0.5243%		9
1-E	6	100	3/2.5	1576	278	231	264*	0.5727%		8
1-F	3	100	2/2.5	1208	233	231	107	0.4390%		7
1-G	7	100	2/2.0	1277	54	231	264*	0.4640%		
1-H	3T	100	2/2.5	1229	202	231	105	0.4466%		6
1-I	6T	100	3/2.5	1602	249	231	264*	0.5821%		5
1-J	2R	100	3/3.0	1443	164	314	140	0.5243%		2
1-K	2AR	100	3/3.0	1443	152	231	115	0.5243%		3
1-L	4A	100	3/3.0	1478	136	231	63	0.5371%		1
1-M	4	100	3/3.0	1478	136	231	63	0.5371%	131	4
Ph 5: 13										

* In Building Type 100, Units 6, 6T and 7 share a 264 square foot entry area as a limited common element for the exclusive use of these specified Units.

** DR Unit which is the Developer Reserved Unit also has allocated and assigned to it the Relative Square Footage as defined in Section 28. of the Declaration as determined from time to time.

DRU Bldg = Developer Reserved Unit Building

**EXHIBIT B
(Section 1.5)**

BOUNDARIES OF THE UNITS

Limits or Boundaries of the Units:

Notwithstanding the floor areas set forth in Section 1.3 of the Public Report, and the manner in which such floor areas have been measured, the respective Units shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls or partitions, the foundations, columns, beams, floor slabs, supports, floors and ceilings surrounding each Unit or any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust, or air conditioning running through or otherwise located within such Unit which are utilized for or serve more than one Unit, the same being deemed Common Elements as hereinafter provided. Each Unit shall be deemed to include all of the walls and partitions which are not load-bearing and which are within its perimeter or party walls; all movable lanai doors and their door frames, all movable garage doors and their door frames, all windows and window frames, louvers (if any), and shutters (if any); the inner decorated or finished surfaces of all walls, panels, doors (except movable lanai or garage doors) and their door frames, floors and ceilings; the lanais or entry porches shown on the Condominium Map to the unfinished surfaces of the exterior perimeter walls or railings or other boundaries of such lanais; and all fixtures originally installed therein.

EXHIBIT C
(Section 1.6)

PERMITTED ALTERATIONS TO UNITS

1. Each Owner has the right, subject only to Board approval, to make any of the following changes, additions and Improvements solely within the Owner's Unit or Limited Common Element which such Owner controls:
 - A. To install, maintain, remove and rearrange partitions and other walls from time to time within the Unit or Limited Common Element which do not adversely affect the structural integrity of the Unit or Limited Common Element; provided that the Owner may not enclose any lanai constituting a part of the Owner's Unit;
 - B. To finish, change or substitute any plumbing, electrical or other fixtures attached to the ceilings, floors or walls as appropriate for the use of the Unit or Limited Common Element;
 - C. To decorate, paint, repaint, wallpaper or otherwise change the appearance of the walls, floors and ceilings of the Unit or Limited Common Element which is not readily visible from outside the Unit or Limited Common Element;
 - D. To tile, finish, carpet, re-carpet, and install, change, or remove other flooring in the Unit or Limited Common Element which is not readily visible from outside the Unit or Limited Common Element; or
 - E. To make such changes, additions and improvements to the Unit or Limited Common Elements to facilitate handicapped accessibility within the Unit or Limited Common Element.
2. An Owner may make "nonmaterial structural additions to the Common Elements" as that term is used in §514B-140 of the Condominium Property Act.
3. The Owner of two (2) Units which are separated by a Common Element that is a wall, floor or a ceiling, or whose Limited Common Elements are separated from each other or from such Units by a Common Element that is a wall, floor or ceiling, has the right and an easement, subject only to Board approval, to change or remove all or part of the intervening wall, floor and/or ceiling; provided that it does not adversely effect the structural integrity of the Unit or Limited Common Element of the building in which such Unit is situated. The Owner also has the right, subject only to Board approval, to install doors, stairways and other Improvements in such opening or openings in the intervening Common Element, to seal hallways or other openings, and to make other reasonable changes or additions which do no adversely effect the structural integrity of the Unit or Limited Common Element or the building in which such Unit is situated. Before terminating its common ownership of such Units, the Owner must restore the Common Element wall, floor, ceiling, hallway and/or other openings to substantially the same condition as before the change or removal unless the new Owners agree in writing to accept such change or removal in writing and to assume full responsibility for such restoration upon the termination of the common ownership of the two (2) Units in the future. The rights of an Owner and the Developer under this Section 3 may be exercised only if:
 - A. The structural integrity of the Unit, or Limited Common Element or the building in which the Unit is situated will not be adversely affected;
 - B. The finish of the remaining Common Element improvements are restored to substantially the same condition they were in before the change or removal; and

- C. All construction activity is completed within a reasonable time after it begins. If there is a delay for reasons beyond the control of the Owner or Developer or their contractors, the construction activity must be completed in the additional time reasonably needed to finish it by working on it diligently.
4. An Owner who owns any two (2) adjacent Units has the right, subject only to Board approval: (i) to consolidate the Units into a single Unit; and (ii) to make any Common Element walls, floors or ceilings between the Units part of the Unit or its Limited Common Elements. The rights of an Owner under this Section 4 may be exercised only if:
- A. The structural integrity of the Unit, or Limited Common Element or the building in which the Unit is situated will not be adversely affected;
 - B. The finish of the remaining Common Element improvements are restored to substantially the same condition they were in before the change or removal; and
 - C. All construction activity is completed within a reasonable time after it begins. If there is a delay for reasons beyond the control of the Owner or Developer or their contractors, the construction activity must be completed in the additional time reasonably needed to finish it by working on it diligently.
5. The Owners of any two (2) adjacent Units have the right to change the designation of the Limited Common Elements appurtenant to their Units so that one or more Limited Common Elements appurtenant to one Unit now will be appurtenant to the other Unit or to both of the Units. The Owners cannot do this without the written consent of each Lender who has a Mortgage on either Unit.
6. The Developer has the right to create one or more New Units in the Project and to designate Limited Common Elements appurtenant to any New Unit, and to create New Improvements. The Developer may do this more than once and at any time before the Development Period ends (December 31, 2029). The rights of the Developer under this Section 6 are subject to the following terms and conditions:
- A. The Developer can only create New Units with respect to New Improvements constructed or intended to be constructed or added to the Project pursuant to Sections 19 and 20 of the Declaration;
 - B. The total number of Units in the Project may not exceed the limits contained in the zoning code applicable to the Land; and
 - C. The Developer must pay all costs of creating the New Units and designating the Limited Common Elements.

**EXHIBIT D
(Section 1.9)**

COMMON ELEMENTS

Common Elements. The Common Elements are comprised of all portions of the Project with the exception of the Units, and included specifically, but are not limited to:

1. The Land in fee simple;
2. All structural components, such as foundations, floor slabs for the ground floor of any Building, columns, girders, beams, supports, undecorated or unfinished perimeter and/or party walls, and load-bearing walls (except for the interior decorated or finished surfaces within each Unit), undecorated or unfinished floors and ceilings, the roofs of the Buildings, and all exterior walkways, railings, walls and fences enclosing any portion of the Project;
3. All gateways, exterior stairways, fences, grounds, landscaping, walls, retaining walls, uncovered parking stalls, driveways, roadways, lanes, service lanes, concrete aprons, turf blocks, alleyways, pathways, sidewalks, walkways, courtyards, lanais, entrances and entry areas, exits, loading zones, BBQ areas as shown on the Condominium Map, mailboxes, refuse areas, including trash enclosures as shown on the Condominium Map, which are not located in any Units, whether within or appurtenant to the Project;
4. All ducts, vents, shafts, sewer lines, drain lines, 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, installations over, under and across the Project which serve more than one Unit for services such as power, light, water, drainage, gas, sewer, refuse, telephone and radio and television signal distribution;
5. All parking stalls, shown on the Condominium Map and marked with a "V", shall be visitor or guest parking stalls available for use by others and the guests, visitors and invitees of the Unit owners. The number of visitor or guest parking stalls is likely to increase should Declarant exercise Developer's Reserved Rights to increase the size of the Project, including the addition of new and additional Common Elements; and
6. 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.

EXHIBIT E
(Section 1.10)

LIMITED COMMON ELEMENTS

Limited Common Elements. The Limited Common Elements are those certain parts of the Common Elements which are designated and set aside for the exclusive use of certain Units as follows:

1. Stairways and Entry Areas. The stairs leading to the entry area and the entry area to the front door of each Residential Unit, as shown on the Condominium Map, shall be a Limited Common Element appurtenant to and reserved for the exclusive use of the Residential Unit to which it provides access.
2. Courtyards. The courtyard(s), if any, (as shown on the Condominium Map), located on the exterior of the ground floor of the Residential Unit to which it is immediately adjacent and delineated by the exterior walls of such Residential Unit and any fence and/or shrubbery or other plants outlining such courtyard shall be a Limited Common Element appurtenant to and reserved for the exclusive use of that particular Residential Unit.
3. Mailbox. The mailbox assigned to a particular 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.
4. Exterior Area Lighting. The exterior area lighting which is located, if applicable, outside the Residential Unit and/or the garage door, and provides exterior lighting for nighttime access to the garage and/or the entry to the Residential Unit.
5. Assigned, Uncovered Parking Stall. Certain Residential Units shall have for their exclusive use one (1) or more parking stalls as noted in Exhibit C attached to the Declaration.
6. Undeveloped Land Area. The Undeveloped Land Area as shown on the Condominium Map, as modified, adjusted, and reduced from time to time, shall be a Limited Common Element appurtenant to and reserved for the exclusive use of the Developer Reserved Unit.
7. Other. Any other Common Elements which are rationally related to less than all of the Units shall be a Limited Common Element appurtenant to such Unit(s), including, but not limited to, areas within the Common Elements that include air conditioning units, condensation lines or compressors, if any of these apparatus apply, that serve a particular Unit.

EXHIBIT F
(Section 1.11)

SPECIAL USE RESTRICTIONS

1. Except when the holder of the first mortgage on a Residential Unit has entered into possession of a Unit following (i) a default under its first mortgage, (ii) a foreclosure proceeding, or (iii) a conveyance in lieu of foreclosure, the Units shall be occupied and used only for residential purposes by the respective owners thereof, their tenants, families, domestic servants and guests, and for no other purpose. The garages shall be used for the parking of vehicles and shall not be used for residential purposes. Home office or home occupation use which may be allowed or permitted for a Residential Unit under the applicable zoning ordinance shall be subject to the further restrictions and limitations that (i) the Residential Units and their Limited Common Elements may not be used to carry on any business, trade or profession; (ii) the Residential Units and their Limited Common Elements must not be used for sales of any articles or goods; and (iii) no Owner of a Residential Unit, or any lessee, tenant or other occupant of a Residential Unit can bring clients, patrons, customers, guests, or other invitees whether for profit or non-profit onto the Property on a regular basis for business or commercial purposes in connection with any home office or home occupation use by the Residential Unit Owner that may be allowed or permitted under the applicable zoning ordinance.
2. The Residential Unit Owners shall have the absolute right to sell, lease, rent, or otherwise transfer their own Residential Units, subject at all times to the applicable zoning ordinance, applicable laws or ordinances of the State of Hawaii and County of Kauai, any express restrictions in Section 9 of the Declaration, and also subject to all other provisions of this Declaration and the Bylaws, or House Rules.
3. To the extent permitted by applicable law, the Units, appurtenant Limited Common Elements, and any portions thereof may be rented by the Unit Owner as transient vacation rentals which are defined as rentals of the duration of occupancy for transient occupancy as defined and allowed from time to time by the applicable ordinances of the County of Kauai. The Units, appurtenant Limited Common Elements, and any portions thereof shall not, however, be rented for hotel use, which is defined in this Declaration as any rental open to occupancy for sleeping purposes by guests from the general public on a commercial basis in which the occupants of the Unit are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen or bell service.
4. Subject to the limitations contained in the Declaration, the Developer Reserved Unit shall be operated and used only for "office" or "commercial" purposes, as said terms are defined or described in the zoning ordinances of the County of Kauai, as amended from time to time. This is not intended to limit or restrict any grandfathered use of which the owner of the Developer Reserved Unit may at any time be entitled under applicable law. Unless the Developer Reserved Unit is converted by the Developer to a Residential Unit, the Developer Reserved Unit may not be used for any residential use as contemplated under the Declaration for the Residential Units.
5. Owners are not allowed to change or cause a change to the exterior appearance of the Project unless they have the prior written consent of either the Board or the Managing Agent. This rule does not apply to the Developer when exercising the Developer's Reserved Rights. Nobody is allowed to change the appearance of the Project in a way that is not consistent with a first class destination resort.
6. Neither pets nor specially trained animals may be kept, bred, or used at the Project for any commercial purpose.

7. Except for fishes and birds, no more than one (1) pet shall be allowed per Unit. No more than two (2) birds shall be allowed per Unit.
8. No pet may exceed forty (40) pounds in weight. No infant or juvenile pet of a type or breed, when fully grown, is likely to exceed forty (40) pounds in weight, may be kept in the Project.
9. Dogs and specially trained animals must be kept on a leash when they are on the Common Elements, including, but not limited to, any recreation areas.
10. Any pet or specially trained animal causing a nuisance or an unreasonable disturbance to any other Owner or occupant of the Project must be permanently removed from the Project promptly after the Board or the Managing Agent gives notice to the person owning the pet or using the specially trained animal.
11. No Owner of a Unit may install awnings, shades, blinds, screens, louvers, or other similar objects or any exhaust vents, wind baffles, or drains on the lanai of any Unit, or paint, resurface, enclose or make any structural modifications, changes, additions or alterations to such Owner's lanai, except in strict accordance with such guidelines, rules, regulations, and requirements as the Board may adopt from time to time in the House Rules.
12. No Owner may enclose any lanai constituting a part of the Owner's Unit.
13. Except in connection with (a) the exercise of the Developer's Reserved Rights, or (b) the reversal of a consolidation of Units under Section 18.2.4 of the Declaration, no Unit may be subdivided.
14. The enclosed garage of each Unit shall be used primarily for the parking and storing of automobiles.

**EXHIBIT G-1
(Section 1.12)**

ENCUMBRANCES AGAINST TITLE

That certain Preliminary Report dated December 22, 2016, issued by Title Guaranty of Hawaii, Inc., discloses that the land of the Project is subject to the following encumbrances affecting the Project's land, which is more particularly described in the Declaration and in Exhibit G-2 attached to this Developer's Public Report.

1. Mineral and water rights of any nature.
2. The terms and provisions contained in instrument dated August 27, 1937, filed as Land Court Document No. 40955, recorded in Liber 1398 at Page 371, by and among The McBryde Sugar Company, Limited, Party of the First Part, Bishop Trust Company, Limited, Trustee for Eric A. Knudsen and Augustus F. Knudsen, Parties of the Second Part, Eric A. Knudsen and Augustus F. Knudsen, Parties of the Third Part, and Bishop Trust Company, Limited, Party of the Fourth Part.
3. DECREE dated June 7, 1951, filed as Land Court Document No. 135050, which stipulates that Carl E. Schimmelfennig, Petitioner in Equity No. 144 and occupant of R. P. 7269, L. C. Aw. 3606 to Kamae, "is entitled to receive water from the Konohiki of the Ahupuaa of Koloa in a constant stream 24 hours a day in the amount of 45,000 gallons per day."

4. The terms and provisions contained in the following:

INSTRUMENT : EXCHANGE DEED

DATED : January 28, 1971
FILED : Land Court Document No. 558614
RECORDED : Liber 7947 Page 418

The foregoing includes, but is not limited to, matters relating to water reservation.

5. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF CONDITIONS

DATED : July 27, 1977
RECORDED : Liber 12379 Page 549

Said above Declaration was amended by instruments dated July 3, 1978, recorded in Liber 13040 at Page 234, dated December 13, 1979, recorded in Liber 17769 at Page 734, dated November 17, 1997, recorded as Document No. 97-164842, and dated May 12, 1998, recorded as Document No. 98-183117.

6. RIGHT-OF-ENTRY in favor of CITIZENS UTILITIES COMPANY, whose interest is now held by KAUAI ISLAND UTILITY COOPERATIVE, dated September 6, 1983, filed as Land Court Document No. 1193963, granting an easement for utility purposes.

7. DESIGNATION OF EASEMENT "81"

PURPOSE : electrical

SHOWN : on Map 88 of Land Court Application No. 956 and Map 1 of Land Court Consolidation No. 164, as set forth by Land Court Order No. 70366, filed July 3, 1984

8. GRANT

TO : CITIZENS UTILITIES COMPANY, whose interest is now held by KAUAI ISLAND UTILITY COOPERATIVE

DATED : December 18, 1984

FILED : Land Court Document No. 1277617

CONSENT : given by KIAHUNA GOLF VILLAGE, INC., by instrument dated December 18, 1984, filed as Land Court Document No. 1277618

GRANTING : an easement over said Easement "81"

9. The terms and provisions contained in the following:

INSTRUMENT : DEED

DATED : September 30, 1987

FILED : Land Court Document No. 1499621

RECORDED : Liber 21190 Page 377

10. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION, WAIVER AND TRANSFER OF ZONING RIGHTS

DATED : April 1, 2003

FILED : Land Court Document No. 2914814

RECORDED : Document No. 2003-067516

11. The terms and provisions contained in the following:

INSTRUMENT : AGREEMENT RE KIAHUNA GOLF COURSE PRIVILEGES

DATED : April 4, 2003

FILED : Land Court Document No. 2914824

RECORDED : Document No. 2003-067523

12. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF KIAHUNA MAUKA PARTNERS LLC AGREEMENT

DATED : April 11, 2003

FILED : Land Court Document No. 2935816

RECORDED : Document No. 2003-106201

-NOTE:- No joinder by BUD HUNT FAMILY LIMITED PARTNERSHIP; DONALD L. BODINE, as Trustee of the Donald L. Bodine Revocable Trust under unrecorded Trust Agreement dated September 19, 2000; RICHARD ALLEN SHAW and JOAN ELIZABETH SHAW; LAURENCE E. CRABB and KAREN L. CRABB, as Trustees of the Crabb Living Trust under unrecorded Trust Agreement dated December 6, 1996; NORMAN McDIARMID TUCK and PATRICIA PUENTE TUCK; JAMES CHARLES JONAS and ELIZABETH SUE JONAS; MARVIN DEAN OTSUJI and KATHERINE ARMSTRONG

LEWI OTSUJI; ANGELINA CHAN LAUBSCH; ARTHUR YIU WAH CHAN and CYNTHIA FUNG LING LEE; TERRY KAMEN, as Trustee of the Terry Kamen Defined Benefit Pension Plan; KOLOA BOB LLC.

FIRST AMENDMENT OF DECLARATION OF KIAHUNA MAUKA PARTNERS LLC AGREEMENT, dated August 6, 2004, filed as Land Court Document No. 3148270.

-NOTE:- No joinder by KIAHUNA FAIRWAYS LLC, a Hawaii limited liability company.

SECOND AMENDMENT OF DECLARATION OF KIAHUNA MAUKA PARTNERS LLC AGREEMENT dated March 7, 2011, filed as Document No. 4085567, and recorded as Document No. 2011-109262.

-NOTE:- No joinder by KIAHUNA FAIRWAYS LLC, a Hawaii limited liability company.

13. ORDER GRANTING KIAHUNA MAUKA PARTNERS, LLC'S MOTION TO AMEND OR MODIFY CONDITION NO. 9 OF DECISION AND ORDER, AS AMENDED IN AUGUST 5, 1997; AND ERIC A. KNUDSEN TRUST'S MOTION TO MODIFY CONDITION NO. 9a OF DECISION AND ORDER dated March 18, 2004, recorded as Document No. 2005-168955, in the Matter of the Petition of MOANA CORPORATION, Docket No. A76-418, to amend the Agricultural Land Use District Boundary into the Urban Land Use District for Approximately 457.54 acres of land situated at Poipu, Island of Kauai, State of Hawaii, TMK Nos. 2-8-14-05, 07, 08; por. 19, 20, 21, 26-36; 2-8-15:77; 2-8-29: 1-94.

14. The terms and provisions contained in the following:

INSTRUMENT : AMENDED AND RESTATED DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "PILI MAI AT PO'IPU" CONDOMINIUM PROJECT

DATED : April 9, 2014
RECORDED : Document No. A-52120701
MAP : 1832 and any amendments thereto

The foregoing Amended and Restated Declaration restates in its entirety the Original Declaration dated June 26, 2006, filed as Land Court Document No. 3447110, and any amendments thereto.

Said Amended and Restated Declaration was amended by instruments dated June 18, 2015, recorded as Document No. A-56471005, dated September 3, 2015, recorded as Document No. A-57241000, dated October 6, 2015, recorded as Document No. A-57590690, and dated November 12, 2015, recorded as Document No. A-57950960.

DECLARATION OF PARTIAL WAIVER OF RESERVED RIGHTS UNDER SECTIONS 9.1.4 AND 9.1.5 OF THE AMENDED AND RESTATED DECLARATION OF PILI MAI AT PO'IPU effective as of and from September 17, 2015, recorded as Document No. A-57770594.

Said Amended and Restated Declaration was further amended by instruments dated May 20, 2016, recorded as Document No. A-59871025, dated October 12, 2016, recorded as Document No. A-61290753, dated November 16, 2016, recorded as Document No. A-61661163, and dated December 21, 2016, recorded as Document No. A-61991129.

15. The terms and provisions contained in the following:

INSTRUMENT : AMENDED AND RESTATED BYLAWS OF THE ASSOCIATION OF
UNIT OWNERS

DATED : April 9, 2014
RECORDED : Document No. A-52120702

The foregoing Amended and Restated Bylaws restates in its entirety the original Bylaws dated June 26, 2006, filed as Land Court Document No. 3447111.

16. The terms and provisions contained in the following:

INSTRUMENT : NOTICE OF COUNTY ZONING ORDINANCE

DATED : October 10, 2006
RECORDED : Document No. 2006-195106

17. The terms and provisions contained in the following:

INSTRUMENT : AGREEMENT RE COUNTY OF KAUAI EMPLOYEE HOUSING

DATED : January 23, 2007
FILED : Land Court Document No. 3557897
PARTIES : KIAHUNA FAIRWAYS LLC, a Hawaii limited liability company
"Owner" and the COUNTY OF KAUAI, a political subdivision of the
State of Hawaii "County"

FIRST AMENDMENT TO THE AGREEMENT RE COUNTY OF KAUAI EMPLOYEE
HOUSING AGREEMENT dated March 31, 2016, recorded in the Bureau of Conveyances
of the State of Hawaii on June 8, 2016 as Document No. A-60030518.

ACKNOWLEDGMENT OF RECEIPT OF FIRST INSTALLMENT AND PARTIAL
RELEASE OF AGREEMENT BY COUNTY OF KAUAI EMPLOYEE HOUSING
ASSESSMENT was recorded in the Bureau of Conveyances of the State of Hawaii on
June 8, 2016 as Document No. A-60030517.

18. The terms and provisions contained in the following:

INSTRUMENT : RIGHT-OF-ENTRY AGREEMENT

DATED : March 27, 2007
FILED : Land Court Document No. 3588241
PARTIES : KIAHUNA FAIRWAYS LLC, a Hawaii limited liability company
"Grantor" and KAUAI ISLAND UTILITY COOPERATIVE, a
cooperative association "KIUC"

19. DESIGNATION OF EASEMENT "98"

PURPOSE : irrigation
SHOWN : on Map 16 of Land Court Consolidation No. 164, as set for by Land
Court Order 188350

20. DESIGNATION OF EASEMENT "99"

PURPOSE : irrigation

SHOWN : on Map 16 of Land Court Consolidation No. 164, as set for by Land Court Order 188350

21. The terms and provisions contained in that certain unrecorded KIAHUNA MAINTENANCE DISTRICT AGREEMENT dated July 3, 2013, by and between KIAHUNA MAUKA PARTNERS, LLC, a Hawaii limited liability company, KW KIAHUNA, LLC, a Delaware limited liability company, MORGAN STANLEY 2007-XLCI KIAHUNA SUBSIDIARY, LLC, a Delaware limited liability company, KIAHUNA FAIRWAYS LLC, a Hawaii limited liability company, WELK HO'OKIPA POIPU, LLC, a Hawaii limited partnership, and KIAHUNA MAKAI, LLC, a Hawaii limited liability company, of which a memorandum is effective as of July 11, 2013, filed as Land Court Document No. T-8621275, and recorded as Document No. A-49690590.
22. Claims arising out of customary and traditional rights and practices, including without limitation those exercised for subsistence, cultural, religious, access or gathering purposes, as provided for in the Hawaii Constitution or the Hawaii Revised Statutes.
23. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.
24. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the Project lands.

-NOTE:- Pursuant to Section 514B-45 of the Hawaii Revised Statutes the Developer will assure that prior to the closing of any unit in the Project any such mechanic's liens shall not affect the unit to be conveyed.
25. Real property taxes due and payable. For more information contact the County of Kauai, Real Property Tax Division.

-NOTE:- The Developer will assure that all current real property taxes are paid through the date of each individual unit closing.

**EXHIBIT G-2
(Section 1.12)**

DESCRIPTION OF THE LAND

All of that certain parcel of land situate at Koloa, District of Koloa, Island and County of Kauai, State of Hawaii, being the land(s) described in deregistered Transfer Certificate of Title No. 705,687 recorded in the Bureau of Conveyances of the State of Hawaii as Document No. A-43700697, described as follows:

LOT 4, area 19.125 acres, more or less, as shown on Map 1, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Consolidation No. 164 of First Hawaiian Bank and Valdemar L'Orange Knudsen, Trustees for Eric A. Knudsen, and Bishop Trust Company, Limited, Trustee for Augustus F. Knudsen, which lot has been deregistered from the Land Court System pursuant to Hawaii Revised Statutes Section 501-261.

Together with an easement for road and utility purposes across Lot 390, as granted by instrument filed as Land Court Document No. 1499621, recorded in Liber 21190 at Page 377.

BEING THE PREMISES ACQUIRED BY WARRANTY DEED

GRANTOR : BUD HUNT FAMILY LIMITED PARTNERSHIP, a Hawaii limited partnership, RICHARD ALLEN SHAW and JOAN ELIZABETH SHAW, husband and wife, LAURENCE E. CRABB and KAREN L. CRABB, as Trustees of the Crabb Living Trust under unrecorded Trust Agreement dated December 6, 1996, NORMAN MCDIARMID TUCK and PATRICIA PUENTE TUCK, husband and wife, JAMES CHARLES JONAS and ELIZABETH SUE JONAS, husband and wife, MARVIN DEAN OTSUJI and KATHERINE ARMSTRONG LEWI OTSUJI, husband and wife, ANGELINA CHAN LAUBSCH, unmarried, ARTHUR YIU WAH CHAN and CYNTHIA FUNG LING LEE, husband and wife, TERRY KAMEN, as Trustee of the Terry Kamen Defined Benefit Pension Plan, KOLOA BOB LLC, a Hawaii limited liability company, and ANDREW KNOWLES SMITH, husband of Melony Susan Smith

GRANTEE : KIAHUNA FAIRWAYS LLC, a Hawaii limited liability company

DATED : July 14, 2004

FILED : Land Court Document No. 3136482

**EXHIBIT H
(Section 2.1)**

LIST OF MANAGERS AND OFFICERS OF DEVELOPER

KIAHUNA FAIRWAYS LLC is a Hawaii limited liability company that is manager-managed:

William B. Seith	Manager
Warren E. Krug	Manager
Robin A. Rutherford	Manager

BH HAWAII HOLDINGS LLC is a Delaware limited liability company that is manager-managed and is the sole Member of KIAHUNA FAIRWAYS LLC, which has duly appointed and designated officers as follows:

William B. Seith	President / Secretary / Manager
Warren E. Krug	Chief Financial Officer / Manager
Egan R. Moe	Vice President
David F. Murphy	Assistant Secretary
Robin A. Rutherford	Assistant Secretary / Manager

EXHIBIT I
(Section 3.6)

**DEVELOPER'S RIGHTS
TO CHANGE THE DECLARATION,
CONDOMINIUM MAP, BYLAWS OR HOUSE RULES**

1. The Developer's has the right to change the Condominium Documents:
 - A. In any way and for any purpose before the date when the Developer first records a deed transferring a Unit to someone other than the Developer or its Lenders;
 - B. To file the "as-built" statement (with plans, if necessary or convenient) required by Section 514A-12 and/or 514B-33 of the Condominium Property Act. The Developer may do this each time a phase or increment of the Project, or any New Improvement is completed. It may also do this at any other time required by law or permitted by the Declaration. The Developer does not need the consent of anyone else who owns a Unit or any other Interested Person;
 - C. To comply with the real estate laws of any place (for example, the State of Hawaii) or the requirements of any government agency (such as the Hawaii Real Estate Commission or the California Department of Real Estate) in connection with the registration of the Project, or to permit the sale of Units;
 - D. To satisfy requests for changes made by any institutional lender loaning money to the Developer or by any title company licensed to do business in the State of Hawaii; or
 - E. To correct any misstatements of fact in the Condominium Documents. For example, the Developer can correct a mistake in the legal description of the Land.
2. The Developer has the right to amend the Declaration and/or the Condominium Map to reflect any of the following changes to a Unit owned by the Developer that materially change the depiction of the Unit on the Condominium Map or the description of it in the Declaration:
 - A. Change or removal of all or part of the intervening wall, floor and/or ceiling separating two (2) Units owned by the Developer or Limited Common Elements appurtenant to two (2) Units owned by the Developer; installation of doors, stairways and other Improvements in such openings in the intervening Common Element; sealing of hallways or other openings; and other reasonable changes or additions in accordance with Section 18.2.3 of the Declaration.
 - B. Consolidation of any two (2) adjacent Units owned by the Developer into a single Unit; and making any Common Element walls, floors or ceilings between the Units part of the Unit or its Limited Common Elements in accordance with Section 18.2.4 of the Declaration.
 - C. Change of the designation of the Limited Common Elements appurtenant to any two (2) adjacent Units owned by the Developer so that one or more Limited Common Elements appurtenant to one Unit will be appurtenant to the other Unit or to both of the Units in accordance with Section 18.2.5 of the Declaration.
3. The Developer has the right to amend the Declaration and the Condominium Map in order to create one or more New Units in the Project and to designate Limited Common Elements appurtenant to any New Unit in accordance with Section 19 of the Declaration.


4. The Developer has the right to amend the Declaration and the Condominium Map as necessary or convenient to describe any New Improvements constructed on the Land in accordance with Section 20 of the Declaration.
5. In connection with the Developer's right, under Section 21 of the Declaration, to subdivide and/or reconsolidate the Land or any portion thereof, the Developer has the right to amend the Declaration and the Bylaws to change the description of the Land and to amend the Condominium Map if the Developer deems it necessary or useful to reflect the subdivision and/or consolidation.
6. In connection with the Developer's right, under Section 22 of the Declaration, to withdraw and delete from the Project, and from the condominium property regime, all or any part of the areas designated on the Condominium Map from time to time as "Undeveloped Land Area", the Developer has the right to amend the Declaration and the Bylaws to change the description of the Land and to amend the Condominium Map if necessary or useful to reflect the deletion of all or any portion of the Undeveloped Land Area.
7. The Developer reserved the right under Section 23 of the Declaration, with respect to deal with unsold Residential Units, without the consent or joinder of any person, or groups of persons, including the Association, any Unit Owner, or any mortgagee of an individual Unit (other than the holder of any blanket mortgage covering the affected Units), lien holder, Unit purchaser, or any other person who may have an interest in the Project or any Unit, to (a) change the type, layout and dimensions (including overall net area) of any unsold Residential Unit and/or the Limited Common Elements appurtenant thereto, (b) merge or consolidate two or more unsold Residential Units into a single Residential Unit, (c) convert Limited Common Elements appurtenant to and physically adjacent to an unsold Residential Unit to a part of the Residential Unit, and (d) equitably reapportion Common Interests appurtenant to unsold Residential Units if appropriate to reflect such changes.
8. The Developer has the right to amend the Condominium Documents as required to comply with any laws that apply to the Project, the Association or the Developer.
9. The Developer has the right to amend the Declaration in connection with the Developer's right, under Section 28.2 of the Declaration to reallocate the Common Interests among the existing Units and the New Units.

**EXHIBIT J
(Section 4.2)**

ESTIMATE OF MAINTENANCE FEES AND BUDGET


We hereby certify that the monthly operating budget for the Pili Mai at Po'ipū 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 J to the Public Report for Phase 5 of the Project were prepared in accordance with generally accepted accounting principles.

**CERTIFIED MANAGEMENT, INC.
dba ASSOCIA HAWAII**

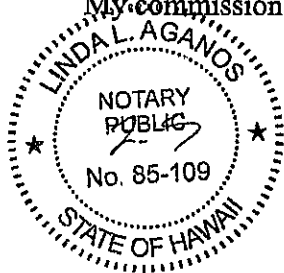
By 
Name: Douglas Hesley
Title: President

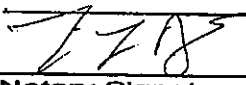
Date: October 17, 2016

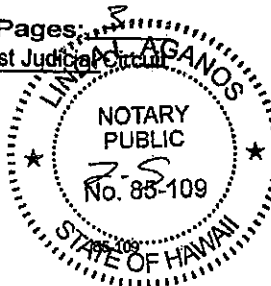
The attached 2 page Monthly Budget Analysis and Maintenance Fee Analysis dated October 12, 2016 was subscribed and sworn to before me Douglas Hesley on October 17, 2016, in the First Circuit of the State of Hawaii.


Name: Linda L. Aganos
Notary Public, State of Hawaii

My commission expires: 3/28/17



Doc. Date: 10/12/16 # Pages: 3
Notary Name: Linda L. Aganos First Judicial Circuit
Doc. Description: Certification Letter
11/2016 Operating Budget
POAO Pili Mai at Poipu
 3/28/17
Notary Signature Date





PROJECT NUMBER: 87

MONTHLY BUDGET ANALYSIS FOR: Pili Mai at Poipu AOA

Approved budget to be effective on: January 1, 2017

Prepared By: Alina Kuznetsova Board Approved Date: October 12, 2016

	0 Budget	Actual Monthly Average	Proposed Phase 5 Budget	Approved Phase 5 Budget
CASH FLOW TO COVER LOAN PAYMENTS				
2800 TOTAL LOAN PAYMENTS	0	0	0	0
TOTAL LOAN PAYMENTS	0	0	0	0
REVENUE:				
	CHANGE-Fees, Dues, & Receipts =		0.0%	0.0%
4000 ASSESSMENT INCOME	0	0	50,247	50,247
4200 USER FEE INCOME	0	0	60	60
4400 RENTAL INCOME	0	0	0	0
4500 FOOD & BEVERAGE INCOME	0	0	0	0
4700 COLLECTIONS INCOME	0	0	0	0
4800 OTHER INCOME	0	0	0	0
4900 INVESTMENT INCOME	0	0	16	16
TOTAL REVENUES	0	0	50,323	50,323
EXPENSES:				
OPERATING EXPENSES:				
5000 ADMINISTRATIVE	0	0	164	164
5070 KIAHUNA MAINTANANCE DISTRICT FEES	0	0	936	936
5200 COMMUNICATIONS	0	0	75	75
5300 PAYROLL & BENEFITS	0	0	0	0
5400 INSURANCE	0	0	3,300	3,300
6000 UTILITIES	0	0	10,560	10,560
6030 SEWER SERVICE	0	0	2,886	2,886
6100 LANDSCAPING	0	0	23,700	23,700
6200 IRRIGATION	0	0	75	75
6300 OPERATIONS	0	0	0	0
6400 CONTRACTED SERVICES	0	0	300	300
6500 REPAIR & MAINTENANCE	0	0	5,170	5,170
7000 PROFESSIONAL SERVICES	0	0	1,657	1,657
8100 SHARED EXPENSES	0	0	0	0
8900 ASSOCIATION OWNED UNIT EXPENSES	0	0	0	0
9000 TAXES	0	0	0	0
9100 OTHER EXPENSES	0	0	1,500	1,500
TOTAL OPERATING EXPENSES:	0	0	50323	50323
NET INCOME/LOSS	0	0	0	0
RESERVES:				
4905 RESERVES CONTRIBUTION	0	0	1,500	1,500
4910 RESERVES INTEREST INCOME	0	0	12	12
9800 RESERVE EXPENSES	0	0	0	0
RESERVE DEPT - NET INCOME/LOSS	0	0	1512	1512

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



PROJECT NUMBER: 87

MAINTENANCE FEE ANALYSIS FOR:

Pili Mai at Poipu AOA

Approved budget to be effective on: January 1, 2017

Prepared By: Alina Kuznetsova

Phase 5

Unit Type	PerCent Common Interest	Number Of Units	Prior Year Maint Fees	Maint Fee Per Unit	Total Maint Fee (Unit Type)	Total Spc Assess (Unit Type)	Total Amount Per Unit
Plan 1	0.471200	6	-	578.67	3,472.02		578.67
Plan 2	0.524300	24	-	643.88	15,453.13		643.88
Plan 3	0.439000	6	-	539.13	3,234.75		539.13
Plan 3T	0.446600	6	-	548.46	3,290.75		548.46
Plan 4	0.537100	12	-	659.60	7,915.20		659.60
Plan 5	0.672200	6	-	825.51	4,953.08		825.51
Plan 6	0.572700	6	-	703.32	4,219.92		703.32
Plan 6T	0.582100	6	-	714.86	4,289.18		714.86
Plan 7	0.464000	6	-	569.83	3,418.97		569.83
			-	-	-		-
TOTALS	40.9152%	78		5783	50,247.00	0	

NOTE: Type 2R, Type 2A and Type 2AR units are covered under the line item for Unit Type 2; Type 3R units are covered under the line item for Unit Type 3; Type 3TR units are covered under the line item for Unit Type 3T; Type 4R, Type 4A and Type 4AR units are covered under the line item for Unit Type 4; Type 5R units are covered under the line item for Unit Type 5; Type 6R units are covered under the line item for Unit Type 6; Type 6TR units are covered under the line item for Unit Type 6T; and Type 7R units are covered under the line item for Unit Type 7.

THE FOREGOING MAINTENANCE FEE SCHEDULE AS IT RELATES TO THE UNITS IN PHASE 5 IS AN ESTIMATE ONLY AND IS NOT INTENDED TO BE AND DOES NOT CONSTITUTE ANY REPRESENTATION OR WARRANTY THAT THE ACTUAL MAINTENANCE FEES CHARGEABLE TO THE UNITS IN PHASE 4 UPON COMPLETION WILL BE THE SAME AS SHOWN ON THE SCHEDULE.

**EXHIBIT K
(Section 5.1)**

SUMMARY OF THE SALES CONTRACT

The specimen Condominium Purchase Agreement, Deposit Receipt and Contract ("**Purchase Agreement**") contains, among others, the following terms and provisions (which may be modified or otherwise limited by provisions not summarized):

1. The Purchase Price shall be paid in four (4) payments, Payment A, Payment B and Payment C as set forth in the Purchase Agreement. The last payment (Payment D) shall be paid to Escrow, subject to other terms, on the earlier of (a) the Date of Preclosing, or (b) two (2) business days prior to the Scheduled Date of Closing; provided, however, that the mortgage proceeds from Purchaser's Permanent Loan may be paid two (2) business days prior to the Scheduled Closing Date.
2. The Purchase Price does not include the Project start-up fee, maintenance fees, closing costs, prorations, and additional costs payable by Buyer under the Purchase Agreement.
3. The Purchase Agreement shall become a legally binding contract upon the Buyer's actual or deemed execution and return of the receipt for the Public Report, and Purchaser's actual or deemed waiver, or the expiration, of Purchaser's right to cancel as more particularly provided in §514B-86 of the Hawaii Revised Statutes, as amended. Prior to the time the Purchase Agreement becomes a binding sales contract, the Purchase Agreement may be terminated at any time, with or without cause, at the option of either party, by written notice of such termination delivered to the other party.
4. Buyer has received a copy of the public report(s) for the Project, form of Unit Deed, and Escrow Agreement, and Buyer acknowledges that Buyer has received a copy of and had a reasonable opportunity to read the Amended and Restated Declaration, the Amended and Restated Bylaws, the House Rules, the Design Rules, the form of Unit Deed, and the Escrow Agreement and to examine the Project plans and specifications, and the Kiahuna Maintenance District Agreement and any amendments thereto, and Buyer accepts all such documents and Project plans and specifications with such changes and modifications as the Project architect may deem necessary.
5. Within thirty (30) days after the date Seller accepts the Purchase Agreement, Buyer must submit to Seller a Qualification Letter in form and content acceptable to Seller from the Qualification Agent, confirming Buyer's ability to pay the Purchase Price.
6. If Buyer shall have applied for a Qualification Letter and diligently pursued such application, and Buyer does not obtain a Qualification Letter in form and content acceptable to Seller (in Seller's sole discretion) within thirty (30) calendar days of Seller's acceptance of the Purchase Agreement, then Seller or Buyer shall have the right and option to terminate the Purchase Agreement and upon such termination, Escrow shall refund to Buyer all monies previously paid by Buyer, with interest to the extent provided in the Purchase Agreement, less Escrow's cancellation fee and any other actual expenses incurred by reason of Buyer having signed the Purchase Agreement.
7. If Buyer will be utilizing mortgage financing to pay a portion of the Purchase Price, then Buyer shall be solely responsible for applying for and obtaining the Buyer's Permanent Loan from the Qualification Agent or Buyer's Permanent Lender. All financing and the terms and conditions thereof, shall be a matter of concern solely between Buyer and the Qualification Agent or Buyer's Permanent Lender and shall not affect the rights or obligations of Seller or Buyer. The sale and purchase of the Unit shall not be contingent upon Buyer's ability to retain the interest rate quoted at the time of approval of the Qualification Letter or Buyer's Permanent Loan. Buyer shall be solely responsible for any loan fees or other charges payable to Buyer's Permanent Lender in processing, issuing or canceling Buyer's Permanent Loan.

8. If Buyer will be paying the entire Purchase Price in cash and Seller so requires, then no later than thirty (30) days, and no earlier than ninety (90) days prior to the Scheduled Closing Date, Buyer must submit to Seller written evidence from Buyer's bankers or accountants or other persons reconfirming Buyer's ability to pay the Purchase Price in cash on the Date of Closing. If Seller, in its sole discretion, is not satisfied as to Buyer's continued ability to make such cash payments, then Buyer shall be in default under the Purchase Agreement.
9. If the amount of the Buyer's mortgage loan is less than the Purchase Price, Buyer agrees to pay the difference in cash to Escrow not less than two (2) business days prior to the Closing and to provide evidence or other verification to Seller that Buyer is financially capable of making such additional cash payment as part of the Closing, if not already covered by Payments A and B under the Purchase Agreement. This obligation to pay the difference between the Purchase Price and the mortgage loan shall also apply in the event Buyer elects to purchase any options, upgrades, or flooring and the appraised value of the Property after inclusion of such options, upgrades or flooring selections shall be determined to be less than the loan to value ratio established by Buyer's Permanent Lender.
10. All payments made by Buyer under the Purchase Agreement will be deposited with Escrow under the terms of the Escrow Agreement.
11. All interest earned on Buyer's deposits shall accrue to the credit of and shall be paid to Seller unless Buyer instructs Escrow in writing to establish a separate interest-bearing account on Buyer's behalf, pays the processing fee charged by Escrow and complies with all other requirements of Escrow. Except in the event of a default by Buyer (in which case the default provisions summarized hereinbelow shall govern), all interest earned from such account(s) from the date of Seller's acceptance of the Purchase Agreement shall be credited to Buyer's account; provided that no interest shall be credited to Buyer for the period prior to Seller's acceptance of the Purchase Agreement. Any interest earned on funds in escrow which is not required by the terms of the Purchase Agreement to be credited to the account of Buyer shall be paid to Seller.
12. The Purchase Agreement provides that after the Purchase Agreement has become legally binding between the Buyer and the Seller, and if certain other statutory requirements have been met, then Escrow may disburse to the Seller prior to closing to pay certain Project costs, all of or a portion of the Buyer's funds deposited with Escrow in accordance with and subject to the requirements of the Act, and the Escrow Agreement. The Escrow Agreement provides that no disbursement of the Buyer's funds shall be made to the Seller to pay Project costs prior to closing unless the Seller certifies to Escrow, and to Escrow's satisfaction, that the Seller has complied with all of the requirements of Section 514B-92 or 514B-93 (whichever is applicable) of the Act.

BUYER SHOULD CAREFULLY REVIEW THE DEVELOPER'S PUBLIC REPORT FOR THE PROJECT (AND ALL AMENDMENTS TO THE PUBLIC REPORT) TO DETERMINE WHETHER SELLER HAS MET ALL OF THE REQUIREMENTS OF THE ACT FOR THE USE OF BUYERS' DEPOSITS TO PAY PROJECT COSTS PRIOR TO CLOSING. SECTION 5.6 (AND IN PARTICULAR, SECTION 5.6.2) OF THE PUBLIC REPORT CONTAINS IMPORTANT INFORMATION ABOUT THE USE OF BUYERS' DEPOSITS.

13. Seller has reserved the right to make certain modifications to the Declaration, By-Laws, House Rules, Design Rules, Condominium Map, form of Unit Deed, and other documents as may be required by law, any title insurance company, any institutional mortgagee, or any governmental agency, or as Seller otherwise deems appropriate; provided that no such modification shall (i) materially increase Buyer's share of common expenses without Buyer's consent; or (ii) reduce the obligations of Seller for common expenses on unsold Units; or (iii) require a substantial physical change of the Unit or of the building in which the Unit is located.
14. Seller has reserved the right to require alterations of the Project (and to modify any of such documents accordingly) to change the configuration of, to alter the number of rooms of, to decrease

or increase the size of, or to change the location of any other Unit and/or parking area, and to make other minor changes in the Unit, any of the other Units or the common elements of the Project.

15. Any model shown to Buyer is displayed only for illustration and Seller shall not be required to deliver the Unit in exact accordance with any model. None of the appurtenances and furnishings shown in any model is included in the Purchase Agreement, unless Seller agrees in writing to deliver the same for part of the Purchase Price. The usable or living area, location and configuration of the Unit and all improvements of the Project may fluctuate from that shown or displayed to Buyer in any drawings, plans, topographic maps or models when Seller finally places final improvements. The location, size, height and composition of all improvements to be constructed as a part of the Project or adjacent thereto shall be determined by Seller in its sole and absolute discretion. Despite models or drawings displayed to Buyer, Seller has made no representations, warranties or assurances to Buyer regarding the size, height, location or composition of any improvement to be constructed on or adjacent to the Project. Seller may substitute the materials, appliances and other items in the Unit and on the Project with materials, appliances and other items of substantially equal quality and utility, without adjustment to the Purchase Price. If Seller is unable to complete or install in the Unit any optional item, decorator item, fixture, furnishing or other improvement, and such failure is caused by circumstances beyond Seller's reasonable control, the Close of Escrow shall not be delayed so long as occupancy of the Unit is approved by the applicable governmental authority.
16. If Seller offers color selections for the standard appliances or any other standard items in the Unit, then Buyer shall make such selections within five (5) business days after receipt of written notice from Seller or Seller's agent requiring Buyer to make such selections. If Buyer fails to make such selections within the allotted time period, Seller shall be authorized to make the color selections on behalf of buyer. If any of the color selections become unavailable for any reason, Buyer shall select, within five (5) business days after notice thereof, another color selection from the alternative choices offered by Seller, or Seller shall be authorized to make such selection on behalf of Buyer. The unavailability of any original color selection shall have no effect on Buyer's obligations hereunder and shall not in any way constitute grounds for any claim whatsoever against Seller.
17. Buyer acknowledges and accepts all of the conditions pertaining to the Project set forth in Exhibit 1 attached hereto.
18. BUYER INTENTIONALLY WAIVES, RELINQUISHES AND SUBORDINATES THE PRIORITY OR SUPERIORITY OF ANY LIEN OR OTHER LEGAL OR EQUITABLE INTEREST ARISING UNDER THE PURCHASE AGREEMENT IN FAVOR OF THE LIEN OR CHARGE ON THE PROJECT OR THE SECURITY INTERESTS OF SELLER'S LENDER, INCLUDING BUT NOT LIMITED TO ANY LIEN, MORTGAGE OR OTHER CHARGE SECURING A LOAN MADE TO FINANCE THE ACQUISITION OF THE LAND AND THE COSTS OF CONSTRUCTION AND OTHER COSTS DURING SUCH CONSTRUCTION AND ANY AND ALL ADVANCES THEREFOR, WHETHER CONTRACTUAL OR VOLUNTARY, UNTIL THE FINAL CLOSING AND DELIVERY BY SELLER OF A UNIT DEED TO BUYER.
19. Buyer consents to Seller's assignment to Lender, as security, of Seller's interests in the Purchase Agreement and Buyer's deposits with Escrow. In the event Lender acquires Seller's interest in the Purchase Agreement pursuant to said assignment, Buyer shall, at Lender's option, perform to, attorn to, and recognize Lender as the Seller under the Purchase Agreement.
20. Seller unconditionally covenants and agrees that construction of the Unit shall be completed within two (2) years of the date that the Purchase Agreement becomes a binding contract between Buyer and Seller; provided, however that said two (2) year period shall be extended for any period of time during which Seller is actually and necessarily delayed in completing construction of the Unit if said delay is due to fire, earthquake, acts of God, the elements, war or civil disturbance, strikes or other disturbances, government legislation or controls, or economic controls making it impossible to obtain the necessary labor or materials, or other matters or conditions legally supportable under

Hawaii law as being beyond the control of Seller and which cause completion of construction of the Unit within said two (2) year period to be impossible.

21. Pursuant to the requirements of §514B-89 of the Hawaii Revised Statutes the Seller has established the outside completion date for Phase 5 of the Project as the date occurring two (2) years after the Sales Contract becomes binding as set forth in paragraph 20 above; provided, however that said outside completion date shall be extended for any period of time during which Seller is actually and necessarily delayed in completing construction of the Unit if said delay is due to fire, earthquake, acts of God, the elements, war or civil disturbance, strikes or other disturbances, government legislation or controls, or economic controls making it impossible to obtain the necessary labor or materials, or other matters or conditions legally supportable under Hawaii law as being beyond the control of Seller and which cause completion of construction of the Unit within said outside completion date to be impossible. If Seller fails to achieve completion of the Unit on or before the outside completion date, then and in such event, Buyer shall have the right and option to cancel the Purchase Agreement.
22. Seller reserves the right to exercise all of the powers as a member of the Condominium Association as to all unsold Units in the Project. So long as Seller owns an interest in any Unit in the Project, and until the election of the Board of Directors and officers of the Condominium Association, Seller may exercise all of the powers of the Board of Directors and its officers.
23. The estimates of monthly maintenance charges and assessments for the Unit as shown in the condominium public report(s) for the Project are not intended to be and do not constitute any representation or warranty by Seller.
24. Neither Seller nor any of its representatives has made any representation or reference as to rental of the Unit, income from the Unit or any other economic benefit to be derived from the rental of the Unit, including, but not limited to, any reference or representation to the effect that Seller or any affiliate of Seller will provide, directly or indirectly, any services relating to the rental of the Unit.
25. Until Seller has closed out the sale of all the Units in all phases of the Project or until December 31, 2029, whichever shall first occur, Buyer will not enter into any "rental pool" or similar agreement with any purchaser, lessee or owner of another Unit in the Project and any subsequent phase and/or any third party under which Buyer agrees to share expenses and/or rentals of Units in the Project unless specifically agreed to in writing by Seller.
26. After the Purchase Agreement has become a binding contract, Buyer shall have the right to rescind the Purchase Agreement only if there is a material change in the Project which directly, substantially and adversely affects the use or value of (i) the Unit or appurtenant limited common elements, or (ii) amenities of the Project available for Buyer's use.
27. Upon the Closing of the purchase of the Unit, Seller shall issue to Buyer a Limited Warranty relating to the construction of the Unit as more particularly set forth in the Limited Warranty Section of the Homeowner Manual provided by Seller to Buyer upon acceptance of the Purchase Agreement by Seller. Except for any exceptions expressly stated in the Homeowner Manual, the coverage of the Limited Warranty expires one year from the Date of Closing. Upon the closing of the sale of the Unit, any manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances that are part of the Unit shall be assigned by Seller to Buyer for their respective unexpired terms, if any. Seller is merely attempting to pass through to Buyer any such manufacturer's or dealer's warranties; Seller is not adopting any such warranties or acting as co-warrantor with respect to any furnishings, fixtures or appliances.
28. Chapter 672E of the Hawaii Revised Statutes contains important requirements Buyer must follow before Buyer can file a lawsuit or other action for defective construction against the contractor who designed, repaired, or constructed the Unit or Project. Ninety (90) days before Buyer can file a lawsuit or other action against the contractor, Buyer must serve on the contractor a written notice of

any construction conditions Buyer alleges are defective. Under the law, a contractor has the opportunity to make an offer to repair and/or pay for the defects. Buyer is not obligated to accept any offer made by a contractor. There are strict deadlines and procedures under the law, and failure to follow them may negatively affect Buyer's ability to file a lawsuit or other action.

29. Seller makes no warranties with respect to the Unit, the Project, any consumer products or anything else installed in the Unit or in the Project, including but not limited to any implied warranty of merchantability, habitability, workmanlike construction or fitness of the Unit for a particular purpose.
30. If Buyer is purchasing the Unit pursuant to Part V, Section B of the Condominium Property Regime Act, Hawaii Revised Statutes § 514B-95 et seq., governing sales to prospective owner-occupants, then Buyer may not sell or offer to sell, lease or offer to lease, rent or offer to rent, assign or offer to assign, convey or otherwise transfer any interest in the Unit until at least three hundred sixty five (365) consecutive calendar days have elapsed since the recordation of the Unit Deed. At any time after obtaining Buyer's Permanent Loan, or a firm written commitment for Buyer's Permanent Loan, up until the expiration of the Owner-Occupant Affidavit executed by Buyer pursuant to §514B-97, Hawaii Revised Statutes, Buyer shall notify the Commission immediately upon any decision to cease being an owner-occupant of the Unit.
31. The Date of Occupancy shall be the date upon which the Seller certifies that the Unit is ready for occupancy. If the Purchase Agreement is accepted by Seller more than forty-five (45) calendar days prior to the Date of Occupancy, then the Scheduled Date of Closing shall be the date specified by Seller in a written notice to Buyer occurring not more than thirty (30) calendar days after the Date of Occupancy; otherwise, the Scheduled Closing Date shall be a date mutually acceptable to Buyer and Seller, but in no event more than sixty (60) calendar days after Seller has accepted the Purchase Agreement.
32. The Date of Preclosing shall, regardless of the status of construction of the Unit, be the date not more than thirty (30) calendar days prior to the estimated Date of Occupancy, as specified by Seller in a written notice to Purchaser. On the Date of Preclosing, Buyer shall pay into Escrow all sums due from Buyer at closing, including, without limitation, the title insurance premium, the escrow fee, recording fees and applicable conveyance taxes, but excluding only buyer's Permanent Loan proceeds, if applicable.
33. Buyer or Buyer's agent shall inspect the Unit and will sign an inspection sheet to be furnished by Seller or the contractor, or Buyer will appoint the inspecting architect or engineer for the Project, or Seller or any agent of Seller to inspect the Unit and execute the inspection sheet on behalf of Buyer. Buyer agrees to accept possession of the Unit despite the existence of damages and defects as long as Seller agrees to repair such defects or damage within a reasonable time. Buyer agrees to indemnify Seller for any damages or losses resulting from any wrongful refusal to accept possession of the Unit.
34. Time is of the essence of the obligations of Buyer under the Purchase Agreement.
35. Risk of loss to the Unit shall be borne by Seller until the Date of Closing.
36. Buyer shall be in default under the Purchase Agreement if (i) Buyer fails to make a payment when due; or (ii) Buyer fails to furnish to Qualification Agent an application for a Qualification Letter and such additional information and documents as Qualification requires; or (iii) Buyer fails to furnish to Seller the Qualification Letter within the time period specified therein; or (iv) Buyer fails to act in good faith in accordance with, or otherwise comply with, any of the requirements for mortgage financing set forth in the Purchase Agreement; or (v) if Buyer will be paying the entire Purchase Price in cash and Buyer fails to submit to Seller written evidence from Buyer's bankers or accountants or other persons reconfirming Buyer's ability to pay the Purchase Price in cash on the Date of Closing no later than sixty (60) days, and no earlier than ninety (90) days prior to the Scheduled Closing Date; or (vi) Buyer violates the provisions of Section 10 of the Purchase

Agreement; or (viii) Buyer fails to perform any other obligation required under the Purchase Agreement and such failure continues for fifteen (15) days after Seller gives written notice to Buyer of such failure.

37. In the event of any default under the Purchase Agreement by Buyer which occurs after the Purchase Agreement becomes a legally binding contract, (i) Seller can terminate the Purchase Agreement and thereupon, at Seller's option, all sums previously paid by Buyer under the Purchase Agreement, together with all accrued interest thereon, shall belong to Seller as liquidated damages. If Seller does not elect to retain as liquidated damages the sums previously paid by Buyer under the Purchase Agreement, then Seller may pursue any other remedies permitted at law or in equity, including, but not limited to, specific performance.
38. Seller shall be in default under the Purchase Agreement if (a) Seller fails to complete or cause completion of construction of the Unit within the earlier to occur of (i) two (2) years of the date that the Purchase Agreement becomes a legally binding contract (provided that said two (2) year period shall be extended for any period of time during which Seller is actually and necessarily delayed in completing construction of the Unit due to fire, earthquake, acts of God, the elements, war or civil disturbance, strikes or other disturbances, government legislation or controls, economic controls making it impossible to obtain the necessary labor or materials, or other matters or conditions legally supportable under Hawaii law as being beyond the control of Seller), or (ii) the outside completion date set forth in the Purchase Agreement; provided that said two (2) year period shall be extended for any period of time during which Seller is actually and necessarily delayed in completing construction of the Unit due to fire, earthquake, acts of God, the elements, war or civil disturbance, strikes or other disturbances, government legislation or controls, economic controls making it impossible to obtain the necessary labor or materials, or other matters or conditions legally supportable under Hawaii law as being beyond the control of Seller); or (iii) Seller fails to perform any other obligation required under the Purchase Agreement and such failure continues for fifteen (15) days after Buyer gives written notice to Seller of such failure.
39. In the event of any default by Seller which occurs after the Purchase Agreement becomes a binding contract, Buyer can (i) cancel and terminate the Purchase Agreement by written notice to Seller, and receive (x) from Escrow a full refund of all moneys paid by Buyer under the Purchase Agreement, together with interest as and to the extent described in the Purchase Agreement (less any cancellation fee imposed by Escrow), and (y) all costs, including reasonable attorneys' fees, incurred by Buyer by reason of the default by Seller, or (ii) file suit against Seller for the actual damages suffered by Buyer as a result of Seller's default under the Purchase Agreement, or (iii) pursue any other remedies permitted at law or in equity, including, but not limited to, seeking specific performance of the Purchase Agreement.

Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings given to them under the Purchase Agreement.

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

EXHIBIT 1

CONDITIONS ACKNOWLEDGED BY BUYER

1. Affiliated Parties. Prospective purchasers are hereby advised that the Real Estate Broker and the General Contractor for the Project are affiliated with the Developer. See Exhibit N. The Developer and the Seller for purposes of these disclosed conditions are one and the same.
2. Development of Project in Phases or Increments. The Developer intends to develop the Project in stages. Each stage is called a "phase" or "increment". Each phase may include Units and other Improvements. Under the Pili Mai Declaration the Pili Mai Condominium may contain upon full build out up to one hundred ninety-one (191) residential units (each a "*Unit*" and collectively the "*Units*") as will be shown from time to time on Condominium Map No. 1832, as amended, originally filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii (collectively, the "*Pili Mai Condominium Map*"). The Pili Mai Declaration and Pili Mai Condominium Map currently depict Phase 1 as being comprised of twenty-six (26) residential Units, Phase 2 as being comprised of thirteen (13) residential Units, Phase 3 as being comprised of thirteen (13) residential Units and (1) Developer Reserved Unit (hereinafter referred to as the "*Developer Reserved Unit*"), Phase 4 as being comprised of thirteen (13) residential Units, and Phase 5 as being comprised of thirteen (13) residential Units. The Developer will still retain the future right and option to develop and construct up to one hundred thirteen (113) additional or new residential Units and New Improvements on the areas shown on the Pili Mai Condominium Map as the "Undeveloped Land Area" and the reserved right to either (a) remove the Developer Reserved Unit in its entirety, or (b) convert the Developer Reserved Unit into a Common Element, a Limited Common Element, or a new residential Unit. The Developer has no obligation to build any new Units and related Improvements beyond the Units contained in Phase 1, Phase 2, Phase 3, Phase 4 and Phase 5, and the Developer may also at any time in the its sole and absolute discretion, reconfigure and re-divide the future phases or increments and change or reconfigure any future planned new Units or New Improvements.
3. Developer's Reserved Rights to Create New Units, Create New Improvements, Convert Common Elements, Designate Limited Common Elements, and Participate in Kiahuna Maintenance District. The Developer has reserved the right under the Pili Mai Declaration to develop and construct New Units and New Improvements on the Land, including the Undeveloped Land Area, convert the use of Common Elements and designate Limited Common Elements as the Developer deems appropriate and as may be permitted or otherwise approved by any appropriate governmental authorities, all as set forth in Paragraphs 19 and 20 of the Pili Mai Declaration. The Developer has further reserved the right to participate in the Kiahuna Maintenance District under the Kiahuna Maintenance District Agreement as set forth in Paragraph 20.5 of the Pili Mai Declaration. The development, construction and sale of the New Units and New Improvements, conversion of Common Elements and/or designation of Limited Common Elements may result in the creation of dust, noise, vibrations and other nuisances. The Developer has expressly reserved the right, at its sole option and discretion, at any time and from time to time up to but not later than December 31, 2029, to exercise any of these reserved rights. The Developer has also expressly reserved the right and an easement to enter upon and use the Common Elements of the Project and do all things reasonably necessary, desirable or useful, for the purposes of designing, developing, constructing and completing the New Unit(s) and New Limited Common Elements, connecting the New Units and New Improvements to the Project, providing access for the New Units and New Improvements through the Common Elements of the Project to any public roadways, connecting the New Units and New Improvements to the utility installations of the Project, and selling the New Units and New Improvements, and the right in the nature of an easement over and upon the Project to create and cause dust, noise, vibration and other nuisance created by and resulting from any work connected with or incidental to the development, construction and sale of the New Units or New Improvements.
4. Developer's Reserved Rights Regarding Kiahuna Maintenance District Agreement. The Developer has entered into the Kiahuna Maintenance District Agreement, and the Kiahuna Maintenance District

Agreement and its terms, covenants, provisions and obligations shall constitute covenants running with the Land and shall be binding upon each Unit Owner and each of their respective heirs, personal representative, successors and assigns. The terms and conditions of the Kiahuna Maintenance District Agreement include, among other provisions, for the establishment of an annual budget and assessments against the Project Land for and in connection with the maintenance, repair and upkeep of the shared Kiahuna Maintenance District Property. The share of such assessments against the Project Land shall be a common expense of the Association. Each of the Owners of a Unit in the Project shall by taking title such Unit be deemed to have accepted the provisions of the Kiahuna Maintenance District Agreement, as the same may be amended from time to time, and will, at such Owner's proportionate share of the expense thereof, cause the Association to observe, perform, and comply with all applicable terms and conditions set forth in the Kiahuna Maintenance District Agreement. The Developer has also reserved right, but not the obligation, on behalf of the Association, at any time or times prior to the earlier of (i) December 31, 2029, or (ii) the date when the Developer records a document giving up all of the Developer's Reserved Rights, to establish, enter into and amend or modify the Kiahuna Maintenance District Agreement, as the Developer deems necessary or desirable in the Developer's sole discretion, and the Developer may, without being required to obtain the consent or joinder of any Owner, lienholder or other persons, execute and record amendments to the Kiahuna Maintenance District Agreement, and any and all other instruments necessary or appropriate for the purpose of carrying out the provisions or exercising the rights, powers or privileges herein reserved to the Developer.

5. Developer's Reserved Rights to Execute Documents Governing the Shared Sewer Main. Under the Pili Mai Declaration, the Developer expressly reserves the right and option, in its sole discretion and at any time prior to the earlier of (i) December 31, 2029, or (ii) the date when the Developer records a document giving up all of the Developer's Reserved Rights, to enter into an agreement with the developer of the project(s) to be built on the adjoining parcel of land known as the KMP-4 Land (identified by Tax Map Key No. (4) 2-4-014: 032) which provides for the construction and installation of a shared main sewer trunk line running through the Land for the joint use of the Units and other improvements constructed by Developer on the Land, and the Units and other improvements to be constructed on the KMP-4 Land, and to grant a non-exclusive sewer easement in favor of and appurtenant to the KMP-4 Land for use of such shared main sewer trunk line (collectively the "**Shared Sewer Line Documents**"). The terms and conditions of this Shared Sewer Line Documents shall include, among other provisions, for the establishment of an annual budget and collection of assessments from the Project and the project built on the KMP-4 Land in connection with the maintenance, repair, upkeep, and replacement of the shared main sewer trunk line. The share of such assessments against the Project shall be a common expense of the Association. The acceptance of a deed or other conveyance of any Unit in the Project shall constitute an agreement that the provisions of the Shared Sewer Line Documents, as each may be amended from time to time, are accepted and ratified, and will, at such Owner's proportionate share of the expense thereof, cause the Association to observe, perform, and comply with all applicable terms and conditions set forth in the Shared Sewer Line Documents. The Developer has also the reserved right, but not the obligation, on behalf of the Association, at any time or times prior to the earlier of (i) December 31, 2029, or (ii) the date when the Developer records a document giving up all of the Developer's Reserved Rights, to establish, enter into and amend or modify the Shared Sewer Line Documents, as the Developer deems necessary or desirable in the Developer's sole discretion, and the Developer may, without being required to obtain the consent or joinder of any Owner, lienholder or other persons, execute and record amendments to the Shared Sewer Line 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 herein reserved to the Developer.
6. Developer's Reserved Right to Withdraw Portions of the Land. The Developer has reserved the right to subdivide the Land of the Project, and to withdraw and delete from the Project and from the condominium property regime all or any part of the areas designated on the Condominium Map from time to time as "Undeveloped Land Area."

7. Developer's Easement for Sales Activities. Under the terms of the Pili Mai Declaration, the Developer and its representatives, licensees, and invitees have the right and an easement to conduct extensive sales activities on the Common Elements (including, but not limited to, the Limited Common Elements) and from any Unit owned or leased by the Developer. This right includes, but it is not limited to, the right: (a) to permit purchasers and prospective purchasers and their family members and guests, to come onto the Project through the Common Elements intended for access to and from any nearby roads, streets or highways; (b) to permit purchasers and prospective purchasers to park motor vehicles in any unassigned parking stalls; (c) to show the Project (including, but not limited to, model Units) to purchasers and prospective purchasers (who will have a right of ingress and egress for these purposes); (d) to use Units owned or leased by the Developer as model Units, sales, management, and/or administrative offices; and (e) to use banners, signs or other extensive sales displays and activities at the Project. This easement applies to activities conducted in connection with the initial sale of any Unit in the Project. Buyer understands, acknowledges and accepts that these easements and the use of them may result in increased traffic, noise, and related inconveniences. Buyer gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions Buyer may have, now or in the future, against the Developer and its representatives, licensees, invitees, successors and assigns and arising from or with respect to the exercise of this easement.
8. Developer's Easement for Noise, Dust, Etc. The Developer and its representatives, licensees, and invitees, have an easement over, under 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 easements The Developer has reserved under the Pili Mai Declaration, or (b) the exercise of the Developer's reserved rights or any other rights of the Developer as described in the Pili Mai Declaration. Buyer (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 this activity, and (iii) gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions that Buyer may have, now or in the future, against the Developer and/or its representatives, licensees, invitees, successors and assigns with respect to such easement. Buyer shall assume the risk of any property damage, personal injury or loss in property value which may arise out of or from these activities.
9. Developer's Easements for Access. The Developer and its representatives, licensees, invitees (including any governmental officials that the Developer may invite), successors and assigns, have reserved under the Pili Mai Declaration an easement over, under and upon the Project, including the Common Elements, Limited Common Elements, and any Unit, as may be reasonably necessary or convenient to complete any Improvements and to correct any defects and other punch list items in the Common Elements or any Unit or to the exercise of any of the other Developer's Reserved Rights under the Pili Mai Declaration. The easement to complete Improvements or correct defects or punch list items terminates sixty (60) months after the later to occur of (i) the filing/recording date of the first deed for an Unit in the Project; or (ii) the "date of completion" (as the term is used in Chapter 507, Part II, Hawaii Revised Statutes) of the Improvement to be completed or corrected.
10. Developer's Reserved Right to Utilize Common Elements. The Developer reserves the right, for itself, its representatives, licensees and invitees, to utilize the Common Elements for ingress and egress, for the exercise of any of the Developer's reserved rights under the Pili Mai Declaration, for access to parking spaces and model Units within the Project, and in order to show the Common Elements to prospective purchasers.
11. Developer's Reserved Right to Grant Easements. The Developer reserves the right to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across or through the Common Elements as necessary or convenient to the exercise of any of the Developer's reserved rights under the Pili Mai Declaration, or for any reasonable purpose, which easements may include, but will not be limited to, easements in favor of the KMP-4 Land with respect to the shared sewer main, and easements or rights-of-way in favor of any public or governmental

authority or utility company which do not materially and adversely interfere with the use, nor materially and adversely impair the value, of the Project or any Unit in it, over, across, under and through the Common Elements for lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, drainage and other public services and utilities, and rights to enter for the purpose of installing, repairing, altering and removing such lines and facilities and of trimming any trees in the way thereof.

12. Changes in Price, Size and Design. The Developer has made no promises, representations or assurances to Buyer regarding the pricing, size, design or configuration of any Units in the Project other than the Unit, and Buyer acknowledges that as market conditions or other facts change, such matters may be subject to change, including reduction in prices of such other Units in the Project or sales incentives offered in connection therewith, and changes in size, design or product type of such other Units in the Project.
13. View Impairment. Neither the Developer nor any of its authorized agents, representatives or employees has made any representations, warranties or promises concerning any view, present or future, that may be enjoyed from all or any portion of the Unit or the Project. The views from the Unit or Project may change, be affected or obstructed by (i) construction or installation of buildings, improvements, structures, walls and/or landscaping by the Developer or owners of property outside the Project and/or (ii) the growth of trees, landscaping and/or vegetation within or outside the Project. The Pili Mai Declaration does not contain any provisions intended to protect the view from any Unit or any other portion of the Project.
14. Noise; Traffic. Noise, dust, vibrations, and/or traffic in the vicinity of the Project may increase if and when any structures are constructed on lands adjacent to or in the vicinity of the Project. Buyer and every other person who has any interest in the Project or who has the right to use the Project or any part of it gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions that such person may have, now or in the future, against the Developer and its representatives, licensees, successors and assigns, and arising directly or indirectly out of or from such obstruction of views, additional noise, dust, vibrations, and/or additional traffic by reason of such further development.
15. Developer's Reserved Rights Re Developer Reserved Unit. The Developer will be assigning to the Developer Reserved Unit in Phase 3 an undivided 59.0848% common interest in the Project, which represents the remaining undivided percentage common interest in the Project which is not assigned to the twenty-six (26) residential Units in Phase 1, the thirteen (13) residential Units in Phase 2, the thirteen (13) residential Units in Phase 3, the thirteen (13) residential Units in Phase 4, and the thirteen (13) residential Units in Phase 5. It is not the intention of the Developer to complete construction of the Developer Reserved Unit and to obtain a certificate of occupancy therefor until the last phase of the Project. At least until such time as the Developer Reserved Unit is completed and the certificate of occupancy for the Developer Reserved Unit is issued, the Developer will retain sole ownership of the Developer Reserved Unit. As is described in more detail in Sections 19, 25, and 28.2 of the Pili Mai Declaration, it is the intention of the Developer, as subsequent phases of the Project are developed, to transfer, allocate and assign a portion of the common interest assigned to the Developer Reserved Unit to each of the New Units to be developed in each of the future phases as the New Units are incorporated into the Project. The Pili Mai Declaration also provides that the land comprising the "**Undeveloped Land Area**" will be made a Limited Common Element appurtenant to and for the exclusive use of the owner of the Developer Reserved Unit. As the Project is developed and future phases are incorporated into the Project, the Developer will have the right to exercise its reserved rights under the Pili Mai Declaration to alter, modify and change the Limited Common Elements appurtenant to the Developer Reserved Unit and convert the same into New Units, Common Elements and Limited Common Elements, including without limitation, the reserved right to either (a) remove the Developer Reserved Unit in its entirety, or (b) convert the Developer Reserved Unit into a Common Element, a Limited Common Element, or a new residential Unit.

16. Agricultural District Lands. Buyer acknowledges 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 and for farming, aquaculture or livestock operations (such activities and operations being herein collectively called the "**Agricultural Activities**"), which Agricultural Activities may from time to time affect the use and enjoyment of the Project and a Buyer's Unit due to odors, noise, dust pollution, heat, smoke, odors, noxious vapors and other nuisances or hazards emanating or deriving from, or incidental to operations on, such lands (collectively, the "**Agricultural By-Products**"). Buyer hereby assumes complete risk of and forever releases Developer and Developer's Representatives from all claims for damages (including, but not limited to, consequential, special, exemplary and punitive damages) and nuisances occurring on the Project and arising out of the Agricultural Activities or Agricultural By-Products. Without limiting the generality of the foregoing, Buyer hereby, with full knowledge of its rights, forever waives any right to require Developer or Developer's Representatives, and releases Developer and Developer's Representatives from any obligation, to take any action to correct, modify, alter, eliminate or abate any Agricultural Activities or Agricultural By-Products. Any Agricultural Activities or Agricultural By-Products, and any claim, demand, action, loss, damage, liability or expense arising therefrom, shall not constitute a breach of any covenant or warranty of Developer under this Public Report or be the basis for a suit or other claim for injunction or abatement of nuisances occurring on the Project and arising out of any Agricultural Activities or Agricultural By-Projects, and Buyer hereby forever waives any right to file any such suit or claim. Further, Buyer is notified that the Hawaii Right to Farm Act, HRS Chapter 165, may limit the circumstances under which Agricultural Activities may be deemed a nuisance by a court, official, public servant or public employee.
17. Changes in Price, Size and Design. Developer has made no promises, representations or assurances to Buyer regarding the pricing, size, design or configuration of any Units in the Project other than the Unit covered by this Purchase Agreement, and Buyer acknowledges that as market conditions or other facts change, such matters may be subject to change, including reduction in prices of such other Units in the Project or sales incentives offered in connection therewith, and changes in size, design or product type of such other Units in the Project.
18. Nearby Golf Course; Golf Hazards. Buyer understands and acknowledges that: (i) the Project is in the immediate vicinity of or adjacent to a golf course commonly known as the Kiahuna Golf Course (the "**Golf Course**"); (ii) the Golf Course and related facilities do not constitute common property of the Association, and are not subject to the Pili Mai Declaration; (iii) membership in the Association, nor ownership or occupancy of the Unit, confers any ownership or membership interest in the Golf Course; and (iv) the location of the Golf Course to the Project and the Unit may result in nuisances or hazards to persons or property on or within the Project or the Unit as a result of Golf Course operations, including, but not limited to, the risk of errant golf balls, noise, agricultural chemicals, particulates, the use of non-potable water irrigation systems, loss of privacy and entry upon the Project by golfers, which may affect the use and enjoyment of the Project. By acquiring ownership of the Unit, Buyer, for itself and on behalf of its successors and assigns, hereby expressly (a) acknowledges the foregoing conditions as well as any inconvenience or annoyance that Buyer may experience as a result of such conditions, and (b) releases Developer, the owners and operators of the Golf Course, and their respective successors and assigns, from any and all claims, actions and/or liabilities arising out of such conditions, including but not limited to any claim for damages attributable thereto or for the abatement thereof.
19. Kiahuna Golf Village; Poipu Resort Area. The Project is located in the Kiahuna Golf Village subdivision and in the vicinity of the Poipu Resort Area on the Island of Kauai. Resort-related activities such as golf tournaments, concerts and luaus may result in further nuisances to persons or property on or about the Project.
20. Private Refuse Collection. Refuse collection for the Project will be provided through a private refuse collection firm. All collection fees charged by such refuse collection firm shall be common expenses of the Association and be included in the Association's monthly maintenance fees.

21. Environmental Issues – Mold. Mold is a type of fungus that occurs naturally in the environment and is spread by means of microscopic spores in the air. Residential home construction is not, and cannot be, designed to exclude mold spores from a home. Mold spores may enter a home through open doorways, windows, and air conditioning systems. Spores in the air also attach themselves to people and animals, making clothes, shoes, and pets convenient vehicles for carrying mold spores indoors. Mold spores require a food source and a moisture source. The food source may be supplied by decorative items found in the home, such as fabric, carpet, wallpaper, or even building materials. Moisture sources include spills, leaks, overflows, condensation, excessive landscape watering and high humidity. Although the vast majority of molds are not known to cause health problems, some molds have the potential to cause health effects to individuals whose susceptibility is affected by existing sensitivities to allergies, underlying lung disease, and suppressed immune systems. There are currently no federal, state, or local standards that establish permissible limits for exposure to mold. Since microscopic mold spores exist everywhere naturally in the environment, mold cannot be prevented or removed entirely. The only way to prevent mold growth is to eliminate excessive moisture in the home. Homeowners must therefore take positive steps to eliminate excessive moisture in the home through: (a) regular vacuuming and cleaning; (b) reducing humidity in the home by adequately venting the home; (c) promptly repairing water leaks; (d) regularly maintaining the home; and (e) performing routine visual inspections for mold growth and signs of leaks, moisture or water damage. Developer cannot ensure that mold and mold spores will not be present in the Project. Accordingly, the Developer shall not be liable for any actual, special, incidental or consequential damages based on any legal theory whatsoever, including, but not limited to, strict liability, breach of express or implied warranty, negligence or any other legal theory, with respect to the presence and/or existence of molds, mildew and/or microscopic spores at the Project unless caused by the sole negligence or willful misconduct of Developer.
22. Utility Charges for Lighting. The Units in the Project may include certain light fixtures that will be installed above the garage door, and on the exterior side of certain end Units for the purpose of providing general lighting to the entry areas, pathways, and driveways appurtenant to the Units. The light fixtures will be Limited Common Elements such that the owner will maintain and replace light bulbs for the fixtures appurtenant to his or her Unit in accordance with the House Rules, and the electricity charge for operating such light fixtures shall be borne by the owner of the Unit to which the light fixtures are appurtenant.
23. Metal Work Disclosure. Exterior metal work finish is severely impacted by salt air conditions. Notwithstanding anything in this Agreement to the contrary, no warranty is given for such finishes and Developer makes no representations regarding rust prevention maintenance requirements. Aggressive action to prevent rust is required by Buyer or the Association. Metal work includes railings, hinges, gate mechanisms, if any, etc. All metal work may corrode, have pock marks, peel, rust or, in the case of painted metal materials, bubble and peel. Vinyl coated metal work may peel due to salt air conditions, which will require replacement more frequently than normally expected.
24. Vog. The long term volcanic activity/eruptions from Kilauea volcano on the Island of Hawaii has resulted in emissions into the air which are commonly called "vog". Vog refers to a type of air pollution or volcanic smog created by the gases emitted into the air from the ongoing volcanic eruption mixing with water vapor and very small particles which are primarily sulfur compounds and sulfur dioxide. Vog may be the haze you may see in the air on the Island of Kauai from time to time. Vog becomes thicker or lighter depending upon the amount of emissions from Kilauea volcano, the direction and amount of wind, and other weather conditions within the State of Hawaii. People with pre-existing respiratory conditions are more prone to adverse effects from vog which may include: headaches, breathing difficulties, increased susceptibility to respiratory ailments, watery eyes, and sore throat, but the long-term health effects of vog are currently unknown. Since the weather, wind direction and amount of volcanic activity vary from day to day it is not possible to provide specific guidance regarding when the vog will be heavy or light on the Island of Kauai. Buyer will be provided by the Developer with a copy of the publication from the County of Hawaii entitled "Emissions from

Kilauea Volcano (March 2008)" which contains a brief summary of the health hazards and protective measures relating to vog. Having been apprised of the foregoing condition and risk, by acquiring a Unit in the Project each Buyer will be agreeing to accept such condition and to assume all risks associated therewith, and to give up (in legal terms, "waive, release and discharge") any rights, claims or actions that Buyer may have, now or in the future, against Developer and the Developer's representatives, successors and assigns, and arising directly or indirectly out of or from the presence of vog in the air surrounding the Project lands.

25. Tsunami Risk. The Project lands are not currently located in a high risk tsunami inundation area, but nonetheless the Project lands are located in a coastal area of the Island of Kauai where a particularly severe series of tsunami waves could potentially impact the Poipu Resort Area and indirectly the Project and the Units. Having been apprised of the foregoing condition and risk, by acquiring a Unit in the Project each Buyer will be agreeing to accept such condition and to assume all risks associated therewith, and to give up (in legal terms, "waive, release and discharge") any rights, claims or actions that Buyer may have, now or in the future, against Developer and the Developer's representatives, successors and assigns, and arising directly or indirectly out of or from the impact or effect of a tsunami on the Project lands and Units.
26. Security. Developer has the right, but not the duty to take steps designed to make the Project safer than it otherwise might be. Developer and each of its representatives are not in any way to be considered insurers or guarantors of safety or security within the Project, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate or effective safety or security measures. Developer makes no representation or warranty that any fire protection, burglar alarm, or other safety or security system or measures, including anything intended to limit access to the Project, (i) will be effective in all cases and cannot be compromised or circumvented; (ii) will prevent all losses; (iii) will limit access to the Project; or (iv) will provide the detection or protection which it is designed or intended to provide. Each person using the Project assumes all risks of personal injury, death, or loss or damage to property resulting from the acts of third parties.
27. Tax and Insurance Estimates. Any sum estimated for taxes or insurance affecting the Unit or Project may increase or decrease depending upon fluctuation of real property taxes or insurance rates.
28. Rules and Guidelines adopted by the Design Review Committee of the Association. The Design Review Committee of the Association of Unit Owners of Pili Mai at Poi'pū has prepared and adopted Rules and Guidelines, a copy of which, as updated by said Design Review Committee from time to time, shall be available for review either through the Developer or through the Managing Agent for the Project.
29. Nearby Roadways. The Project development is bordered by a private roadway, Kiahuna Plantation Road. Kiahuna Plantation Road connects to various secondary roadways within Poipu. Due to the proximity of the Project development to these roadways, there may be increased noise, dust, traffic and other nuisances or annoyances to persons residing within the Project.
30. Shearwater Bird Population. Newell's Shearwater birds are generally docile seabirds that are known to travel to Kauai during the spring and summer seasons to lay their eggs and nest in the interior portions of the island. The bright lights of populated areas of the island, however, have been known to attract such birds and sometimes cause them to fly into unseen objects and "ground" themselves. Accordingly, exterior lighting for the Project will be arranged so as to minimize the impact of Shearwater grounding and House Rules should be reviewed by the Buyer and Buyer's guests and invitees for the procedures to follow, including notifying as soon as possible property management for the collection of any grounded Shearwater bird, to assure proper care and reintroduction of the bird into the environment. Buyer and Buyer's guests and invitees should not personally handle any grounded Shearwater in the Project.

31. School Information. Developer has made no representations, warranties or assurances to Buyer that the Project will be included within any particular school district. Buyer is responsible for determining the availability of schools and the same are subject to change by the applicable school district.

Each Buyer of a Unit in the Project acknowledges the conditions identified above and assumes all risks associated therewith and will agree to indemnify and hold harmless the Developer, the Developer's partners and members, and all of their respective officers, directors, employees agents, successors and assigns from any and all loss (including but not limited to economic loss), cost, expense, harm, injury or damage to person or property that the Buyer or any of the Buyer's family members, assigns, tenants, lessees, servants, guests, invitees, licensees, agents, employees, or any other person who may occupy the Unit or the Project, by through, or under the Buyer, may suffer as a result of any of such conditions and assumed risks.

EXHIBIT L
(Section 5.1)

SUMMARY OF THE CONDOMINIUM ESCROW AGREEMENT

The Condominium Escrow Agreement dated as of April 23, 2014, as amended by First Amendment to Condominium Escrow Agreement dated January 10, 2017 (collectively, the "**Escrow Agreement**"), was made by and between Title Guaranty Escrow Services, Inc. ("**Escrow Agent**") and KIAHUNA FAIRWAYS LLC ("**Developer**"). The Escrow Agreement contains among other provisions the following (which may be modified or otherwise limited by provisions not summarized herein):

1. Sales Contracts Deposited in Escrow. Whenever Developer enters into a sales contract with a purchaser for the sale of a Unit in the Pili Mai at Po'ipū condominium project (the "**Project**"), Developer shall deliver an executed copy of the sales contract to Escrow Agent. The sales contract shall require that all payments due thereunder be made directly to Escrow Agent to be held and disbursed in accordance with the Escrow Agreement. If the purchaser intends to purchase the Unit as an "owner-occupant" pursuant to Chapter 514B, Hawaii Revised Statutes ("**H.R.S.**"), said purchaser shall deliver an owner-occupant affidavit to Escrow Agent in the form and content required by H.R.S. §514B-97.
2. Receipt of Funds by Escrow Agent. Escrow Agent shall receive and hold in escrow and disburse in accordance with the Escrow Agreement all payments under sales contracts for Units in the Project and all sums of money from any other source relating to the Project. Within a reasonable time after receiving any such funds, Escrow Agent shall deposit the same in an interest-bearing account or accounts at a federally insured bank, savings and loan association, or trust company authorized to do business in the State of Hawaii. Any interest earned on such deposits shall accrue as specified in the sales contract.
3. Conditions to be Met Prior to Disbursement; Disbursement of Purchasers' Funds Held In Escrow to Pay Certain Project Expenses Prior to Completion of Construction. Escrow Agent shall make no disbursement of funds deposited with it unless: (a) the Real Estate Commission has issued an effective date for a Developer's Public Report for the Project; (b) Developer or Developer's attorney has notified Escrow Agent that the requirements of H.R.S. §514B-82, §514B-86, §514B-87, §514B-90, and §514B-92 have been met; (c) Developer has given Escrow Agent a written waiver of any reserved option to cancel the sales contract; and (d) Developer has delivered to Escrow Agent a statement from Developer's architect that the Project is in compliance with the Federal Fair Housing Amendments Act of 1988. Prior to completion of construction, provided that the requirements set forth in clauses (a) through (d) of the preceding sentence have been satisfied, Escrow Agent shall disburse funds deposited with it to pay for (i) construction costs of the buildings and other improvements and fixtures of the Project, and (ii) architectural, engineering, finance and legal fees and other incidental expense of the Project to the extent approved by Developer's mortgagee.
4. Return of Funds and Documents. Escrow Agent shall return deposited sums, with interest to the extent provided in the sales contract, less Escrow Agent's cancellation fee and other costs up to a maximum of \$250.00, to a purchaser if:
 - (a) Developer and such purchaser instruct Escrow Agent in writing to return such funds to such purchaser; or
 - (b) Developer notifies Escrow Agent of Developer's exercise of the option to cancel or rescind the sales contract entered into by such purchaser pursuant to any right of cancellation or rescission provided for therein or otherwise available to Developer with respect to which, in accordance with the sales contract, Purchaser is entitled to a return of funds deposited by it with Escrow Agent; or
 - (c) The purchaser exercises such purchaser's right, pursuant to Section IV, Paragraph 2 of the sales contract, to cancel the sales contract entered into by such purchaser; or

(d) The purchaser exercises such purchaser's right, pursuant to HRS Section 514B-87, to rescind the sales contract entered into by such purchaser.

5. Unclaimed Funds. Escrow Agent shall notify each purchaser entitled to a return of funds by registered, certified or regular mail. If any purchaser does not claim the refund within sixty (60) days, Escrow Agent shall deposit the funds with a bank or depository selected by Escrow Agent in the name of Developer as trustee for the purchaser. Thereafter, Escrow Agent shall have no further obligation or liability with respect to such funds and purchaser.

6. Closing. Except for the sales contract and any note and mortgage, Escrow Agent shall arrange for and supervise the execution, recording, and delivery of all documents, as necessary, related to the Project.

7. Partial Closings. In the event Developer desires partial closings (i.e. closings for some but not all of the Units), Escrow Agent agrees to cooperate and facilitate such partial closings.

8. Defects in Documents. Within five (5) business days of the date of closing, Escrow Agent shall record all documents necessary to effect the transfer of legal title to the purchaser, provided said documents are not defective in any way. If any documents are defective, Escrow Agent shall notify Developer thereof and correct such defects if they are within Escrow Agent's capacity to correct.

9. Purchaser's Default. Developer shall notify Escrow Agent when payments are due from a purchaser, who shall then be notified by Escrow Agent. Escrow Agent shall notify Developer of any defaults by a purchaser. If Developer certifies to Escrow Agent in writing that Developer has terminated the sales contract in accordance with the terms thereof, then Escrow Agent shall thereafter treat all funds of the purchaser paid on account of such sales contract as funds of Developer. Upon the written request of Developer, Escrow Agent shall pay such funds to Developer, less any cancellation fee. Thereafter, Escrow Agent shall have no further obligation or liability with respect to such funds or purchaser.

10. Protection of Escrow Agent. Escrow Agent shall have no liability for acting in accordance with the terms of the Escrow Agreement, notwithstanding a notice to the contrary from Developer, any purchaser, or any third person. Escrow Agent shall not be responsible for the validity or sufficiency of any documents received by it, shall be entitled to assume that said documents have been properly executed and that any written certification or instrument from Developer is true and accurate. In the event of any dispute, difference, or conflicting demand upon Escrow Agent, Escrow Agent shall not be required to determine the same or take any action in the premises, but may await settlement of the controversy by appropriate legal proceedings or otherwise, including the resolution of an interpleader action initiated by Escrow Agent. Developer and each purchaser shall pay to Escrow Agent on demand, and indemnify and hold harmless Escrow Agent against, all costs and damages arising out of the Escrow Agreement, except for any act or omission of Escrow Agent that is not generally accepted as a reasonable business practice. Escrow Agent shall not be required to mail any notice or keep any records required under the owner/occupant provisions of H.R.S. Chapter 514B.

11. Miscellaneous. The Escrow Agreement is binding upon and inures to the benefit of the parties hereto and their successors and assigns. The Escrow Agreement may be terminated on fifteen (15) days' written notice to either party. In the event of any conflict between the Escrow Agreement and H.R.S. Chapter 514B, the statutory provisions shall control. Escrow Agent shall furnish Developer with semi-monthly reports that cover the status of each sales contract in escrow.

12. Compensation. For each sale of a Unit closed by Escrow Agent, Escrow Agent shall be paid an escrow fee in the amount of \$950.00 plus the applicable Hawaii general excise tax thereon. The premium for the standard owner's title insurance policy and ALTA lender's title insurance policy issued with respect to each Unit shall be \$1,225.00. An additional fee of \$250.00 shall be charged to the purchaser for each mortgage loan obtained by the purchaser from a lender not designated by Developer. Should the purchaser obtain a mortgage loan from any out-of-state lender, a fee of \$500.00 shall be charged to the purchaser for such mortgage. Developer shall pay an additional charge for any changes

to any closing statement or other document that are necessary after the commencement of preclosing or closing proceedings, unless said changes are necessary due to the fault of Escrow Agent.

The compensation to Escrow Agent with respect to the closing of the sale of any Unit shall be due and payable upon the earlier of: (i) transfer to a purchaser of legal title to such Unit; and (ii) final disbursement of the purchase price of such Unit and other sums held by Escrow Agent with respect hereto. Developer shall pay an additional charge for any changes to any closing statement or other document that are necessary after the commencement of preclosing or closing proceedings, unless said changes are necessary due to the fault of Escrow Agent.

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

**EXHIBIT M
(Section 5.4)**

CONSTRUCTION WARRANTIES

1. Building and Other Improvements.

Upon the closing of the purchase of a Unit in the Project, the Developer shall issue to the purchaser of the Apartment (the "**Buyer**") a limited warranty relating to the construction of the Unit as more particularly set forth in the Limited Warranty section of the Homeowner Manual provided by the Developer to the Buyer upon acceptance of the Purchase Agreement by the Developer. The coverage of this limited warranty shall begin on the date of closing and, except for any exceptions expressly stated in the Homeowner Manual, the coverage of the limited warranty shall expire one (1) year from the date of closing of the Unit.

2. Appliances.

It is the Developer's intention that the closing of the purchase of a Unit in the Project shall effectuate an assignment by the Developer to the Buyer, for the unexpired term, if any, of any manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances that are part of the Unit. It is the Developer's intention, in so attempting to assign such warranties, to pass through to the Buyer any such manufacturer's or dealer's warranties; the Developer will not adopt any such warranties or act as co-warrantor with respect to any furnishings, fixtures or appliances. The terms of the manufacturer's or dealer's written warranties will be available for the Buyer's examination at the Developer's sales office.

Except for the agreements set forth hereinabove, THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT, THE PROJECT, ANY CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED IN ANY UNIT OR IN THE PROJECT, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS OF ANY UNIT FOR A PARTICULAR PURPOSE.

EXHIBIT N
INFORMATION REGARDING
PARTIES AFFILIATED WITH THE DEVELOPER

1. The Developer is a Hawaii limited liability company whose sole member is BH Hawaii Holdings LLC, a Delaware limited liability company.
2. Brookfield Homes Hawaii Inc., a California corporation, an affiliate of BH Hawaii Holdings LLC, is the General Contractor for the Project. Brookfield Homes Hawaii Inc. holds Hawaii Contractor's License No. 25380.
3. Island Paradise Properties, LLC, a Hawaii limited liability company, an affiliate of BH Hawaii Holdings LLC, is the Real Estate Broker for the Project. Island Paradise Properties, LLC holds Hawaii Real Estate Broker's License No. RB-19075.
4. A table showing the directors and officers of BH Hawaii Holdings LLC, Brookfield Homes Hawaii Inc., and Island Paradise Properties, LLC is attached hereto.

**BROOKFIELD HOMES COMPANIES
DIRECTORS & OFFICERS**

	BH HAWAII HOLDINGS LLC	BROOKFIELD HOMES HAWAII INC.	ISLAND PARADISE PROPERTIES, LLC
DIRECTORS:		Warren E. Krug William B. Seith Robin A. Rutherford	
MANAGER(S)	William B. Seith Warren E. Krug Robin A. Rutherford		William B. Seith Warren E. Krug Robin A. Rutherford
OFFICERS:			
President	Warren E. Krug	William B. Seith	William B. Seith
Chief Financial Officer	Thomas Lui	Warren E. Krug	Warren E. Krug
Vice President		L. Scott Underwood Egen R. Moe	Egen R. Moe
Secretary	William B. Seith	William B. Seith	William B. Seith
Assistant Secretary	Robin A. Rutherford	David F. Murphy Robin A. Rutherford	Robin A. Rutherford

EXHIBIT O
(Section 5.7(8))

SUMMARY OF KIAHUNA MAINTENANCE DISTRICT AGREEMENT

The Developer has entered into that certain unrecorded Kiahuna Maintenance District Agreement dated July 3, 2012, a short form memorandum of which is effective as of July 11, 2013, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. T-8621275, and also recorded in the Bureau of Conveyances of the State of Hawaii as Document No. A-49690590 (the "*Kiahuna Maintenance District Agreement*"). The Kiahuna Maintenance District Agreement establishes the Kiahuna Maintenance District for the Kiahuna Project Lands which includes the Project lands and certain other neighboring parcels of land identified in the Kiahuna Maintenance District Agreement as Parcels 32A, 32B, 34 and 35. The Kiahuna Maintenance District was established at the direction of the County of Kauai in connection with the entitlements for the properties within the Kiahuna Maintenance District for the purpose of owning, maintaining, administering, repairing, replacing, restoring, operating and/or keeping in good order and condition the Maintenance District Property for the direct and indirect benefit of the respective lands within the Kiahuna Maintenance District. The Maintenance District Property is comprised of certain master infrastructure improvements servicing the various properties within the Kiahuna Maintenance District.

1. The conditions imposed by the Kiahuna Maintenance District Agreement run with the Project lands and bind and constitute notice to all subsequent lessees, grantees, assignees, mortgagees, lienors, and any other persons who shall claim an interest in any Unit in the Project. The terms and conditions of the Kiahuna Maintenance District Agreement include, among other provisions, for the establishment of an annual budget by the members of the Kiahuna Maintenance District and an annual assessment against each of the parcels comprising the Kiahuna Maintenance District, including the Project lands, to pay for the costs of maintaining, administering, repairing, replacing, restoring, operating and keeping in good order and condition the Maintenance District Property.

2. The assessment is imposed against the Project lands not the individual Units. In accordance with the Declaration, the prorated share of such assessments against the Project lands shall be a common expense of the Association of Unit Owners of Pili Mai at Po'ipū established under the Bylaws (the "*Condominium Association*"), and each of the Owners of a Unit in the Project shall by taking title such Unit be deemed to have accepted the provisions of the Kiahuna Maintenance District Agreement, as the same may be amended from time to time, and will, at such Owner's proportionate share of the expense thereof, cause the Condominium Association to observe, perform, and comply with all applicable terms and conditions set forth in the Kiahuna Maintenance District Agreement. The currently allocated per Unit share of the monthly assessment made against the Project by the Kiahuna Maintenance District is \$12.00 per month, subject to adjustment from time to time. Therefore it is recommended that you or your real estate consultants/advisors review the terms and conditions of the Kiahuna Maintenance District Agreement.

3. The Developer has reserved right, but not the obligation, on behalf of the Condominium Association, at any time or times prior to the earlier of (i) December 31, 2029, or (ii) the date when the Developer records a document giving up all of the Developer's Reserved Rights, to establish, enter into and amend or modify the Kiahuna Maintenance District Agreement, as the Developer deems necessary or desirable in the Developer's sole discretion, and the Developer may, without being required to obtain the consent or joinder of any Owner, lienholder or other persons, execute and record amendments to the Kiahuna Maintenance District Agreement, and any and all other instruments necessary or appropriate for the purpose of carrying out the provisions or exercising the rights, powers or privileges herein reserved to the Developer.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE KIAHUNA MAINTENANCE DISTRICT

AGREEMENT. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE OBLIGATIONS OF THE MEMBERS OF THE KIAHUNA MAINTENANCE DISTRICT UNDER THE KIAHUNA MAINTENANCE DISTRICT AGREEMENT, THE BUYER MUST REFER TO THE KIAHUNA MAINTENANCE DISTRICT AGREEMENT TO DETERMINE THE ACTUAL RIGHTS AND OBLIGATIONS ARISING THEREUNDER. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE KIAHUNA MAINTENANCE DISTRICT AGREEMENT, THE KIAHUNA MAINTENANCE DISTRICT AGREEMENT WILL CONTROL.

EXHIBIT P
(Section 5.7(8))

SUMMARY OF DESIGN REVIEW COMMITTEE AND GUIDELINES

As part of the Pili Mai at Poi`pū condominium project (the "**Project**"), owners have contractually agreed to surrender some of their freedom of expression in improving their Units, and have accepted an obligation to conform to architectural and design standards established in accordance with the Declaration and the Design Review Committee Rules and Guidelines (the "**Project Rules and Guidelines**"), in order to preserve and maintain the character of the Project in which they have chosen to live. The Declaration and the Project Rules and Guidelines protect these standards for the ultimate benefit of all PILI MAI AT POI`PŪ owners, residents and occupants (each an "**Owner**" and collectively, the "**Owners**").

In light of this goal, the Declaration establishes the Board's responsibility to designate a Design Review Committee, which has the overall responsibility of preserving and maintaining architectural and design standards concerning alterations to existing Units within the Project. The primary objective of the Design Review Committee in meeting this responsibility is to ensure harmonious aesthetic relationships between individual Units, buildings and their sites and to ensure compatibility of each Unit and its improvements with the architectural and design standards that prevail within the Project. To foster this end the Project Rules and Guidelines have been adopted.

While the Design Review Committee will attempt to accommodate the desires of individual Owners; given its primary responsibility of maintaining and preserving the architectural and design standards developed under the protection of the Declaration and the Project Rules and Guidelines, the Design Review Committee cannot – and will not – approve designs and materials that, in its opinion, will have an adverse effect upon the architectural and design standards of the Project.

The decisions of the Design Review Committee involve areas where individual impressions, personal preferences and subjective opinions may lead individual Owners to disagree with some of the standards incorporated in the Project Rules and Guidelines. Nevertheless, the Design Review Committee will be charged with the responsibility of using its collective knowledge and experience to establish and maintain architectural standards, which will balance the needs of the community and those of individual Owners. The Design Review Committee is also aware that plans and specifications do not always convey the true appearance of a particular design. The Design Review Committee will seek to be equitable, objective and consistent in the procedures it uses for evaluating construction proposals to see that they conform to all requirements of the Declaration, the Project Rules and Guidelines and other relevant design requirements. The Design Review Committee will also seek to ensure that the design standards outlined in the Project Rules and Guidelines are interpreted and enforced in a uniform and consistent manner by the Design Review Committee for the ultimate benefit of all Owners and residents and the community as a whole.

From time to time, the Design Review Committee may deem it appropriate to consider new and different designs and materials for use within its area of responsibility. The Design Review Committee will strive to be reasonable and flexible in reviewing new design concepts and materials that can be integrated harmoniously with existing structures. The Design Review Committee will not, however, approve designs or materials that are inconsistent with its existing architectural standards simply because such designs or materials are currently popular or considered fashionable. Experimental or *avant garde* or overly decorative designs or materials are unlikely to be approved.

The basic design philosophy embodied in the Project Rules and Guidelines calls for an underlying order and establishes the control necessary to make the Project work, wherein all the various elements add to, and do not detract from, the character of the Project.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE PROJECT RULES AND GUIDELINES. WHILE

A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE OBLIGATIONS AND RESPONSIBILITIES OF THE UNIT OWNERS UNDER THE PROJECT RULES AND GUIDELINES, THE BUYER MUST REFER TO THE PROJECT RULES AND GUIDELINES TO DETERMINE THE ACTUAL RIGHTS AND OBLIGATIONS ARISING THEREUNDER. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE PROJECT RULES AND GUIDELINES, PROJECT RULES AND GUIDELINES WILL CONTROL.