

LAND COURT SYSTEM

REGULAR SYSTEM

AFTER RECORDATION: RETURN BY MAIL () PICK UP ()

Tax Map Key Nos. (1) 2-3-016:004 CPR No. _____

Total Pages: _____

Unit No. _____

**LIMITED WARRANTY UNIT DEED, ENCUMBRANCES AND
RESERVATION OF RIGHTS WITH POWER OF ATTORNEY
WITH USE, SALE AND TRANSFER RESTRICTIONS
SKY ALA MOANA EAST**

THIS INDENTURE, made this _____ day of _____, 20____, by and between **JL AVALON CAPBRIDGE, LLC**, a Hawaii limited liability company, whose principal place of business and mailing address is 1440 Kapiolani Boulevard, Suite 1509, Honolulu, Hawaii 96814 ("Grantor"), and _____, whose address is _____ ("Grantee").

WITNESSETH:

That Grantor, in consideration of the sum of TEN AND NO/100 UNITED STATES DOLLARS (U.S. \$10.00), and other good and valuable consideration to Grantor paid by Grantee, receipt whereof is hereby acknowledged, and of the promises and covenants hereinafter set forth and on the part of Grantee to be faithfully observed and performed, does hereby grant, bargain, sell and convey unto Grantee, as _____, the following described real property (the "Property"), and the reversions, remainders, rents, issues and profits thereof, and all of the estate, title and interest of Grantor, both at law and in equity, thereon and thereto;

The Property hereby conveyed comprises a portion of the SKY ALA MOANA EAST condominium project (the "Project"), as established by that certain Declaration of Condominium Property Regime of Sky Ala Moana East dated January 7, 2021, recorded at the Bureau of Conveyances of the State of Hawaii as Document No. A-77460189, as amended and restated by that certain Amended and Restated Declaration of Condominium Property Regime of Sky Ala Moana East and Condominium Map dated November 29, 2021, recorded at the Bureau as Document No. A-80240889, as the same may be amended from time to time (the "Declaration"). The Project consists of those certain lands situate at Kalia, Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, more particularly described

in Exhibit "A" attached hereto and incorporated herein by reference, together with the improvements located thereon, as more particularly described in and subject to the Declaration. The portion of the Project consisting of the Property hereby conveyed is more particularly described in said Exhibit "A".

TO HAVE AND TO HOLD the same unto Grantee, according to the tenancy and estate hereinabove set forth, in fee simple, absolutely and forever, subject as aforesaid, and subject also to the Declaration, the Bylaws of the Association of Unit Owners of Sky Ala Moana East dated January 7, 2021, recorded at said Bureau as Document No. A-77460190, as the same may be amended from time to time (the "Bylaws"), and the Declaration of Reciprocal Easements and Irrevocable Facilities License dated March 15, 2019, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. T-10668210, as amended by First Amendment to Declaration of Reciprocal Easements and Irrevocable Facilities License dated February 9, 2021, recorded in said Bureau as Document No. A-77130315, as the same may be amended from time to time (the "Reciprocal Easement Agreement") and the covenants, conditions and restrictions in the Declaration and in the Bylaws contained, all of which are incorporated herein by reference and made a part hereof.

The Property shall at all times be used only for the purposes described in the Declaration.

Grantor hereby covenants and agrees with Grantee that Grantor is lawfully seized in fee simple of the Property and the rights granted, bargained, sold and conveyed as herein mentioned; and Grantor has good right to grant, bargain, sell and convey the same in the manner set forth herein; and that the same are free and clear of and from all encumbrances created or suffered by Grantor, except for the encumbrances set forth in said Exhibit "A", and except for the lien of real property taxes not yet by law required to be paid; and Grantor shall **WARRANT AND DEFEND** the same unto Grantee, forever, against the lawful claims and demands of all persons claiming through Grantor, except as herein set forth.

Grantee does hereby covenant and agree, for the benefit of the owners from time to time of all other condominium units in the Project, to at all times observe, perform, comply with and abide by all of the terms, covenants, conditions, agreements, obligations and restrictions set forth in the Declaration, the Bylaws, and the Rules and Regulations of the Association of Unit Owners of Sky Ala Moana East, as now or hereafter amended ("House Rules"), on Grantee's part to be observed and performed as and when required to do so, and will indemnify and hold and save harmless Grantor from any failure to observe and perform any of such terms, covenants, conditions, agreements, obligations and restrictions.

Grantee further acknowledges and agrees that Grantee has examined (or waived such examination), and has approved the following Project documents (and any and all amendments to said documents): the Declaration, Bylaws and the Project Condominium Map No. 6201 ("Condominium Map"), the House Rules, the Reciprocal Easement Agreement, Sky Ala Moana East Escrow Agreement and the Developer's Public Report issued for the Project by the Real Estate Commission of the State of Hawaii. In addition, Grantee hereby agrees and acknowledges that each of the acknowledgments and agreements made by Grantee in the Sky Ala Moana East Flats Unit Sales Contract, including all supplements, addenda and amendments thereto, covering the Property shall survive the recordation of this Deed.

Grantee hereby understands, accepts and agrees that the Property conveyed herein is designated as an "Affordable Housing Unit" in accordance with the terms, conditions and requirements of the Sky Ala Moana Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants dated September 24, 2021 and recorded at said Bureau as Document Nos. A-79430907-08 (the "Affordable Housing Agreement") and the Rules to Implement City's Affordable Housing Requirements, effective March 31, 2019 (the "Affordable Housing Rules"). As an Affordable Housing Unit, the Property is subject to certain use, sale and transfer restrictions summarized in Exhibit "B" attached hereto and incorporated herein by reference. Without limiting the generality of the foregoing, Grantee hereby covenants and agrees that:

- (a) The Property shall be occupied as Grantee's principal residence for the duration of the Restriction Period (as more particularly identified in Exhibit "B" attached hereto and incorporated by herein by reference). Notwithstanding any provision in the Declaration to the contrary, the Property may be rented by Grantee unless specifically authorized by Director of the Department of Planning and Permitting.

- (b) If the Property is sold during the Restriction Period: (a) the Department of Budget and Fiscal Services of the City and County of Honolulu ("BFS") or qualified nonprofit housing trust shall have the first option to purchase the Property; and (b) if BFS or qualified nonprofit housing trust does not exercise the right option to purchase, the Property must be sold to a qualified resident in the same income group as Grantee. The sales price of the Property may not exceed the sum of: (i) the original purchase price of the Property; (ii) cost of any property improvements added by the owner; and (iii) simple interest on the original purchase price at a rate of one percent per year the Property was occupied. The City reserves the right to recover any money wrongfully gained and to any recourse provided by law for violation of these requirements.

By accepting this Deed, Grantee expressly covenants and agrees that Grantee shall observe, perform, and comply with all of the covenants and restrictions pertaining to the ownership, use, sale and transfer of the Property set forth in the Affordable Housing Agreement and the Affordable Housing Rules, as the same may be amended from time to time.

Grantee further acknowledges and agrees that Grantee has received and examined a true, correct, and complete copy of the Joint Development Agreement and Declaration of Restrictive Covenants dated September 24, 2021, filed in said Office as Document No. T-11595469-70 and recorded at said Bureau as Document No. A-79430905-06 (the "Joint Development Agreement") and that, by accepting title to the Property, Grantee is a party to the Joint Development Agreement. Grantee authorizes the Director of the Department of Planning and Permitting to serve Grantee and its tenants with legal notices and process by sending a single copy of the relevant notice or legal process to the Association of Unit Owners of Sky Ala Moana East, and, to the maximum extent permitted by law, Grantee waives any personal service or individual notice requirements that would otherwise apply to Grantee or its tenants.

Grantee hereby acknowledges and accepts those certain rights set forth in the Declaration as being reserved unto Grantor for the periods described therein and agrees and consents to Grantor's exercise of such reserved rights in connection with the Project. Grantee does hereby further consent to the recording of any and all documents necessary to effect Grantor's exercise of said reserved rights at said Bureau, including without limitation, any amendment or amendments to the Declaration, Bylaws, Condominium Map and the House Rules, as appropriate; agrees to execute, deliver and record such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints Grantor and its assigns as Grantee's attorney-in-fact with full power of substitution to execute, deliver, and record such documents and instruments and to do such things on Grantee's behalf to effect such reserved rights, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights, and shall not be affected by the disability of such party or parties, and which means that the grant of such power will be binding upon any person or entity to which Grantee transfers the Property and will be considered automatically granted anew by any such person or entity upon such transfer of any interest therein, whether by deed, mortgage, or any other instrument of conveyance.

The rights and obligations of Grantor and Grantee shall be binding upon and inure to the benefit of their respective estates, heirs, devisees, personal representatives, successors, successors-in-trust and assigns. All obligations undertaken by two (2) or more persons shall be deemed to be joint and several unless a contrary intention shall be clearly expressed elsewhere herein. Without limiting the generality of the foregoing, each and every acknowledgment, acceptance, appointment, agreement and covenant of Grantee herein shall run with the land and constitute an equitable servitude and lien, and is made by Grantee for Grantee and on behalf of Grantee's estate, heirs, devisees, personal representatives, successors, successors-in-trust and assigns. Each and every person hereafter acquiring from Grantee or Grantee's estate, heirs, devisees, personal representatives, successors, successors-in-trust or assigns, an interest in the Property hereby conveyed, by such acquisition, makes said acknowledgments, acceptances, appointments, agreements and covenants for such person and for such person's estate, heirs, devisees, personal representatives, successors, successors-in-trust and assigns.

In the event that any provision of this instrument is illegal, void or unenforceable for any reason, the remaining terms of this instrument shall remain in full force and effect.

The conveyance herein set forth and the warranties of Grantor concerning the same are expressly declared to be in favor of Grantee, Grantee's heirs, devisees, personal representatives, successors, successors-in-trust and assigns.

The terms "Grantor" and "Grantee," as and when used herein, or any pronouns used in place thereof, shall mean and include the masculine, feminine and neuter, the singular and plural number, individuals, trustees, corporations, partnerships and companies, and their and each of their respective heirs, devisees, personal representatives, successors, successors-in-trust and assigns, according to the context thereof. All other capitalized terms used herein shall have the meanings given to such terms in the Declaration, unless otherwise defined herein.

Grantor and Grantee agree that this instrument may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same instrument, binding upon all of the parties hereto, notwithstanding that all of the parties are not signatories to the original or the same counterparts. For all purposes, including, without limitation, recordation, filing and delivery of this instrument, duplicate, unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

(The remainder of this page has been intentionally left blank.)

IN WITNESS WHEREOF, Grantor and Grantee have executed these presents on the day and year first above written.

JL AVALON CAPBRIDGE, LLC,
a Hawaii limited liability company

By _____
Name: _____
Its: _____

"Grantor"

[Individual Grantee]

[Individual Grantee]

_____, _____
[Entity Grantee]

By _____
Name: _____
Title: _____

By _____
Name: _____
Title: _____

"Grantee"

STATE OF HAWAII
CITY AND COUNTY OF HONOLULU

SS:

On this _____ day of _____, 20____, before me appeared _____, to me personally known, who being by me duly sworn or affirmed, did say that such person(s) executed the foregoing instrument as the free act and deed of such person(s), and if applicable, in the capacity(ies) shown, having been duly authorized to execute such instrument in such capacity(ies).

(signature)

(print name)

Notary Public of and for said State

My commission expires: _____

(Official Stamp or Seal)

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: LIMITED WARRANTY UNIT DEED,
ENCUMBRANCES, RESERVATION OF RIGHTS WITH POWER OF ATTORNEY
WITH USE, SALE AND TRANSFER RESTRICTIONS SKY ALA MOANA EAST

Unit No. _____

Document Date: _____ or Undated at time of notarization

No. of Pages: _____ Jurisdiction: _____ Circuit
(in which notarial act is performed)

Signature of Notary

Date of Notarization and
Certification Statement

Printed Name of Notary

(Official Stamp or Seal)

STATE OF _____

COUNTY OF _____

SS:

On this _____ day of _____, 20____, before me appeared _____, to me personally known, who being by me duly sworn or affirmed, did say that such person(s) executed the foregoing instrument as the free act and deed of such person(s), and if applicable, in the capacity(ies) shown, having been duly authorized to execute such instrument in such capacity(ies).

(signature)

(print name)

Notary Public of and for said State

My commission expires: _____

STATE OF _____

COUNTY OF _____

SS:

On this _____ day of _____, 20____, before me appeared _____, to me personally known, who being by me duly sworn or affirmed, did say that such person(s) executed the foregoing instrument as the free act and deed of such person(s), and if applicable, in the capacity(ies) shown, having been duly authorized to execute such instrument in such capacity(ies).

(signature)

(print name)

Notary Public of and for said State

My commission expires: _____

EXHIBIT "A"

Those certain premises comprising a portion of that certain condominium project known as "SKY ALA MOANA EAST" ("Project"), which Project consists of that certain condominium unit described herein and in that certain Amended and Restated Declaration of Condominium Property Regime of Sky Ala Moana East and Condominium Map dated November 29, 2021, recorded at the Bureau of Conveyances of the State of Hawaii as Document No. A-80240889, as the same may be amended from time to time ("Declaration"), and the improvements and appurtenances thereof, as described in and established by the Declaration, and as shown on the plans of the Project filed at said Bureau as Condominium Map No. 6201, as the same may be amended from time to time ("Condominium Map"), described as follows:

-FIRST:-

Unit No. _____ ("Unit") located in the Project, established by the Declaration, and shown on the Condominium Map.

TOGETHER WITH those easements appurtenant to the Unit as set forth in the Declaration, which may include the following:

(a) Nonexclusive easements in the Common Elements, including the Limited Common Elements, designed for such purposes as ingress to, egress from, utility services for and support, maintenance, and repair of the Unit; in the other Common Elements for use according to their respective purposes, subject always to the exclusive use of the Limited Common Elements as provided in the Declaration; and in the other Units in the building in which the Unit is located for support; subject to the provisions of Section 514B-38 of the Act.

(b) Wherever sanitary sewer connections, water connections, electricity, gas, telephone, HVAC, security and television lines, drainage facilities, or duct facilities are installed within the Project, the Owners of Units that are served by said connections, lines or facilities shall have the right, and there are hereby reserved to all other Owners, together with the right to grant and transfer the same, easements and rights to the full extent necessary for the full use and enjoyment of such portions of such connections, lines or facilities which service such Units, and to enter Units owned by others, or to have utility companies enter Units owned by others, in or upon which said connections, lines or facilities, or any portions thereof, lie, to repair, replace and generally maintain said connections, lines or facilities as and when the same may be necessary; provided that such entering Owner or utility company shall repair all damage to any Unit caused by such entry as promptly as possible after completion of work thereon.

(c) If any part of the Common Elements now or hereafter encroaches upon any Unit or Limited Common Element, or if any Unit encroaches upon the Common Elements or upon any other Unit, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall exist. In the event that a Unit shall be partially or totally destroyed and then rebuilt, or in the event of any shifting, settlement, or movement of any part of the Project, encroachments of any part of the Common Elements, Units, or Limited Common Elements due to such construction, shifting, settlement, or movement shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist for so long as such encroachment continues.

EXCEPTING AND RESERVING AND SUBJECT TO all easements as provided in the Declaration, including, but not limited to, (i) easements for encroachments appurtenant to other Units or the Common Elements as they arise in the manner set forth above, now or hereafter existing thereon; (ii) easements for access to the Unit or any Limited Common Element appurtenant thereto from time to time during reasonable hours as may be appropriate for the operation or maintenance of the Project and, without notice, at any time for (a) making emergency repairs therein necessary to prevent damage to any Unit or Limited Common Element, (b) abating any nuisance or any dangerous, unauthorized, prohibited or unlawful activity, (c) protecting the property rights of any Owner, or (d) preventing death or serious bodily injury to any Owner or Occupant therein; (iii) easements necessary to complete the Project, for noise and dust, to conduct sales activities upon the Project; and (iv) easements necessary pursuant to the exercise of any reserved rights set forth in the Declaration, all as provided in the Declaration.

-SECOND:-

An undivided _____% interest appurtenant to the Unit, in all Common Elements of the Project, as established for the Unit by the Declaration, or such other fractional or percentage interest as hereafter established for the Unit by any amendment of the Declaration, as tenant in common with all other owners and tenants thereof.

Together also with the following easements, as granted by DECLARATION OF RECIPROCAL EASEMENTS AND IRREVOCABLE FACILITIES LICENSE dated March 15, 2020, recorded in said Office as Document No. T-10668210, as amended, said easements being more particularly described therein; subject, however, to the terms and provisions contained therein:

(A) Nonexclusive easement for ingress and egress over the Sky West Common Facilities defined therein and Sky West Parking Facilities defined therein and also depicted on the Reciprocal Easement Map attached thereto as Exhibit "D";

(B) Nonexclusive easement for utilities across, through and on said Sky West Common Facilities, the and said Sky West Parking Facilities;

(C) Nonexclusive easement in the Sky West Common Facilities, Sky East Parking Facilities, and Sky West Recreational Facilities defined therein for support, maintenance, and repair; and

(D) If any part of the Sky East Common Facilities, Sky East Parking Facilities, or Sky East Recreational Facilities now or hereafter encroaches upon the Sky West Common Facilities, Sky West Parking Facilities, or Sky West Recreational Facilities, an easement for such encroachment and the maintenance thereof, so long as it continues. In the event of any shifting, settlement, or movement of any part of the Project, encroachments in the Sky West Common Facilities, Sky West Parking Facilities, or Sky West Recreational Facilities due to such shifting, settlement, or movement shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist for so long as such encroachment continues.

ALL TOGETHER WITH AND SUBJECT TO as to FIRST and SECOND above, the covenants, agreements, easements, obligations, conditions, exceptions, reservations and other matters and provisions of the Declaration and the Bylaws, all of which are incorporated herein by this reference and which constitute and shall constitute covenants running with the land, equitable servitudes and liens to the extent set forth therein and provided by law, and which are hereby accepted by the Grantee as binding and to be binding on the Grantee, and Grantee's successors and assigns.

The property which constitutes the Project and that is subject to the Declaration is described as follows:

All of that certain parcel of land (being Lots 35 through 37, inclusive, as shown on Map 1 of Land Court Consolidation No. 45 of Hawaiian Land Company, Limited, having been deregistered and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. A-72270698, portion of Lot 31, as shown on Map 1 of Land Court Consolidation No. 45 of Hawaiian Land Company, Limited, having been deregistered and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. A-72270694, and Lots 32 through 34, inclusive, as shown on Map 1 of Land Court Consolidation No. 45 of Hawaiian Land Company, Limited, having been deregistered and recorded in the Bureau of Conveyances of the State of Hawaii as Document No(s). A-72270695 through A-72270697, inclusive) situate, lying and being at Kalia, Waikiki, City and County of Honolulu, State of Hawaii, being LOT B as shown on Map dated November 10, 2020, approved by the Department of Planning and Permitting, City and County of Honolulu, DPP File No. 2020/SUB-153, on January 8, 2021, and thus bounded and described in AFFIDAVIT recorded as Document No. A-77130312 and as follows:

Beginning at the west corner of this parcel of land, the same being the south corner of Lot A, City and County of Honolulu, Department of Planning and Permitting File No. 2020/SUB-153, approved on January 8, 2021 and on the northeast side of Kapiolani Boulevard, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 6,740.90 feet South and 1,947.88 feet East and thence running by azimuths measured clockwise from true South:

1. 205° 20' 200.00 feet along Lot A, portions of Grant 1290 to Wm. Miller and Grant 2790 to L. Kamehameha, DPP File No. 2020/SUB-153;
2. 295° 20' 174.00 feet along Makaloa Street;
3. 25° 20' 200.00 feet along Lot 38, Land Court Consolidation 45;
4. 115° 20' 174.00 feet along Kapiolani Boulevard to the point of beginning and containing an area of 34,800 square feet.

Being the premises acquired by JL Avalon Capbridge, LLC, a Hawaii limited liability company, as follows:

1. By LIMITED WARRANTY DEED of MARUITO USA, INC., a Hawaii corporation, dated August 8, 2019, filed as Land Court Document No. T-10811168, as amended by instrument recorded as Document No. A-79560381.
2. By LIMITED WARRANTY DEEDS of LKY KENROCK, LLC, a Hawaii limited liability company, as follows:
 - (A) dated February 22, 2017, filed as Land Court Document No. T-9914121.
 - (B) dated February 22, 2017, filed as Land Court Document No. T-9914122.
 - (C) dated February 22, 2017, filed as Land Court Document No. T-9914123.
 - (D) dated February 22, 2017, filed as Land Court Document No. T-9914124.
 - (E) dated February 22, 2017, filed as Land Court Document No. T-9914125.
 - (F) dated February 22, 2017, filed as Land Court Document No. T-9914126.
 - (G) dated February 22, 2017, filed as Land Court Document No. T-9914127.
 - (H) dated February 22, 2017, filed as Land Court Document No. T-9914128.
3. By LIMITED WARRANTY DEED of WATUMULL ENTERPRISES, LTD., a Hawaii corporation, dated August 8, 2019, filed as Land Court Document No. T-10811171.

SUBJECT, HOWEVER, to the following:

1. Mineral and water rights of any nature.
2. The terms and provisions contained in the following:

INSTRUMENT: AGREEMENT FOR ISSUANCE OF CONDITIONAL USE PERMIT UNDER SECTION 4.40-17 OF THE LAND USE ORDINANCE (LUO)

DATED: November 21, 1987
 FILED: Land Court Document No. 1524861

3. The terms and provisions contained in the following:

INSTRUMENT: LIMITED WARRANTY DEED

DATED: August 8, 2019
FILED: Land Court Document No. T-10811168

The foregoing includes, but is not limited to, matters relating to Conditional Use Permit referenced therein.

FIRST AMENDMENT TO LIMITED WARRANTY DEED dated October 1, 2021, recorded as Document No. A-79560381.

4. The terms and provisions contained in the following:

INSTRUMENT: DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND AGREEMENT TO GRANT EASEMENT

DATED: August 9, 2019
FILED: Land Court Document No. T-10811169

FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND AGREEMENT TO GRANT EASEMENTS dated October 1, 2021, filed as Land Court Document No. T-11609288, recorded as Document No. A-79571434.

5. The terms and provisions contained in the following:

INSTRUMENT: DECLARATION OF RECIPROCAL EASEMENTS AND IRREVOCABLE FACILITIES LICENSE

DATED: March 15, 2019
FILED: Land Court Document No. T-10668210

Said Declaration was amended by instrument dated February 9, 2021, recorded as Document No. A-77130315. JOINDER IN AND CONSENT TO DECLARATION OF RECIPROCAL EASEMENTS AND IRREVOCABLE FACILITIES LICENSE dated May 18, 2021, recorded as Document No. A-78181025.

6. DESIGNATION OF EASEMENT A-1

PURPOSE: pedestrian access

REFERENCED: on subdivision map prepared by Alden S. Kajoika, Land Surveyor with Controlpoint Surveying, Inc. dated September 3, 2020, approved by the Department of Planning and Permitting, City and County of Honolulu, DPP File No. 2020/SUB-41, on October 2, 2020

7. GRANT

TO: MARUITO USA, INC., a Hawaii corporation

DATED: October 7, 2020

FILED: Land Court Document No. T-11238374

RECORDED: Document No. A-75860640

GRANTING: a non-exclusive irrevocable pedestrian access easement for ingress and egress to and from a public road and for service access to utility rooms across the Easement Area more particularly described therein

8. DESIGNATION OF EASEMENT E-1

PURPOSE: electrical

REFERENCED: on subdivision map prepared by John R. K. Akina, Land Surveyor with Walter P. Thompson, Inc., dated November 10, 2020, approved by the Department of Planning and Permitting, City and County of Honolulu, DPP File No. 2020/SUB-153, on January 8, 2021

9. The terms and provisions contained in the following:

INSTRUMENT: DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "SKY ALA MOANA EAST"

DATED: January 7, 2021

RECORDED: Document No. A-77460189

MAP: 6201 and any amendments thereto

Said above Declaration was amended and restated by AMENDED AND RESTATED DECLARATION OF CONDOMINIUM PROPERTY REGIME OF SKY ALA MOANA EAST AND CONDOMINIUM MAP dated November 29, 2021, recorded as Document No. A-80240889.

10. The terms and provisions contained in the following:

INSTRUMENT: BYLAWS OF THE ASSOCIATION OF UNIT OWNERS OF SKY ALA MOANA EAST

DATED: January 7, 2021

RECORDED: Document No. A-77460190

11. The terms and provisions contained in the following:

INSTRUMENT: JOINT DEVELOPMENT AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

DATED: September 24, 2021

FILED: Land Court Document No. T-11595469-70

RECORDED: Document No. A-79430905-06

PARTIES: JL AVALON CAPBRIDGE, LLC, a Hawaii limited liability company, and MARUITO USA, INC., Hawaii corporation

12. The terms and provisions contained in the following:

INSTRUMENT: SKY ALA MOANA AFFORDABLE HOUSING REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS

DATED: September 24, 2021

RECORDED: Document No. A-79430907-08

PARTIES: JL AVALON CAPBRIDGE, LLC, a Hawaii limited liability company ("Developer"), and
the CITY AND COUNTY OF HONOLULU, a political subdivision of the State of Hawaii
("City")

The foregoing includes, but is not limited to, matters relating to Buy-back restrictions.

13. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF RESTRICTIVE COVENANTS (PRIVATE PARK)

DATED : November 22, 2021

RECORDED : Document No. A-80000333

EXHIBIT "B"

**AFFORDABLE HOUSING
USE, SALE AND TRANSFER RESTRICTIONS**

The Unit conveyed hereunder is designated as an "Affordable Housing Unit" in accordance with the terms, conditions and requirements of the Sky Ala Moana Affordable Housing Regulatory Agreement and Declaration of Restrictive Covenants dated September 24, 2021 and recorded at said Bureau as Document Nos. A-79430907-08 (the "Affordable Housing Agreement") entered into by JL Avalon Capbridge, LLC ("Developer") and the City and County of Honolulu (the "City") and the Rules to Implement City's Affordable Housing Requirements, effective March 31, 2019 (the "Affordable Housing Rules"). For the purposes of the restrictions contained herein, the applicable restriction period is [REDACTED] years from the date of recordation of this Limited Warranty Unit Deed, Encumbrances and Reservation Of Rights With Power Of Attorney With Use, Sale And Transfer Restrictions Sky Ala Moana East (the "Restriction Period").

The following is a summary of the certain use, sale, and transfer restrictions applicable to Affordable Housing Units. Pursuant to Section 10.b of the Affordable Housing Agreement, The City, Developer, the Association of Unit Owners of Sky Ala Moana East (the "Association"), the Association of Unit Owners of Sky Ala Moana West, and members of the public who qualify for affordable housing at the Sky Ala Moana East condominium project (the "Project") have the right to enforce these restrictions by way of specific performance or an action for a declaratory judgment and/or injunctive relief.

Restrictions on Use. Pursuant to §5-2 of the Affordable Housing Rules, Affordable Housing Units shall be occupied as the owner's principal residence for the duration of the Restriction Period. The owner of an Affordable Housing Unit shall not rent the Affordable Housing Unit, except in extreme hardship circumstances which prevents the continued occupancy of the Affordable Housing Unit, as determined and approved by the Director of the Department of Planning and Permitting (the "Director") pursuant to §5-5 of the Affordable Housing Rules. The City, Developer, or City's authorized agent shall have the right during the restriction period to verify owner occupancy of the principal residence.

Restrictions on Additional Financing. Pursuant to §5-3 of the Affordable Housing Rules, during the Restriction Period, only mortgages and liens consented to in advance by the City and created for the purpose of financing essential improvements or maintenance and repair of the affordable housing unit, or other expenditures relating to the property of an emergency or life-threatening nature, may be placed on the Affordable Housing Unit, provided that owner shall not refinance the Affordable Housing Unit for an amount in excess of the purchase price as determined by §5-4(a) of the Affordable Housing Rules.

Affordable Housing Unit Buyback Restriction. Pursuant to §5-4 of the Affordable Housing Rules:

(a) During the Restriction Period, if the owner wishes to sell or transfer title to the real property, the Department of Budget and Fiscal Services of the City ("BFS") or a qualified nonprofit housing trust shall have the first option to purchase the real property at a price that shall not exceed the sum of:

- (1) The original cost of the Affordable Housing Unit to the owner;
- (2) The cost of any property improvements added by the owner; and
- (3) Simple interest on the original cost of the Affordable Housing Unit plus property improvements by the owner at the rate of one percent (1%) per year the Affordable Housing Unit has been occupied.

(b) The City or qualified nonprofit housing trust may purchase the Affordable Housing Unit either:

- (1) By conveyance free and clear of all mortgages and liens; or

- (2) By conveyance subject to existing mortgages and liens, where the City or affordable housing trust shall assume the seller's obligation on any first mortgage created for the purpose of securing the payment of a loan of funds expended solely for the purchase of the real property by the seller; and any mortgage or lien created for any other purpose, provided that the Director has previously consented to it in writing. The City or authorized affordable housing trust interest, created by this section shall constitute as a statutory lien on the real property and shall be superior to any other mortgage lien except for:
 - (A) Any first mortgage created for the purpose of securing the payment of a loan of funds expended solely for the purchase of the Affordable Housing Unit by the owner;
 - (B) Any mortgage insured or held by a federal housing agency; and
 - (C) Any mortgage or lien created for any other purpose, provided that the Director has previously consented to it in writing.

(c) If BFS or qualified nonprofit housing trust does not exercise the option to purchase the Affordable Housing Unit, then the owner shall:

- (1) Sell or transfer the Affordable Housing Unit at a price no more than described in §5-4(a) of the Affordable Housing Rules upon the terms that preserve the intent of this chapter;
- (2) Sell or assign to a qualified resident as described in Chapter 3 of the Affordable Housing Rules, and who is in the same income group as the original purchaser at the time of the original sale, approved by the Department of Planning and Permitting of the City (the "DPP"); and
- (3) Submit a copy of the deed and final transfer of sale to the DPP within ninety days (90) after the date of sale.

(d) An owner found to have not met or been approved for any of these conditions may be deemed to be in violation of the buyback restriction, and the City reserves the right to recover any money wrongfully gained and to any other recourse provided by law.

Affordable Housing Records. Pursuant to Section 11.d of the Affordable Housing Agreement, when Developer has completed its obligations as Developer under the Affordable Housing Agreement and no longer holds an interest in the Project, it shall transfer true, correct and complete copies of its files and records concerning the Project and the marketing and sale of Affordable Housing Units to the Association. The Association shall keep custody of these records and any additional records related to the Project and the marketing and sale of Affordable Housing Units in the Project for a minimum of seven (7) years after the end of the last Restriction Period for an Affordable Housing Unit in the Project. The Association shall make all records available to the City for copying and inspection, as they are kept in the ordinary course of business, upon request.

Monitoring and Reporting; Status Reports. Pursuant to §6-2 of the Affordable Housing Rules, owners of Affordable Housing Units shall submit an annual monitoring fee and notification of any change in household information to DPP, due on December 31 of each calendar year. When Developer has completed its obligations as Developer under the Affordable Housing Agreement and no longer holds an interest in the Project, the Association shall provide a status report of the Projects compliance with the Affordable Housing Agreement by December 31 of each calendar year pursuant to §6-1 of the Affordable Housing Rules.