

Reviewed and Approved by Executive Director:

DN

February 2, 2022

FOR ACTION

I. REQUEST

Consider Authorizing the Executive Director to Waive HCDA's First Option to Purchase Aalii Reserved Housing Unit #2607 and Defer the Payment of Shared Equity to Allow the Unit Owners to Change Title to the Unit.

II. BACKGROUND

In a letter dated October 21, 2021, the owners of Aalii reserved housing unit #2607 (hereinafter "the Unit"), Eryn Fujita and Dat Ngyuen request that the Authority allow them to change the ownership of their Unit during the regulated term. The letter is attached as Exhibit A.

Per the unrecorded unit deed, which is attached as Exhibit B, Ms. Fujita and Mr. Ngyuen both hold an undivided fifty percent interest in the property as Tenants in Common. The Unit is subject to a two-year regulated term.

The request letter explains that in 2018, Ms. Fujita and Mr. Ngyuen applied and qualified jointly as an unmarried couple to purchase a reserved housing unit at the Aalii project. Since then, and prior to the completion of the project, they have dissolved their relationship and agreed that Ms. Fujita may have sole ownership of the Unit.

The request letter notes that Ms. Fujita and Mr. Ngyuen were advised by the developer of the project to close on the property as joint owners, then work with the HCDA to change the title post-closing.

III. DISCUSSION

Aalii reserved housing unit #2607 is governed by Hawaii Administrative Rules (HAR) §15-22 (2005 Rules).

Pursuant to HAR §15-22-186(c)(1) Conditions on transfer of reserved housing units, the Authority shall have the first option to purchase the unit if an owner wishes to transfer title to the reserved housing unit during the regulated term.

If the Authority waives its first option to purchase the Unit and allows the transfer of title to Ms. Fujita as sole owner, it may also choose to defer the payment of shared equity that would otherwise become due under HAR §15-22-187(a)(1) Equity sharing requirements.

HAR §15-22-188(b) Deferral or waiver of certain conditions on transfer, allows for the deferral of shared equity on a case-by-case basis if any of the following are met:

- (1) The waiver will not result in speculation;
- (2) Where fiscal management will not allow repurchase of the unit; or
- (3) Where such waiver will allow permanent financing by other mortgage lenders.

The equity sharing payment owed to the HCDA for Aalii reserved housing unit #2607 is \$168,814. Given that Ms. Fujita intends to remain in the unit as an owner-occupant, there is no risk to the HCDA to defer the payment of shared equity until she decides to sell the unit upon the expiration of the regulated term.

IV. RECOMMENDATION

It is recommended that the Board Authorize the Executive Director to Waive HCDA's First Option to Purchase Aalii Reserved Housing Unit #2607 and Defer the Payment of Shared Equity to Allow the Unit Owners to Change Title to the Unit.

Attachments: Exhibit A – Owner Request Letter Dated October 21, 2021
Exhibit B – Aalii Unit 2607 Unit Deed - Unrecorded

Prepared By: Charlyn Ontai, Asset Management Specialist Charlyn Ontai

Reviewed By: Lindsey Doi, Asset Manager Lindsey Doi

Approved By: Deepak Neupane, P.E., AIA, Executive Director Deepak Neupane

October 21, 2021

Dat Nguyen

[REDACTED]
Ewa Beach, HI 96706

[REDACTED]
officialdatn@gmail.com

Eryn Fujita

[REDACTED]
Honolulu, HI 96813

eryn.fujita@gmail.com

HCDA

547 Queen St

Honolulu, HI 96813

RE: Request for Change of Ownership, A'ali'i Unit 2607

To whom this may concern,

In 2018, when the lottery for this project took place, we had applied and qualified jointly. Since then we have been anxiously awaiting the completion of the project and had every intention of moving in together. Unfortunately, we have recently decided to end our relationship. As such, we are no longer able to move forward in this venture together.

Because of this, we would like to change the ownership from the two of us to just one of us. Eryn asked a family friend, Dan Nishikawa for some help in hopes that she could do a change in ownership prior to closing. Dan spoke to Doug Johnstone, President of Howard Hughes Hawai'i and shared the following feedback:

August 19, 2021 3:13pm Dan Nishikawa to Eryn Fujita email (attached)

"He recommends that you close on the property together, and make the change in title post closing. I know this is humbug, but it is even more difficult for Howard Hughes to get HCDA and the Senior lenders to approve the change."

As a result of this, we closed on the unit as a couple but would like to make an appeal to the board of HCDA to allow a change of ownership.

Please let us know what steps we need to take to start the process if this is allowed.

We truly appreciate your time and consideration in this matter and we look forward to hearing from you soon.

Thank you,

Dat Nguyen and Eryn Fujita

LAND COURT	REGULAR SYSTEM	RS
AFTER RECORDATION, RETURN BY:	<input type="checkbox"/> MAIL <input type="checkbox"/> PICKUP	TO:

MS. ERYN FUJITA, ET AL.
987 QUEEN STREET, #2607
HONOLULU, HAWAII 96814

TG: 201737835
TGE: T7-191-3012-0471-0
Janet Nelson

Tax Map Key: (1) 2-3-002-107 CPR Number: 0471
Unit Number: 2607
Undivided Interest: 0.107191%

Total Pages: 19

`A`ALI`I

LIMITED WARRANTY UNIT DEED, ENCUMBRANCES AND RESERVATION OF RIGHTS WITH POWER OF ATTORNEY (RESERVED HOUSING)

GRANTOR : **AALII, LLC**, a Delaware limited liability company, whose address is 1240 Ala Moana Boulevard, Suite 200, Honolulu, Hawaii 96814 (hereinafter called "**Grantor**")

GRANTEE : **ERYN EMI FUJITA**, unmarried, whose address is [REDACTED] Honolulu, Hawaii 96813, and **DAT TIEN NGUYEN**, unmarried, whose address is [REDACTED] Ewa Beach, Hawaii 96706 (hereinafter collectively called "**Grantee**")

GRANTEE'S TENANCY : **TENANTS IN COMMON, EACH AS TO AN- UNDIVIDED FIFTY PERCENT (50%) INTEREST**

DEED DATED : SEPTEMBER 10, 2021

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 the real property more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (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, therein and thereto.

The Property hereby conveyed comprises a portion of the 'A'ALI'I condominium project (the "**Project**"), as established by that certain Declaration of Condominium Property Regime of 'A'ali'i dated June 16, 2017, and recorded at the Bureau of Conveyances of the State of Hawaii (the "**Bureau**") as Document Nos. A-64250735A thru A-64250735C, as the same may be amended from time to time (the "**Declaration**"). The Project consists of those certain lands situate at Kukuluaeo, Honolulu, City and County of Honolulu, State of Hawaii, together with the improvements located thereon, as more particularly described in and subject to the Declaration.

TO HAVE AND TO HOLD the same unto Grantee in the above-described tenancy, in fee simple, absolutely and forever, subject to the covenants, conditions and restrictions contained in the Declaration, the Bylaws of the Association of Unit Owners of 'A'ali'i dated June 16, 2017, recorded at said Bureau as Document No. A-64250736, as the same may be amended from time to time (the "**Bylaws**"), that certain Community Covenant for Ward Village dated September 13, 2013, recorded at said Bureau as Document No. A-50040794, as the same may be amended, supplemented and/or restated (the "**Master Declaration**"), and the Rules and Regulations of the Association of Unit Owners of 'A'ali'i (the "**House Rules**"), 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'S COVENANTS

In consideration of the foregoing conveyance, Grantee does hereby covenant and agree to and with Grantor and its successors and assigns, as follows:

A. Observance and Examination of Declaration, Bylaws, Master Declaration and Other Project Documents. Grantee hereby covenants and agrees, for the benefit of the Unit Owners from time to time of all other 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, the Master Declaration and the House Rules, as any of the same exist or may hereafter be amended in accordance with law, and does hereby accept and approve the Declaration, the Bylaws, the Master Declaration, and the House Rules, and Grantee will indemnify and save harmless Grantor for any failure to observe and perform any

such terms, covenants, conditions, agreements, obligations and restrictions for so long as the Declaration, the Bylaws, the Master Declaration, and the House Rules exist and are in effect.

Grantee further acknowledges and agrees that Grantee has examined (or waived such examination), and has approved the following Project documents (and any and all supplements, addenda and amendments to said documents): the Declaration, the Bylaws, the Master Declaration, Condominium Map No. 5677 for the Project, as may be amended from time to time (the "**Condominium Map**"), the House Rules, the Project escrow agreement and the developer's public report with an effective date issued by the Real Estate Commission of the State of Hawaii for the Project. In addition, Grantee hereby agrees and acknowledges that each of the acknowledgments and agreements made by Grantee in the 'A'ali'i Purchase Agreement and Deposit Receipt covering the Property, including all supplements, addenda and amendments thereto, shall survive the recordation of this instrument.

B. Reserved Housing Unit. Grantee hereby understands, accepts and agrees that the Property conveyed by this instrument is designated as a "Reserved Housing Unit" in accordance with the terms, conditions and requirements of Subchapter 7 ("Sale and Rental of Reserved Housing Units") of the Kaka'ako Community Development District Mauka Area Rules, Title 15, Subtitle 4, Chapter 22 of the Hawaii Administrative Rules (the "**Mauka Area Rules**"), as administered by the Hawaii Community Development Authority ("**HCDA**"), and that certain Planned Development Permit No. KAK 16-075 issued by HCDA on January 4, 2017, as may be amended. Grantee does hereby covenant and agree that the Property shall be subject to certain restrictions on the use, occupancy and transfer pertaining to Reserved Housing Units pursuant to the Mauka Area Rules. Without limiting the generality of the foregoing, Grantee does hereby covenant and agree that:

1. The Property is affordable to qualified persons with adjusted household incomes equal to one hundred twenty-six percent (126%) of median income;
2. The Property is subject to a Regulated Term of two (2) years, as more particularly described in Exhibit "B" attached hereto and made a part hereof;
3. The Property is subject to certain "Equity Sharing Requirements," as more particularly described in said Exhibit "B";
4. Grantee shall occupy the Property as Grantee's primary residence and use the Property in accordance with all applicable provisions of the Mauka Area Rules, as more particularly described in said Exhibit "B"; and
5. Grantee shall execute a Unilateral Declaration of Restrictive Covenants for Unit Designated as Reserved Housing Unit ("**Unilateral Declaration**") for the Property on a form approved by HCDA, which shall be recorded at said Bureau concurrently with this instrument.

By accepting this instrument, Grantee expressly covenants and agrees that Grantee shall observe, perform and comply with all of the covenants, conditions and restrictions pertaining to the ownership, use and transfer of the Property set forth in the Mauka Area Rules and in said Exhibit "B". Upon release of the Unilateral Declaration, the terms of this Paragraph B and said Exhibit "B" shall be of no further force or effect and shall no longer bind or encumber the Property or Grantee or Grantee's successors in interest and assigns. Following such release, all further transfers of title to the Property or any interest therein shall be made free and clear of the terms, conditions and restrictions set forth in this Paragraph B and said Exhibit "B".

C. Grantor's Reserved Rights; Power of Attorney. Grantee hereby acknowledges, consents to and agrees with those certain rights set forth in the Declaration, including, but not limited to, the rights set forth in Articles XX through XXXV thereof, the Bylaws, the Master Declaration, and the House Rules 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 hereby further consents 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 of the Declaration, the Bylaws, the 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 shall be deemed to be automatically granted anew by any such person or entity upon such transfer of any unit or any interest therein, whether by deed, mortgage, or any other instrument of conveyance. Grantee further acknowledges, consents and agrees that, notwithstanding anything stated herein to the contrary, pursuant to the Declaration, the rights reserved to Grantor in the Declaration shall be fully and freely assignable by Grantor in whole or in part. Without limitation to the generality of the rights reserved unto Grantor as set forth in the Declaration and as permitted by law, Grantor will have the right to execute, deliver and record any amendment to the Condominium Documents, any easement instrument, any deed, any amendment to a Deed, any assignment of rights or interest, or such other document, instrument or agreement that may be necessary or appropriate to permit Grantor to exercise its reserved rights pursuant to the provisions of the Declaration.

D. Binding Effect. 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.

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.

E. Severability. 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.

F. "Grantor" and "Grantee". 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, partnerships, companies or corporations, and each of their respective heirs, devisees, personal representatives, successors, successors-in-trust and assigns, according to the context thereof. All capitalized terms not defined herein shall have the meanings ascribed to such terms in the Declaration.

G. Counterparts. 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 is intentionally left blank. Signature pages to follow.)

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

AALII, LLC, a Delaware limited liability company

By


Doug Johnstone
Its Vice President

"GRANTOR"


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

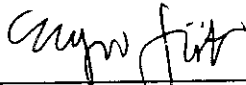
On this ____ day of September 10, 2021, 20____, in the First Judicial Circuit, State of Hawaii, before me personally appeared DOUG JOHNSTONE, to me known or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument identified or described as, **'A'ALI'I LIMITED WARRANTY UNIT DEED; ENCUMBRANCES AND RESERVATION OF RIGHTS WITH POWER OF ATTORNEY (RESERVED HOUSING)**, as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity. The foregoing instrument is dated Undated, and contained 19 page(s) (including Exhibit A; Exhibit B), at the time of this acknowledgment/certification.




THERESA WIDMER
EXPIRATION: May 21, 2024

Print Name of Notary Public
Notary Public, State of Hawaii
My commission expires


Signature of Notary Public



ERYN EMI FUJITA



DAT HIEN NGUYEN

"GRANTEE"

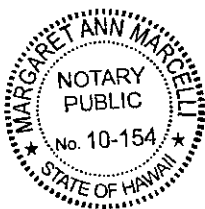
STATE OF HAWAII)
) SS.
CITY & COUNTY OF HONOLULU)

On this 7th day of September, 2021, in the First Judicial Circuit, State of Hawaii, before me personally appeared ERYN EMI FUJITA, to me known or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument identified or described as, **LIMITED WARRANTY UNIT DEED, ENCUMBRANCES AND RESERVATION OF RIGHTS WITH POWER OF ATTORNEY**, as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity. The foregoing instrument is dated Undated, and contained 23 page(s) (including Exhibit A), at the time of this acknowledgment/certification.

Margaret Ann Marcelli

Print Name of Notary Public _____
Notary Public, State of Hawaii _____
My commission expires JUN 13 2022

Margaret A. Marcell
Signature of Notary Public

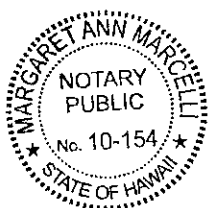


STATE OF HAWAII

) SS.

CITY & COUNTY OF HONOLULU)

On this 14th day of September, 2021, in the First Judicial Circuit, State of Hawaii, before me personally appeared DAT TIEN NGUYEN, to me known or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument identified or described as, **LIMITED WARRANTY UNIT DEED, ENCUMBRANCES AND RESERVATION OF RIGHTS WITH POWER OF ATTORNEY**, as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity. The foregoing instrument is dated Undated, and contained 23 page(s) (including Exhibit A), at the time of this acknowledgment/certification.



Margaret Ann Marcelli

Print Name of Notary Public

Notary Public, State of Hawaii

My commission expires JUN 13 2022

Margaret C. Marshall.
Signature of Notary Public

EXHIBIT "A"

-FIRST:-

The unit identified on the first page hereof (the "**Unit**"), located in that certain condominium project known as "A`ALI`I" (the "**Project**"), as described in that certain Declaration of Condominium Property Regime of `A`ali`i dated June 16, 2017, recorded at the Bureau of Conveyances of the State of Hawaii (the "**Bureau**") as Document Nos. A-64250735A thru A-64250735C, as the same may be amended from time to time (the "**Declaration**"), and shown on the plans thereof filed in the Bureau as Condominium Map No. 5677, as the same may be amended from time to time (the "**Condominium Map**").

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

- (A) Exclusive easements for the use of the Limited Common Elements of the Project which are described in the Declaration as being appurtenant to the Unit.
- (B) 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.
- (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.
- (D) Nonexclusive easements for access throughout the Parking Structure, all roadways, driveways, access lanes, ramps, landscaped areas, sidewalks, walkways, hallways, and grounds of the Project that is/are part of the Commercial Limited Common Elements or Residential Limited Common Elements, as depicted on the Condominium Map to the extent that such easements are necessary for ingress to and egress from, the Unit and to and from any Limited Common Element areas appurtenant to the Unit or the Residential Limited Common Elements or Commercial Limited Common Elements. The Unit shall have pedestrian and vehicular easements for access through Level 1 to access the Residential Limited Common Elements and/or Commercial Limited Common Elements located on Level 1 at all times.

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 or for the inspection, repair, painting, resurfacing, maintenance, installation or replacement of any Common Elements, or for any other purpose reasonably related to the exercise of the rights and obligations under the Declaration, or, 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 other Occupant therein; (iii) easements affecting the Common Elements for any reasonable purpose; (iv) easements through adjacent lands, including, without limitation, for utility infrastructure, Owners, or public access necessary for the Project; (v) easements necessary to complete the Project, for noise and dust, to conduct sales activities at the Project, and to install and operate central telecommunication receiving and distribution systems and services; (vi) easements through the Common Elements for purposes set forth in the Master Declaration; and (vii) easements necessary pursuant to the exercise of any reserved rights set forth in the Declaration, all as provided in the Declaration.

-SECOND:-

An undivided percent interest shown on the first page hereof, in all Common Elements of the Project as established by the Declaration, including the land described in the Declaration, or such other interest as hereafter established for the Unit by any amendment of the Declaration, as tenant in common with the holders of other undivided interests in and to said Common Elements.

ALL TOGETHER WITH AND SUBJECT TO, as to FIRST and SECOND, the covenants, agreements, easements, obligations, conditions, exceptions, reservations and other matters and provisions of the Master Declaration, 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 Grantee as binding and to be binding on Grantee, and Grantee's successors and assigns.

The land upon which the Project is located is described as follows:

All of that certain parcel of land (being portions of the lands described in and covered by Royal Patent 5716, Land Commission Award 10605, Apana 7 to Kamakee Piikoi, and Lot 2-A, Block 4 of Land Court Consolidation No. 53 of Victoria Ward, Limited, having been deregistered and recorded at the Bureau as Document No. A-46240640) situate at Kukuluaeo, Honolulu, City and County of Honolulu, State of Hawaii, being a portion of Lots 1, 4 and 5 of DPP File No. 2015/SUB-19, being LOT A, as shown on Subdivision Map approved by the Department of Planning and Permitting, City and County of Honolulu, on December 22, 2017, DPP File No. 2017/SUB-40, containing an area of 91,967 square feet, more or less, and more particularly bounded and described as per survey dated February 22, 2018, set forth in the Declaration.

BEING THE PREMISES ACQUIRED BY DEED WITH RESERVATION OF EASEMENTS AND OTHER RIGHTS

GRANTOR : VICTORIA WARD, LIMITED, a Delaware corporation

GRANTEE : AALII, LLC, a Delaware limited liability company

DATED : November 20, 2018

RECORDED : Document No. A-68991231

TOGETHER WITH a non-exclusive easement on, over and across EASEMENT "A-7" affecting Lot D-1 of DPP File No. 2018/SUB-95, for vehicular and pedestrian access from said Lot A to Auahi Street and Kamakee Street, as granted by and more particularly described in GRANT OF ACCESS EASEMENT dated February 27, 2019, recorded at the Bureau as Document No. A-69970660; and subject to the terms and provisions contained therein.

SUBJECT, HOWEVER, to the following:

1. Real Property Taxes, due and payable.
2. Mineral and water rights of any nature.
3. The terms and provisions contained in the following:

INSTRUMENT : PARKING AGREEMENT

DATED : November 10, 2004

FILED : in the Office of the Assistant Registrar of the Land Court of the State of Hawaii (the "Office") as Land Court Document No. 3208310

PARTIES : VICTORIA WARD, LIMITED, a Delaware corporation ("Licensor"), and BANK OF HAWAII, a Hawaii corporation, as Trustee under Land Trust No. 89434, dated October 21, 2004, and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii on November 3, 2004, as Document No. 3188118 ("Licensee")

Said Agreement was amended by instruments dated June 11, 2014, recorded at the Bureau as Document No. A-52831011 (no joinder by FIRST HAWAIIAN BANK, a Hawaii corporation, Trustee under that certain unrecorded Land Trust Agreement No. FHB-TRES 200601 dated September 20, 2006), and dated October 24, 2018, recorded at the Bureau as Document No. A-68720608.

4. The terms and provisions contained in the following:

INSTRUMENT : VICTORIA WARD, LIMITED, MASTER PLAN PERMIT
MEMORANDUM OF DECISION AND ORDER

DATED : May 29, 2009

FILED : in the Office as Land Court Document No. 3869623

RECORDED : at the Bureau as Document No. 2009-093051

PARTIES : VICTORIA WARD, LIMITED, a Delaware corporation ("VWL"); BANK OF HAWAII, a Hawaii corporation, as trustee under (a) that certain Land Trust Agreement and Conveyance dated October 21, 2004 (Trust No. 89433) and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii on November 3, 2004, Document No. 3188119, and (b) that certain Land Trust Agreement and Conveyance dated October 21, 2004 (Trust No. 89434) and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii on November 3, 2004, as Document No. 3188118 (collectively, "Bank of Hawaii Trust"); FIRST HAWAIIAN BANK, a Hawaii corporation, as trustee under (a) that certain unrecorded Land Trust Agreement dated September 20, 2006 (Trust No. FHB-TRES 200601), and (b) that certain unrecorded Land Trust Agreement dated September 20, 2006 (Trust No. FHB-TRES 200602) (collectively, "First Hawaiian Bank Trust"); and the HAWAII COMMUNITY DEVELOPMENT AUTHORITY, a body corporate and a public instrumentality of the State of Hawaii ("Authority")

5. The terms and provisions contained in the following:

INSTRUMENT : MEMORANDUM OF MASTER PLAN DEVELOPMENT
AGREEMENT FOR THE WARD NEIGHBORHOOD MASTER
PLAN

DATED : December 30, 2010

FILED : in the Office as Land Court Document No. 4036891

RECORDED : at the Bureau as Document No. 2011-004171

PARTIES : VICTORIA WARD, LIMITED, a Delaware corporation ("VWL"); BANK OF HAWAII, a Hawaii corporation, as trustee under (a) that certain Land Trust Agreement and Conveyance dated October 21, 2004 (Trust No. 89433) and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii on November 3, 2004, Document No. 3188119, and (b) that certain Land Trust Agreement and Conveyance dated October 21, 2004 (Trust No. 89434) and filed in the Office of the Assistant Registrar of the Land Court of the State

of Hawaii on November 3, 2004, as Document No. 3188118 (collectively, "Bank of Hawaii Trust"); FIRST HAWAIIAN BANK, a Hawaii corporation, as trustee under (a) that certain unrecorded Land Trust Agreement dated September 20, 2006 (Trust No. FHB-TRES 200601), and (b) that certain unrecorded Land Trust Agreement dated September 20, 2006 (Trust No. FHB-TRES 200602) (collectively, "First Hawaiian Bank Trust"); and the HAWAII COMMUNITY DEVELOPMENT AUTHORITY, a body corporate and a public instrumentality of the State of Hawaii ("HCDA")

6. The terms and provisions contained in the following:

INSTRUMENT : COMMUNITY COVENANT FOR WARD VILLAGE

DATED : September 13, 2013

RECORDED : at the Bureau as Document No. A-50040794

The foregoing includes, but is not limited to, matters relating to (i) assessment liens which may be superior to certain mortgages; (ii) the By-Laws of Ward Village Owners Association; and (iii) reciprocal appurtenant easements for encroachments and easements for drainage of water runoff, said easements being more particularly described therein.

SUPPLEMENT TO COMMUNITY COVENANT FOR WARD VILLAGE dated June 26, 2015, recorded at the Bureau as Document No. A-56550932A.

JOINDER AND CONSENT given by FIRST HAWAIIAN BANK, a Hawaii corporation, Trustee under that certain unrecorded Land Trust Agreement No. FHB-TRES 200602, dated September 20, 2006, by instrument dated June 26, 2015, recorded at the Bureau as Document No. A-56550932B.

SUPPLEMENT TO COMMUNITY COVENANT FOR WARD VILLAGE dated May 18, 2016, recorded at the Bureau as Document No. A-59820871.

SUPPLEMENT TO COMMUNITY COVENANT FOR WARD VILLAGE dated November 2, 2018, recorded at the Bureau as Document No. A-68830686.

SUPPLEMENT TO AND PARTIAL WITHDRAWAL OF PROPERTY FROM THE COMMUNITY COVENANT FOR WARD VILLAGE AND JOINDER dated September 26, 2019, recorded at the Bureau as Document Nos. A-72090661A thru A-72090661D.

7. The terms and provisions contained in the following:

INSTRUMENT : JOINT DEVELOPMENT AGREEMENT FOR LAND BLOCK 1 OF
THE WARD MASTER PLAN

DATED : May 8, 2015

RECORDED : at the Bureau as Document No. A-56090748

PARTIES : VICTORIA WARD, LIMITED, a Delaware corporation ("VWL"); BANK
OF HAWAII, a Hawaii corporation, as Trustee under Land Trust No.
89434, dated October 21, 2004, and filed in the Office of the Assistant
Registrar of the Land Court of the State of Hawaii on November 3,
2004, as Document No. 3188118 ("BOH Land Trust"); and FIRST
HAWAIIAN BANK, a Hawaii corporation, as Trustee under that
certain unrecorded Land Trust No. FHB-TRES 200602, dated
September 20, 2006 ("FHB Land Trust")

8. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF USE RESTRICTIONS

DATED : as of August 5, 2015

RECORDED : at the Bureau as Document No. A-57150249

9. HART RAIL Right of Way as shown on Subdivision Map approved by the Department of Planning and Permitting, City and County of Honolulu, on February 12, 2016, DPP File No. 2015/SUB-19.

10. Designation of Easement "P-1" for pedestrian access purposes, as referenced on Subdivision Map approved by the Department of Planning and Permitting, City and County of Honolulu, on January 13, 2017, DPP File No. 2016/SUB-217.

11. The terms and provisions contained in the following:

INSTRUMENT : MEMORANDUM OF FINDINGS OF FACT, CONCLUSIONS OF
LAW, AND DECISION AND ORDER RE: PD PERMIT NO. KAK
16-075

DATED : June 16, 2017

RECORDED : at the Bureau as Document No. A-63830733

12. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME
OF 'A'ALI'I

DATED : June 16, 2017

RECORDED : at the Bureau as Document Nos. A-64250735A thru A-64250735C

MAP : filed in the Bureau as Condominium Map No. 5677, and any
amendments thereto

Said Declaration was amended by instruments dated October 24, 2017, recorded at the Bureau as Document No. A-65070806, dated September 6, 2018, recorded at the Bureau as Document No. A-68230820, dated March 14, 2019, recorded at the Bureau as Document No. A-70160868, dated June 3, 2019, recorded at the Bureau as Document No. A-71021100, dated August 27, 2020, recorded at the Bureau as Document No. A-75970312, and dated March 9, 2021, recorded at the Bureau as Document No. A-77440299.

13. The terms and provisions contained in the following:

INSTRUMENT : BYLAWS OF THE ASSOCIATION OF UNIT OWNERS OF 'A'ALI'I

DATED : June 16, 2017

RECORDED : at the Bureau as Document No. A-64250736

Said Bylaws were amended by instrument dated March 14, 2019, recorded at the Bureau as Document No. A-70160869.

14. AMENDED NOTICE OF PENDENCY OF ACTION

PLAINTIFF : CITY AND COUNTY OF HONOLULU, acting by and through the
HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

DEFENDANT : VICTORIA WARD, LIMITED, et al.

DATED : October 5, 2018

FILED : in the Circuit Court of the First Circuit, State of Hawaii, on October 5,
2018, under Civil No. 18-1-1564-10

FILED : in the Office on October 8, 2018, as Land Court Document No.
T-10507183

RECORDED : at the Bureau on October 8, 2018, as Document No. A-68550714

RE : Condemnation of easements for the Honolulu Rail Transit project

15. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF RESTRICTIVE COVENANTS (Public Facilities Dedication)

DATED : October 25, 2018

RECORDED : at the Bureau as Document No. A-68720609

Said Declaration was amended by instrument dated December 18, 2018, recorded at the Bureau as Document No. A-69270954.

16. Designation of Easement "P-3-A" for pedestrian access purposes, as referenced on Subdivision Map approved by the Department of Planning and Permitting, City and County of Honolulu, on October 26, 2018, DPP File No. 2018/SUB-95.

17. The terms and provisions contained in the following:

INSTRUMENT : DEED WITH RESERVATION OF EASEMENTS AND OTHER RIGHTS

DATED : November 20, 2018

RECORDED : at the Bureau as Document No. A-68991231

18. GRANT OF EASEMENT

TO : OCEANIC TIME WARNER CABLE LLC, a Delaware limited liability company

DATED : January 3, 2019

RECORDED : Document No. A-69480704

GRANTING : a non-exclusive right and easement over, under, upon, across and through the Easement Area more particularly defined therein, for the transmission and distribution of cable television circuits and telecommunications and control circuits, etc. more particularly set forth therein

19. The terms and provisions contained in the following:

INSTRUMENT : GRANT OF ACCESS EASEMENT

DATED : February 27, 2019

RECORDED : Document No. A-69970660

- GRANTING : a non-exclusive easement on, over and across Easement "A-7" affecting Lot D-1 of DPP File No. 2018/SUB-95, for vehicular and pedestrian access, as more particularly described on Exhibit C and shown on Exhibit C-1 attached thereto
20. Easement "B-4" for preservation site purposes, as referenced on Survey Map prepared by ControlPoint Surveying, Inc., dated March 22, 2018, and as shown on ALTA/NSPS Land Title Survey prepared by Rico D. Erolin, Land Surveyor with ControlPoint Surveying, Inc., dated January 21, 2019, revised March 8, 2019, March 15, 2019, and March 27, 2019.
21. The terms and provisions contained in the following:
- INSTRUMENT : MEMORANDUM OF UNDERSTANDING
- DATED : August 13, 2019
 RECORDED : Document No. A-71701159
 PARTIES : CITY AND COUNTY OF HONOLULU, acting by and through the HONOLULU AUTHORITY FOR RAPID TRANSPORTATION ("HART"), and AALII, LLC, a Delaware limited liability company ("Owner")
22. GRANT OF EASEMENT
- TO : HAWAIIAN ELECTRIC COMPANY, INC., a Hawaii corporation
- DATED : November 6, 2019
 RECORDED : Document No. A-72510634
 GRANTING : a non-exclusive easement and a right of entry over, under, upon, across and through Easement "E-12", more particularly shown on Plan prepared by Rico D. Erolin, Land Surveyor with ControlPoint Surveying, Inc., dated August 6, 2019, attached thereto
23. Designation of Easements "W-1" and "W-2" for water meter and waterline purposes, as referenced on Subdivision Map approved by the Department of Planning and Permitting, City and County of Honolulu, on June 19, 2020, DPP File No. 2019/SUB-194.
24. The terms and provisions contained in the following:
- INSTRUMENT : ENCROACHMENT AGREEMENT
- DATED : January 5, 2021
 RECORDED : Document No. A-76990359

PARTIES : TROPICAL LAMP & SHADE CO., LTD., a Hawaii corporation
("Homeowner"), and AALII, LLC, a Delaware limited liability company
("Adjacent Property Owner")

TOGETHER WITH those appliances and furnishings included with the Unit, as described in the
'A`ali`i Purchase Agreement and Deposit Receipt executed between Grantor and Grantee
covering the Unit, and any and all supplements, addenda and amendments thereto.

EXHIBIT "B"

**REQUIREMENTS FOR RESERVED HOUSING UNITS
UNDER THE MAUKA AREA RULES**

I. MAUKA AREA RULES AND PLANNED DEVELOPMENT PERMIT

The Unit described in this Limited Warranty Unit Deed, Encumbrances and Reservation of Rights with Power of Attorney (Reserved Housing) (this "**Deed**") and being transferred hereby is designated as a "Reserved Housing Unit" in accordance with the terms, conditions and requirements of Subchapter 7 ("Sale and Rental of Reserved Housing Units") of the Kaka'ako Community Development District Mauka Area Rules, Title 15, Subtitle 4, Chapter 22 of the Hawaii Administrative Rules (the "**Mauka Area Rules**"), as administered by the Hawaii Community Development Authority of the State of Hawaii ("**HCDA**"). Accordingly, title to the Unit is being transferred to Grantee by this Deed subject to the terms, conditions, provisions and restrictions for Reserved Housing Units set forth in the Mauka Area Rules, as more specifically implemented in that certain Planned Development Permit No. KAK 16-075 issued by HCDA on January 4, 2017, as may be amended (the "**Planned Development Permit**").

II. REQUIREMENTS FOR THE UNIT**A. Regulated Term**

The transfer of a Reserved Housing Unit shall be regulated for a minimum number of years following the original sale of the Unit as prescribed in Section 15-22-186(b) of the Mauka Area Rules (the "**Regulated Term**"). During the Regulated Term, HCDA has, among other things, the first option to purchase the Unit from Grantee at a specified sales price.

The Unit is affordable to qualified persons with adjusted household incomes equal to *one hundred twenty-six percent (126%)* of median income.

The Regulated Term for this Unit shall be for a period of *two (2)* years commencing on the date of recordation in the Bureau of this Deed transferring title to the Unit to Grantee.

B. Equity Sharing Requirements

The Unit is subject to "Equity Sharing Requirements" that require Grantee to make a payment to HCDA upon transfer of the Deed to the Unit to a third party. The calculation of payment is determined by, among other things, the Unit's original fair market value and original sales contract price.

C. Occupancy

The Unit is subject to "Occupancy Requirements" that require Grantee or other "Qualified Households" to occupy the Unit. Grantee shall occupy the Unit during the Regulated Term.

III. SELECTED PROVISIONS OF THE MAUKA AREA RULES

The Mauka Area Rules include, but are not limited to, the following terms, conditions, provisions and restrictions:

A. The Unit is subject to the terms of Section 15-22-186 of the Mauka Area Rules ("Conditions on transfer of reserved housing units"), which section is hereby expressly incorporated into this Deed by this reference. Section 15-22-186 of the Mauka Area Rules provides, in its entirety, as follows:

§15-22-186 Conditions on transfer of reserved housing units. (a) The transfer of reserved housing units shall be regulated in accordance with the conditions set forth in subsection (c) of this section for a minimum number of years following the original sale of the unit as prescribed in subsection (b) below. The authority may elect to extend the period on a case-by-case basis.

(b) The regulated term for reserved housing units shall be established based on unit affordability. Unit affordability, expressed as a percentage of median income, shall be determined based on the standard household sizes established in §15-22-185 and affordability criteria set forth in §15-22-185.1. Reserved housing units affordable to qualified persons with adjusted household incomes:

- (1) Less than one hundred per cent of median income shall be regulated for ten years;
- (2) One hundred to one hundred nineteen per cent of median income shall be regulated for five years; and
- (3) One hundred twenty to one hundred forty per cent of median income shall be regulated for two years.

(c) The conditions for transferring reserved housing units during the regulated term are as follows:

- (1) If an owner wishes to transfer title to the reserved housing unit, the authority or a governmental agency approved by the authority shall have the first option to purchase the unit at a sales price based on the lower of:
 - (A) The current fair market value of the reserved housing unit less the authority's share of the equity in the unit as determined by section 15-22-187 of this chapter; or
 - (B) The original sales price of the reserved housing unit adjusted proportionately to the change in median income computed from the date of the purchase to the date of the sale.
- (2) If the owner is purchasing another reserved housing unit as provided in section 15-22-182(c), the owner shall sell the reserved unit to the authority, prior to or upon the closing of the sale of the larger reserved unit, at a sales price based on the lower of:
 - (A) The current fair market value of the reserved housing unit less the authority's share of the equity in the unit as determined by section 15-22-187 of this chapter; or
 - (B) The original sales price of the reserved unit plus one per cent simple interest per year of said sales price computed from the date of the purchase to the date of sale.
- (3) The owner shall notify the authority in writing of the intent to transfer title to the reserved housing unit and the property or the lease. The authority shall respond to the owner's notification by either waiving its option to purchase the unit, or by agreeing to buy the unit or providing a substitute buyer for the unit at the price calculated in subsection (c)(1) or (2). The authority shall notify the owner of its decision within sixty days of receipt of the owner's notification.
- (4) The authority may purchase the unit either outright, free and clear of all liens and encumbrances; or by transfer subject to an existing mortgage. If by outright purchase, the authority shall ensure that all existing mortgages, liens, and encumbrances are satisfactorily paid by the owner.
- (5) In any purchase by transfer subject to an existing mortgage, the authority shall agree to assume and to pay the balance on any first mortgage created for the purpose of enabling the owner to obtain funds for the purchase of the unit and any other mortgages which were created with the approval and consent of the authority. In these cases, the amount to be paid to the owner by the authority shall be the difference between the price as determined herein and the principal balance of all mortgages outstanding and assumed at the time of transfer of title to the authority.

(d) After the end of the regulated term, the owner may sell the unit or assign the property free from any transfer or price restrictions except for applicable equity sharing requirements set forth in §15-22-187 of this chapter.

(e) The conditions prescribed in subsection (c) above shall be automatically extinguished and shall not attach in subsequent transfers of title when a mortgage holder becomes the owner of a reserved housing unit and the land or leasehold interest pursuant to a mortgage foreclosure, foreclosure under power of sale, or a conveyance in lieu of foreclosure after a foreclosure action is commenced. Any law to the contrary notwithstanding, a mortgagee under a mortgage covering a reserved housing unit and land or leasehold interest subject to the transfer restrictions of the authority shall, prior to commencing mortgage foreclosure proceedings, notify the authority of (1) any default of the mortgagor under the mortgage within ninety days after the occurrence of the default, and (2) any intention of the mortgagee to foreclose the mortgage under chapter 667, HRS. The authority shall be a party to any foreclosure action, and shall be entitled to all proceeds remaining in excess of all customary and actual costs and expenses of transfer pursuant to default, including liens and encumbrances of record. The person in default shall be entitled to any amount remaining provided the amount shall not exceed the lower of the amounts computed in subsection (c)(1) above.

(f) The provisions of this section shall be incorporated in any deed, lease, mortgage, agreement of sale, or other instrument of conveyance for reserved housing units. [Eff 9/8/86, comp 1/28/88, comp 2/24/90, am 8/4/95, am 1/13/00] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

Historical note: §15-22-186 is based substantially upon §15-17-306 [Eff 4/6/85; R 9/8/86]

B. The Unit is subject to the terms of Section 15-22-187 of the Mauka Area Rules ("Equity Sharing Requirements"), which section is hereby expressly incorporated into this Deed by this reference. Section 15-22-187 of the Mauka Area Rules provides, in its entirety, as follows:

§15-22-187 Equity sharing requirements. (a) The authority's share of the equity in the reserved housing unit shall become due upon:

- (1) Waiver of the authority's first option to purchase the reserved housing unit; or
- (2) Resale of the reserved housing unit after the expiration of the period during which the authority has the first option to purchase the unit.
- (b) The authority's share of the equity in the reserved housing unit shall be the higher of:
 - (1) An amount equivalent to the difference between the original fair market value of the unit and its original sales contract price, not to exceed the difference between the resale fair market value and the original sales contract price; or
 - (2) An amount equivalent to the authority's percentage share of net appreciation calculated as the difference between the original fair market value of the unit and its original sales contract price, divided by the original fair market value of the unit. As used herein, "net appreciation" means resale fair market value less original sales contract price and actual sales costs incurred, if any.

The authority shall determine the fair market value of the unit at the time of the initial sale and at the time of resale.

(c) The price and terms on the resale of units shall be approved by the authority. [Eff 9/8/86, comp 1/28/88, comp 2/24/90, am 8/4/95] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7).

Historical note: §15-22-187 is based substantially upon §15-17-307. [Eff 4/6/85; R 9/8/86]

C. The Unit is subject to the terms of Section 15-22-190 of the Mauka Area Rules ("Occupancy"), which section is hereby expressly incorporated into this Deed by this reference. Section 15-22-190 of the Mauka Area Rules provides, in its entirety, as follows:

§15-22-190 Occupancy. (a) A reserved housing unit purchased or rented under this chapter shall be

occupied by the purchaser or renter at all times.

(b) Violation of subsection (a) shall be sufficient reason for the authority, at its option, to purchase the unit as provided in §15-22-186 of this chapter or evict the renter from the unit, as applicable.

(c) Any deed, lease, agreement of sale, mortgage, or other instrument of conveyance issued by the authority shall expressly contain the restrictions on use prescribed in this section.

(d) The restriction prescribed in subsection (a) above shall not apply if the authority waives its option to purchase the reserved housing unit or subsequent to the expiration of the option to purchase period. [Eff 9/8/86, comp 1/28/88, comp 2/24/90] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

Historical note: §15-22-190 is based substantially upon §15-17-310. [Eff 4/6/85; R 9/8/86]

D. The Unit is subject to the terms of Section 15-22-191 of the Mauka Area Rules ("Restrictions or conditions on use and sale of a reserved housing unit; effects of amendment or repeal"), which section is hereby expressly incorporated into this Deed by this reference. Section 15-22-191 of the Mauka Area Rules provides, in its entirety, as follows:

§15-22-191 Restrictions or conditions on use and sale of a reserved housing unit; effects of amendment or repeal. (a) Restrictions or conditions on the use, sale and transfer of reserved housing units shall be made as uniform as possible in application to purchasers of all units, and restrictions shall be conformed with agreement of the owner to reflect change or repeal made by any subsequent legislative act, ordinance, rule or regulation. Reserved housing unit owners shall be permitted at their election to sell or transfer units subject to restrictions in effect at the time of their sale or transfer.

(b) The authority, any other department of the State, or any county housing agency maintaining restrictions or conditions, through contract, deed, other instrument, or by rule or regulation, shall notify all owners of any change made by law, ordinance, rule or regulation not more than one hundred eighty (180) days after the change, as the case may be, and such notice shall clearly state the enacted or proposed new provisions, the date upon which they are to be effective and offer to each owner of reserved housing units constructed and sold prior to the effective date, an opportunity to modify the existing contract or other instrument to incorporate the most recent provisions.

(c) No dwelling unit owner shall be entitled to modify the restrictions or conditions on use, transfer, or sale of the reserved housing unit, without the written permission of the holder of a duly-recorded first mortgage on the unit and the owner of the fee simple or leasehold interest in the land underlying the unit, unless the holder of the first mortgage or the owner is an agency of the State or its political subdivisions.

(d) This section shall apply to all reserved housing units developed, constructed and sold pursuant to this chapter and similar programs in the State or its political subdivisions and which are sold on the condition that the purchaser accepts restrictions on the use, sale or transfer of interest in the reserved housing unit purchased.

(e) The provisions of this section shall be incorporated in any deed, lease, instrument, rule or regulation relating to restrictions or conditions on use, sale or transfer of reserved housing units. [Eff 9/8/86, comp 1/28/88, comp 2/24/90] (Auth: HRS §§206E-4, 206E-5, 206E-7) (Imp: HRS §§206E-4, 206E-5, 206E-7)

Historical note: §15-22-191 is based substantially upon §15-17-311. [Eff 4/6/85; R 9/8/86]

END OF EXHIBIT "B"