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MALINA AT KOA RIDGE – PHASE I

LIMITED WARRANTY CONDOMINIUM UNIT DEED  
(WITH RESERVATIONS, COVENANTS, CONDITIONS AND RESTRICTIONS  
AND REPURCHASE OPTION)

THIS INDENTURE, made this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_,  
by and between CASTLE & COOKE HOMES HAWAII, INC., a Hawaii corporation,  
whose principal place of business is 680 Iwilei Road, Suite 510, Honolulu, Hawaii  
96817, and whose post office address is 680 Iwilei Road, Box 510, Honolulu, Hawaii  
96817, hereinafter called the "Grantor", and

hereinafter called the "Grantee",

WITNESSETH THAT:

The Grantor, in consideration of the sum of TEN DOLLARS (\$10.00) and other valuable consideration to it paid, the receipt whereof is hereby acknowledged, and of the provisions and covenants hereinafter set forth and on the part of the Grantee to be faithfully observed and performed, does hereby grant, bargain, sell and convey unto the Grantee, as \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_,

(Tenancy)

forever, the following described property (the "Property"):

Those certain premises, comprising a portion of "Malina at Koa Ridge – Phase I", a condominium project (hereinafter called the "Project") described in and established by that certain Declaration of Condominium Property Regime of Malina at Koa Ridge – Phase I dated \_\_\_\_\_, 202\_\_\_\_, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. \_\_\_\_\_, as amended from time to time (hereinafter called the "Declaration"), which premises are described in Exhibit "A" attached hereto and made a part hereof:

EXCLUDING AND RESERVING from the conveyance, however, unto the Grantor, all of the rights of the grantee under each of the following (collectively referred to as the "Sanitary Sewer Easements"):

1. Agreement and Grant of Sanitary Sewer Easement dated December 16, 2016, recorded in the Bureau of Conveyances as Document No. A-61941186, by and between Ford Island Ventures, LLC, a Delaware limited liability company, as Grantor, and the Developer, as Grantee, as amended from time to time; and
2. Agreement and Grant of Sanitary Sewer Easement dated December 27, 2016, recorded as Document No. A-62210793, by and between Celebrations At Waikele Community Association, a Hawaii nonprofit corporation, as Grantor, and the Developer, as Grantee, as amended from time to time.

RESERVING, HOWEVER, as to FIRST and SECOND, as set forth in Exhibit "A" to the Grantor, its successors and assigns, all of the rights and easements in favor of Developer as set forth or described in the Declaration, including but not limited to the following:

1. Until the later of (a) December 31, 2028, or (b) if the Project has been merged with another condominium project or projects, the date which is five (5) years after the date of recordation of the most recently recorded document to effect such merger or mergers, the Developer shall have the right to conduct extensive sales activities within the Project utilizing the common elements and any unit(s) still owned by the Developer, including the use of model units, sales and management offices, and extensive sales displays, signage and activities.

2. Until the later of (a) December 31, 2028, or (b) if the Project has been merged with another condominium project or projects, the date which is five (5) years after the date of recordation of the most recently recorded document to effect such merger or mergers, the Developer, its agents, employees, contractors, licensees, successors and assigns shall have a nonexclusive easement over the common elements of the Project, as may be reasonably necessary for the completion of any improvements to and correction of defects and other punchlist items in the common elements.

3. The Developer, its successors and assigns shall have the right to amend, transfer, cancel, relocate and otherwise deal with any easement, license or other rights or interests, including, without limitation, the Sanitary Sewer Easements, over, under, across, along, upon and through any lands adjacent to or in the vicinity of the Project, which would be or may be appurtenant to the land of the Project ("Land"), for access purposes, for electrical, gas, telephone, telecommunication (including cable television, high speed data/Internet/intranet services, cellular telephone, and satellite television) and other utility purposes, for sanitary sewer, drainage and drainline, water, waterline, irrigation and flowage purposes, for drainage control, erosion control and storm water system purposes, for landscape purposes, to access and read utility meters, and for all other related purposes.

4. The Developer, its successors and assigns shall have a nonexclusive easement for roadway and utility purposes over, under, across, along, upon and through the roadways which are included in the common elements of the Project; together with the right to designate easements for the aforesaid purposes, and together also with the right to grant to the owner or owners from time to time of all or any portion of the land described in Exhibit "C" of the Declaration, the owner or owners from time to time of all or any portion of the lands adjacent to or in the vicinity of the Project, the Koa Ridge Owners Association and/or any public or private utility or other limited liability company, corporation, partnership, individual or entity, easements for such roadway and utility purposes over, under, across, along, upon and through the roadways which are included in the common elements of the Project.

5. The Developer, its successors and assigns shall have a nonexclusive easement for access, walkway, pathway and trail purposes over, across, along, upon and

through the common elements of the Project; together with the right to designate easements for the aforesaid purposes, and together also with the right to grant to the owner or owners from time to time of all or any portion of the land described in Exhibit "C" of the Declaration, the owner or owners from time to time of all or any portion of the lands adjacent to or in the vicinity of the Project, the Koa Ridge Owners Association and/or any limited liability company, corporation, partnership, individual or entity, easements for such access, walkway, pathway and trail purposes over, across, along, upon and through the common elements of the Project.

6. The Developer, its successors and assigns shall have a nonexclusive easement for tree trimming purposes over, across, along, upon and through the land between the street boundary of the Project and the established curb or street line (the "Road Right of Way"), including, without limitation, the planting strip located therein; together with the right to designate easements for the aforesaid purposes, and together also with the right to grant to the Koa Ridge Owners Association and/or any limited liability company, corporation, partnership, individual or entity, easements for such tree trimming purposes.

7. The Developer, its successors and assigns shall have a nonexclusive easement for access purposes over, across, along, upon and through the common elements of the Project, including the limited common elements appurtenant to the unit(s), from time to time during reasonable hours as may be necessary to read utility meters and sub-meters, together with the right to designate easements for the aforesaid purposes, and together also with the right to grant to any public or private utility or other limited liability company, corporation, partnership, individual or entity, easements for such access purposes.

8. The Developer, its successors and assigns shall have a nonexclusive easement for storm water and other purposes over, across, along, upon and through Easement "D-1", as more particularly described in Exhibit "A"; together with the right to grant to the owner or owners from time to time of all or any portion of the land described in Exhibit "C" of the Declaration, the Koa Ridge Owners Association and/or any limited liability company, corporation, partnership, individual or entity, easements for such storm water and other purposes.

9. The Developer, its successors and assigns shall have a nonexclusive easement for access and utility purposes over, across, along, upon and through Easement "A-8", as more particularly described in Exhibit "A"; together with the right to grant to the owner or owners from time to time of all or any portion of the land described in Exhibit "C" of the Declaration, the Koa Ridge Owners Association and/or any limited liability company, corporation, partnership, individual or entity, easements for such access and utility purposes.

10. The Developer, its successors and assigns shall have a nonexclusive easement for bicycle rack purposes over, across, along, upon and through Easement “BR-1”, as more particularly described in Exhibit "A"; together with the right to grant to the owner or owners from time to time of all or any portion of the land described in Exhibit "C" of the Declaration and/or any limited liability company, corporation, partnership, individual or entity, easements for such bicycle rack purposes.

11. The Developer, its successors and assigns shall have a nonexclusive easement for electric vehicle charging station purposes over, across, along, upon and through Easement “EV-1”, as more particularly described in Exhibit "A"; together with the right to grant to the owner or owners from time to time of all or any portion of the land described in Exhibit "C" of the Declaration and/or any limited liability company, corporation, partnership, individual or entity, easements for such electric vehicle charging station purposes.

12. The Developer, its successors and assigns shall have a nonexclusive easement for loading zone purposes over, across, along, upon and through Easement “LZ-1”, as more particularly described in Exhibit "A"; together with the right to grant to the owner or owners from time to time of all or any portion of the land described in Exhibit "C" of the Declaration and/or any limited liability company, corporation, partnership, individual or entity, easements for such loading zone purposes.

13. The Developer, its successors and assigns shall have a nonexclusive easement for mailbox purposes over, under, across, along, upon and through Easement “MB-2”, as more particularly described in Exhibit "A", together with the right to designate easements for the aforesaid purposes, and together also with the right to grant to the owner or owners from time to time of all or any portion of the land described in Exhibit "C" of the Declaration, the Koa Ridge Owners Association and/or any limited liability company, corporation, partnership, individual or entity, easements and/or licenses, including rights of entry, for such mailbox purposes.

14. The Developer, its successors and assigns shall have a nonexclusive easement for parking stall purposes over, across, along, upon and through Easements “P-1” and “P-9”, as more particularly described in Exhibit "A"; together with the right to grant to the owner or owners from time to time of all or any portion of the land described in Exhibit "C" of the Declaration and/or any limited liability company, corporation, partnership, individual or entity, easements for such parking stall purposes.

15. The Developer, its successors and assigns shall have a nonexclusive easement for flowage, storm water channel, storm water collection, drainage culvert and other purposes over, under, across, along, upon and through Easement “SWQ-133”, as more particularly described in Exhibit "A", together with the right to designate easements for the aforesaid purposes, and together also with the right to grant to the Koa Ridge

Owners Association, the City and County of Honolulu and/or any limited liability company, corporation, partnership, individual or entity, easements for such flowage, storm water channel, storm water collection, drainage culvert and other purposes.

16. The Developer, its successors and assigns shall have nonexclusive easements for electrical, gas, telephone, telecommunication (including cable television, high speed data/Internet/ intranet services, cellular telephone, and satellite television) and other utility purposes, easements for photovoltaic purposes, easements for sanitary sewer, drainage and drainline, water, waterline, irrigation and flowage purposes, easements for drainage control, erosion control and storm water system purposes, easements for landscape purposes, easements to access and read utility meters, and easements for all other purposes over, under, across, along, upon and through the Land, including but not limited to any and all easements now or hereafter designated on any subdivision map or file plan or identified in any document referred to in Exhibit "A", together with the right to designate easements for the aforesaid purposes, if necessary or desirable, subject to the reasonable consent of the Association of Unit Owners of the Project as to location, and together also with rights of reasonable access thereto in connection with the exercise of said easement rights, and to grant to the owner or owners from time to time of all or any portion of the land described in Exhibit "C" of the Declaration, the owner or owners from time to time of all or any portion of the lands adjacent to or in the vicinity of the Project, the State of Hawaii, the City and County of Honolulu, the Board of Water Supply of the City and County of Honolulu, any other appropriate governmental entity or agency, the Koa Ridge Owners Association and/or any other public or private utility or other limited liability company, corporation, partnership, individual or entity, easements for such purposes over, under, across, along, upon and through the Land under the usual terms and conditions required by the grantee of such easement rights, and together also with the right to delete or cancel designated or granted easements that are not required or no longer serve the aforesaid purposes; provided, however, that such easement rights must be exercised in such manner as to not unreasonably interfere with the use of the Land by the unit owners and those claiming by, through or under the unit owners, and in connection with the installation, maintenance or repair of any facilities pursuant to any of said easements the Land shall be promptly restored by and at the expense of the person owning and exercising such easement rights to substantially the condition of the Land immediately prior to the exercise thereof; and the acceptance or acquisition by any party of any interest in the Project shall constitute an undertaking and agreement by such party (a) to join in and execute, upon request, any and all documents designating and/or granting any such easements, and (b) to perform and carry out at such party's expense, or to cause the Association of Unit Owners of the Project to perform and carry out as a common expense, any obligation in any such grant of easement rights, or in any grant of easement specifically referred to in the Declaration, any obligation with respect to providing and maintaining any screening or landscaping or similar requirement as to facilities within the Land which may now or hereafter be required by law, ordinance or

governmental entity or agency, subject to the conditions of the condominium unit deed conveying the unit.

SUBJECT, ALSO, as to FIRST and SECOND, as set forth in Exhibit "A", all other easements, encumbrances, exceptions and reservations described in the Declaration.

TO HAVE AND TO HOLD the same, together with all rights, easements, privileges and appurtenances thereunto belonging or appertaining or held and enjoyed therewith, unto the Grantee, according to the tenancy and estate hereinabove set forth, absolutely and forever and in fee simple, subject as aforesaid, and subject also to said Declaration and to the By-Laws of the Association of Unit Owners of Malina at Koa Ridge – Phase I dated \_\_\_\_\_, 202\_\_\_\_, recorded as Document No. \_\_\_\_\_, as amended from time to time (hereinafter called the "By-Laws"), and to the covenants, conditions and restrictions set forth in said Declaration and in said By-Laws, all of which are incorporated herein by reference and made a part hereof.

The above-described Unit shall be occupied and used only for residential purposes and shall be subject to such other restrictions on use as set forth and contained in said Declaration and in said By-Laws, to which reference is hereby made.

The Grantor hereby covenants and agrees with the Grantee that the Property is free and clear of and from all liens and encumbrances made or suffered by the Grantor, except as herein mentioned and except for the lien for real property taxes not yet by law required to be paid; and that the Grantor shall WARRANT AND DEFEND the same unto the Grantee, forever, against the lawful claims and demands of all persons claiming by, through or under the Grantor, except as herein set forth.

#### Grantee's Covenants

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

A. Observance of Declarations, By-Laws and Koa Ridge Covenants. The Grantee does hereby covenant and agree, for the benefit of the owners from time to time of all other units in said Project, to at all times observe and perform all of the terms, covenants, conditions and restrictions contained in said Declaration and said By-Laws and on the Grantee's part to be observed and performed, as and when required to do so, and will indemnify and hold and save them (and each of them) harmless from Grantee's failure so to observe and perform any of such terms, covenants, conditions and restrictions. The Grantee hereby further covenants and agrees to comply with, observe and perform, and to cause the Association of Unit Owners of the Project (the

"Association") to comply with, observe and perform, the terms and provisions of that certain Declaration of Community Covenants for Koa Ridge dated June 8, 2020, recorded as Document No. A-74660352, as amended, restated and supplemented from time to time, including, without limitation, by that certain First Amendment to Declaration of Community Covenants for Koa Ridge dated July 17, 2020, recorded as Document No. A-75070350, and that certain Supplemental Declaration Annexing Property (Malina at Koa Ridge – Phase I Parcel) dated \_\_\_\_\_, 202\_\_\_\_, recorded as Document No. \_\_\_\_\_ (the "Koa Ridge Covenants"), and the Grantee agrees to indemnify, defend and hold the Grantor harmless from any failure by the Grantee or the Association so to comply with, observe and perform the terms and provisions of the Koa Ridge Covenants.

B. Conditions Affecting the Property. The Grantee understands, acknowledges, covenants and agrees to the following:

1. Agricultural Effects. The Property is located on and is near or adjacent to lands and easements which are, may be, or were used for or in connection with agricultural operations, which may include, but are not limited to, trucking, plowing, hauling, fertilizing, grading, storing, herbicide and pesticide spraying, crop dusting, water diversion, irrigation, and all other activities incidental to the planting, cultivating, harvesting and processing of crops, including night time activities, and the grazing and raising of livestock, poultry and other animals, which may from time to time cause surface water runoff, noise, soot, ash, smoke, dust, light, heat, vapors, odors, chemicals, vibrations, insect pests, and other substances and phenomena of every description (collectively, the "Agricultural Effects") to be discharged, emitted, dispersed or transmitted over and upon the Property which may bother or be a nuisance to the Grantee and any person occupying or using the Property, and the Grantee also acknowledges that the Hawaii Right to Farm Act (Chapter 165 of the Hawaii Revised Statutes) and Hawaii law limit the circumstances under which farming operations may be deemed to be a nuisance;

2. Airport Effects. The Property is located in the vicinity of the Honolulu International Airport, and aircraft may fly in the proximity of or directly over the Property, and such overflights and other airport-related activities may result in noise, dust, vibration, and other nuisances, disturbances or hazards (collectively, the "Airport Effects") to persons and property on or within the Property;

3. Military Effects. The Property is located in the vicinity of military aircraft facilities, military activities may be conducted in the vicinity of the Property, and such military activities may result in noise, dust, vibration, and other nuisances, disturbances or hazards (the "Military Effects") to persons and property on or within the Property;



4. Utility Effects. The Property is or may be located adjacent to or in the vicinity of electric, gas, water, sewer and other utilities and public roads and thoroughfares, including, without limitation, such things as sewer lines, electrical substations, high-powered electrical transmission lines, water pump stations, water tanks, reservoirs, freeways and exit ramps which may result in nuisances, such as odors, noise and dust, disturbances or hazards (collectively, the "Utility Effects") to persons and to property on or within the Property. The Utility Effects include, without limitation, odors that could possibly come from sewer lines or facilities. In recent years, concerns have been raised about possible adverse health effects of electric and magnetic fields from power lines. The Grantor is not insuring or guaranteeing the health of the Grantee or other occupants or users of the Property and disclaims liability for personal injury, illness or any other loss or damage caused by or arising from the Utility Effects including, without limitation, the presence or malfunction of any electrical distribution systems that may be located adjacent to, near, or over any part of the Property;

5. Development Effects. (i) The Property is or may be located adjacent to or in the vicinity of various construction activities, including, but not limited to, ongoing residential (including affordable residential), commercial, mixed use commercial/residential, light industrial, health care and other construction, proposed construction of future subdivisions and roads, land development activities, shopping centers, churches, and other construction and development projects (collectively, the "Proposed Development"); (ii) construction of the Proposed Development will or may result in noise, dust, vibration and other nuisances, disturbances or hazards to the Grantee and to persons and property on or within the Property or the Project, and may limit the Grantee access to the Property; (iii) during and after development, traffic, lights, noise, dust, vibration and other nuisances, disturbances or hazards to persons and property on or within the Property or the Project may be generated from the Proposed Development; (iv) no representations or warranties are made by the Grantor, its employees or agents concerning plans, or the absence of plans, by the Grantor or others for future development of adjacent or nearby properties, and any plans for the future development of adjacent and nearby properties by the Grantor are subject to change in the sole and absolute discretion of the Grantor or its successors and assigns; and (v) the Grantor makes no representations regarding the view from the Property or any view easements or rights, and the views from the Property are not guaranteed and may be altered, diminished, eliminated or blocked entirely by the future development of adjacent or surrounding properties (items (i) through (v) are hereinafter collectively called the "Development Effects");

6. Mold Effects. Mold and other forms of fungi are common and occur naturally in Hawaii due to its climate. Any moisture, including but not limited to standing water, water intrusion in a unit, or condensation will promote mold or other fungal growth. Lack of maintenance, utilization of an air-conditioner and other

conditions which could increase moisture or condensation in a unit, will therefore create conditions which are conducive to mold and fungi growth. It has been reported or alleged that molds and other fungi can cause mild to severe allergies, infections and other health problems and property damage (collectively, the "Mold Effects"). The Grantor is not insuring or guaranteeing the health of the Grantee or other occupiers or users of the Property and disclaims liability for personal injury, illness, property damage, or any other loss or damage caused by or arising from the Mold Effects;

7. Waiver, Release and Indemnity. The Grantee represents and warrants to the Grantor that the Grantee, in the Grantee's sole discretion, has determined that the benefits of owning and enjoying the Property outweigh the risks of the Agricultural Effects, the Airport Effects, the Military Effects, the Utility Effects, the Development Effects and the Mold Effects (collectively, the "Property Conditions"). The Grantee hereby irrevocably agrees to suffer and permit all actions and consequences incidental to the Agricultural Effects, the Airport Effects, the Military Effects, the Utility Effects and the Mold Effects. The Grantee hereby irrevocably agrees to suffer and permit all actions and consequences incidental to the Development Effects, for a period of ten (10) years after the date of recordation of this instrument. The Grantee hereby covenants and agrees to assume all risks of impairment of the Grantee's use and enjoyment of the Property or the Project, loss of market value of the Property, and property damage or personal injury arising from the Property Conditions, and the Grantee, for the Grantee and the Grantee's tenants, lessees, family, servants, guests, invitees, licensees, agents, employees, and those who use the Property through the Grantee for an extended period of time (collectively, the "Occupants"), hereby waives any claims or rights of action or suits against the Grantor, its successors and assigns, the City, the State of Hawaii, and any agency or subdivision of the foregoing, arising from such impairment of the Occupants' use and enjoyment of the Property or the Project, loss of market value of the Property, and property damage or personal injury arising from one or more of the Property Conditions. The Grantee shall indemnify, hold harmless and defend the Grantor, its successors and assigns, the City, the State of Hawaii, and any agency or subdivision of the foregoing, from any and all liability, claims, losses, damages, or expenses, including attorneys' fees, arising from such impairment of the Occupants' use and enjoyment of the Property or the Project, loss of market value of the Property, or property damage or personal injury to the property or person of the Occupants as a result of one or more of the Property Conditions. The Grantee further covenants that the Grantee will notify all Occupants and transferees of the Property of the risks of the Property Conditions.

The foregoing covenants shall be included in every subsequent conveyance of the Property and shall be binding upon and inure to the benefit of the parties and their respective estates, heirs, devisees, personal representatives, successors, successors-in-trust and assigns; provided that the foregoing agreement to indemnify, hold harmless and defend shall not be applicable to, and shall not extend to obligate, any institutional lender

or investor (including any successor or assign) who holds a mortgage covering the Property or who takes title to the Property upon foreclosure or by way of deed in lieu of foreclosure or otherwise, and provided further that the foregoing agreement to indemnify, hold harmless and defend shall likewise not be applicable to, and shall not extend to obligate, any owner or holder of the Property who is in the chain of title subsequent to such institutional lender or investor.

C. Merger. Without limitation to the generality of the foregoing, Grantee understands and agrees that pursuant to that certain Declaration of Merger of Condominium Phases dated \_\_\_\_\_, 2021, recorded as Document No. \_\_\_\_\_, as the same may be amended from time to time (hereinafter called the "Declaration of Merger"), the Grantor has the right, in its sole and absolute discretion, to cause and effect an administrative merger or mergers of the Project with a condominium project or projects located or to be located on lands (or a portion or portions thereof) in the vicinity of the Land of the Project, as part of the same incremental plan of development of the Project, such that the use of the respective common elements, the respective common expenses and the management of the respective affairs of the Project and the additional phases are shared, and the administration of the Project and the additional phases is unified under one association of unit owners, but the ownership interests of the unit owners of the Project and the additional phases are not altered or affected. The Declaration of Merger also gives the Grantor the right, in its sole and absolute discretion, to cause and effect an ownership merger or mergers of the Project and the additional phases, as an alternative to an administrative merger or mergers of the Project and the additional phases, to provide for the common ownership of the Project and the additional phases by all of the unit owners of the Project and the additional phases. Upon an ownership merger, all of the units in the merged phases shall be treated as though they were all included in a single condominium project (the "Merged Project"), all common elements of the merged phases will become the common elements of the Merged Project, and the common interest appurtenant to the Unit shall be altered from the percentage set forth in this Condominium Unit Deed to such percentage as shall be set forth in a "Certificate of Ownership Merger" recorded by the Grantor as Developer, in accordance with the Declaration of Merger. Grantee approves and authorizes such alteration, and undertakes and agrees to execute any document or instrument necessary or appropriate, as determined in the sole and absolute discretion of the Grantor, to carry out an administrative merger or mergers or an ownership merger or mergers and Grantee does hereby irrevocably appoint the Grantor the true and lawful attorney of Grantee, in Grantee's name, place and stead, to execute, acknowledge, deliver and record any document(s) or instrument(s) necessary or appropriate, as determined in the sole and absolute discretion of the Grantor, to effect an administrative merger or mergers or an ownership merger or mergers, all as more fully set forth in the Declaration of Merger. Said power of attorney shall be coupled with an interest and irrevocable, and shall not be affected by the Grantee's disability. In the event an administrative merger is declared

invalid or unenforceable for any reason, the Grantor shall have the right, in its sole and absolute discretion, to effect an ownership merger or mergers of the Project and the additional phases in accordance with the provisions of the Declaration of Merger. In the event an ownership merger is declared invalid or unenforceable for any reason, the Grantor shall have the right, in its sole and absolute discretion, to effect an administrative merger or mergers of the Project and the additional phases in accordance with the provisions of the Declaration of Merger. In the event of any such merger or mergers, all references to the "Project" herein shall mean and refer to the entire Project, as reconstituted by any such merger or mergers. Nothing herein shall be deemed to require Grantor to develop any additional phase or to merge any additional phase into the Project, or to prohibit Grantor from dealing with any lands adjacent to the Project not so merged, including without limitation, developing a whole or any part of such lands for a purpose inconsistent with the merger of such lands into the Project.

D. City's Transfer, Use and Sale Restrictions. The Grantee, for the Grantee, the Grantee's heirs, personal representatives, successors and assigns, does hereby acknowledge that the Grantee is purchasing the Property as a buyer whose annual household income does not exceed \_\_\_\_\_% of the Area Median Income, as adjusted by household size, for the City and County of Honolulu. The Grantee, for the Grantee, the Grantee's heirs, personal representatives, successors and assigns, does hereby covenant and agree, as a covenant running with the land, that the Property will be subject to certain restrictions on the transfer, use and sale ("City's Transfer, Use and Sale Restrictions") pursuant to that certain Affordable Housing Agreement dated May 5, 2014, by and between the City and County of Honolulu (the "City") and Grantor, as administered by the Department of Planning and Permitting of the City and County of Honolulu, and as set forth in Exhibit "B" hereto and made a part hereof. The restriction period as referred to in the City's Transfer, Use and Sale Restrictions shall be for a period of ten (10) years after the date of recordation of this Deed (the "Restriction Period") (at the end of which Restriction Period, such covenant shall automatically terminate and be of no further force and effect without the necessity of recording a release). Grantee, for the Grantee, and the Grantee's heirs, personal representatives, successors and assigns, does hereby further covenant and agree, as a covenant running with the land, to and with the Grantor and its successors and assigns and also to and with the City and its successors and assigns, to observe and perform all covenants, terms and conditions contained in the City's Transfer, Use and Sale Restrictions.

E. Grantor Not Liable for the City's Transfer, Use and Sale Restrictions. The Grantee for the Grantee's heirs, personal representatives, successors and assigns, does hereby covenant and agree, as covenants running with the land, that the City's Transfer, Use and Sale Restrictions are separate restrictions, and the Grantor shall not be responsible or liable to the Grantee for the administration of the City's Transfer, Use and Sale Restrictions, or for any representations or promises made by the City in

connection with the City's Transfer, Use and Sale Restrictions, or for the observance or performance by the City of its obligations or for the enforcement by the of its rights under City's Transfer, Use and Sale Restrictions, or for any actions taken or failure to take action by the City in connection with the City's Transfer, Use and Sale Restrictions. The Grantee hereby further covenants and agrees, as a covenant running with the land, to indemnify, defend and hold the Grantor and its successors and assigns harmless from any and all liability, claims, losses, damages, expenses and costs, including attorneys' fees, arising out of or resulting from the administration and enforcement of or the failure to administer or enforce the City's Transfer, Use and Sale Restrictions, or any term or provision thereof.

F. Designation and Grant of Easements. The Grantee approves and authorizes the grant by the Grantor, its successors or assigns, to the State of Hawaii, the county in which the Property is located, any other appropriate governmental agency, any public or private utility, or any other corporation, partnership, individual or entity of easement rights as hereinbefore provided, and the Grantee further agrees and covenants to, at no cost to the Grantor, promptly execute and deliver such instruments and take such other actions as the Grantor may request in order to effectuate such grants of easement rights and to carry out the terms hereof. The Grantee further covenants and agrees (a) to join in and execute, upon request, any and all documents designating and/or granting any easements that have been reserved in favor of the Grantor, and (b) to perform and carry out at the Grantee's expense, or to cause the Association to perform and carry out as a common expense, any obligation in any such grant of easement rights, or in any grant of easement specifically referred to in the Declaration, with respect to providing and maintaining any screening or landscaping or similar requirement as to facilities within the Land which may now or hereafter be required by law, ordinance or governmental agency.

G. Remedies. The violation or breach of any of the covenants, conditions, agreements or restrictions contained herein shall give the Grantor the right to prosecute a proceeding at law or in equity against the Grantee to prevent or enjoin the Grantee from violating or breaching any of the covenants, conditions, agreements or restrictions, or to cause said violation or breach to be remedied, or to recover damages or other remedies available for such violation or breach. In any legal or equitable proceeding for the enforcement of or to restrain the violation or breach of any provision herein or to obtain damages or other suitable remedy, the prevailing party shall be entitled to recover such attorneys' fees and costs as may have been incurred in enforcing or defending its rights hereunder.

H. Covenants Running with the Land; Duration. Except as otherwise expressly provided herein, each and all of the Grantor's reservations and the Grantee's covenants, agreements, conditions and restrictions contained above are perpetual and intended to run with the land in favor of the Grantor, its successors and assigns, and are

expressly binding upon the Property, and each portion thereof, and each successive owner of the Property and each person having any right, title or interest in the Property or any portion thereof, unless and until the Grantor shall relinquish and permanently waive any of its rights, but only with respect to the specific rights waived, as evidenced by the recordation of a written notice of such waiver in the Bureau of Conveyances of the State of Hawaii.

I. Meaning of Terms and Headings. The terms "Grantor" and "Grantee", as and when used herein, or any pronouns used in place thereof, shall mean and include the masculine, feminine or neuter, the singular or plural number, individuals, partnerships, trustees or corporations and their and each of their respective heirs, personal representatives, successors, successors in trust and assigns, according to the context thereof. All covenants and obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed elsewhere herein. The headings and titles of sections or provisions contained herein are for convenience and reference only and are not a part of this Indenture or intended to define, limit or describe the scope or intent of any provision herein.

The parties hereto 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 agreement, binding all of the parties hereto, notwithstanding all of the parties are not signatory 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.

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

Grantor:

CASTLE & COOKE HOMES HAWAII, INC.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Grantee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SPECIMEN

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

On this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_, before me personally appeared \_\_\_\_\_ and \_\_\_\_\_, to me personally known, who, being by me duly sworn or affirmed, did say that such persons executed this \_\_\_\_-page Limited Warranty Condominium Unit Deed (With Reservations, Covenants, Conditions and Restrictions and Repurchase Option) dated \_\_\_\_\_, 202\_\_\_\_, in the First Circuit of the State of Hawaii, as the free act and deed of such persons, and if applicable in the capacities shown, having been duly authorized to execute such instrument in such capacities.

\_\_\_\_\_  
Name: \_\_\_\_\_  
Notary Public, State of Hawaii

My commission expires: \_\_\_\_\_



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

On this \_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_, before me personally appeared \_\_\_\_\_, to me known, who, being by me duly sworn or affirmed, did say that such person(s) executed this \_\_\_\_-page Limited Warranty Condominium Unit Deed (With Reservations, Covenants, Conditions and Restrictions and Repurchase Option) dated \_\_\_\_\_, 202\_\_\_\_, in the First Circuit of the State of Hawaii, 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).

\_\_\_\_\_  
Name: \_\_\_\_\_  
Notary Public, State of Hawaii

My commission expires: \_\_\_\_\_

EXHIBIT "A"

FIRST: Unit No. \_\_\_\_\_ (the "Unit") of the "Malina at Koa Ridge – Phase I" condominium project (the "Project"), as described in that certain Declaration of Condominium Property Regime of Malina at Koa Ridge – Phase I dated \_\_\_\_\_, 2021, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. \_\_\_\_\_, as the same may be amended from time to time (the "Declaration"), and as shown on the plans of the Project filed in said Bureau of Conveyances as Condominium File Plan No. \_\_\_\_\_, as the same may be amended from time to time (the "Condominium Map");

TOGETHER with easements appurtenant to said Unit established by and described in the Declaration, including the following:

The exclusive right to use those certain limited common elements of the Project which are described in the Declaration as being appurtenant to said Unit, including Parking Stall Nos. \_\_\_\_\_ and Yard Area No. \_\_\_\_\_, as described in the Declaration and as shown on the Condominium Map.

Nonexclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support, maintenance and repair of such 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 said Declaration; and in all other units and common elements of the building in which the Unit is located or any adjacent buildings for support.

SUBJECT, HOWEVER, to easements for encroachments by other units and the common elements and limited common elements of the Project now or hereafter existing and for access from time to time during reasonable hours as may be necessary for the operation of the Project or for making emergency repairs or for the inspection, installation, repair, maintenance or replacement of any common elements, as established by and more particularly described in the Declaration.

SECOND: An undivided \_\_\_\_\_% interest in all common elements of the Project, as established for said Unit by the Declaration, as tenant in common with all other owners from time to time of undivided interests in and to said common elements, subject to all easements appurtenant to any units of the Project. The Project is located on and includes the following:

All of that certain parcel of land (being a portion of Royal Patent Number 5732, Land Commission Award Number 8241 to Ioane Ii, comprising of a portion of old



6. 222° 24' 103.58 feet along said Lot 3;
7. 241° 18' 85.50 feet along said Lot 3;
8. 151° 18' 18.00 feet along said Lot 3;
9. 241° 18' 48.83 feet along said Lot 3;
10. 331° 16' 164.13 feet along the westerly side of Kalahikiola Drive;
11. Thence along the northerly intersection of Kalahikiola Drive and Haleulula'au Street, on a curve to the right with a radius 30.00 feet, the chord azimuth and distance being:  
14° 46' 05.5" 41.30 feet, to a reverse curve to the left with a radius of 1,175.00 feet, its curve center bears: 328° 16' 11";
12. Thence along said reverse curve to the left with a radius of 1,175.00 feet, along said Haleulula'au Street, the chord azimuth and distance being:  
50° 22' 25.5" 322.83 feet, to a reverse curve to the right with a radius of 30.00 feet, its curve center bears: 132° 28' 40";
13. Thence along said reverse curve to the right with a radius of 30.00 feet, along the northerly intersection of Haleulula'au Street and Alaea Street, the chord azimuth and distance being:  
85° 52' 20" 41.22 feet;
14. 129° 16' 86.57 feet along said Alaea Street;

15. Thence along said Alaea Street, on a curve to the left with a radius of 537.50 feet, the chord azimuth and distance being:

127° 59' 05" 24.05 feet to the point of beginning and containing an area of 1.768 acres, more or less.

Said above described parcel of land having been acquired as follows:

1. By Castle & Cooke Hawaii, Inc., a Hawaii corporation, by Deed of Castle & Cooke Homes Hawaii, Inc., a Hawaii corporation, dated December 8, 1995, filed as Document No. 2277107 and also recorded as Document No. 95-159451;

2. By Castle & Cooke Homes Hawaii, Inc., a Hawaii corporation, by Quitclaim Deed of the State of Hawaii, by its Board of Land and Natural Resources, acting pursuant to Section 171-52, Hawaii Revised Statutes, dated effective as of November 21, 2002, recorded as Document No. 2002-209952;

3. By Castle & Cooke Homes Hawaii, Inc., a Hawaii corporation, by Quitclaim Deed of the State of Hawaii, by its Board of Land and Natural Resources, acting pursuant to Section 171-52, Hawaii Revised Statutes, dated effective as of June 25, 2003, recorded as Document No. 2003-130707; and

4. By Castle & Cooke Homes Hawaii, Inc., a Hawaii corporation, by Quitclaim Deed of the State of Hawaii, by its Board of Land and Natural Resources, acting pursuant to Section 171-52, Hawaii Revised Statutes, dated effective as of August 18, 2005, recorded as Document No. 2005-164713.

TOGETHER WITH a nonexclusive appurtenant easement for vehicular access over, across, along and upon such portion of Easements A-9, A-10, A-11, A-12 and A-13 as shown on survey map dated January 20, 2021, approved by the City and County of Honolulu, Department of Planning and Permitting, DPP File Number 2021/SUB-30, on February 12, 2021; Lots 9-D, 9-E, 9-F and 9-G as shown on survey map dated October 5, 2020, approved by the City and County of Honolulu, Department of Planning and Permitting, DPP File Number 2019/SUB-70, on October 2, 2020; Lot D-3 as shown on survey map dated April 15, 2020, approved by the City and County of Honolulu, Department of Planning and Permitting, DPP File Number 2018/SUB-69, on March 13, 2020; Lots B-2 and B-3 as shown on survey map dated November 27, 2019, approved by the City and County of Honolulu, Department of Planning and Permitting, DPP File Number 2018/SUB-12, on November 29, 2019; Lot E-1 as shown on survey map dated October 1, 2020, approved by the City and County of Honolulu, Department of Planning and Permitting, DPP File Number 2019/SUB-10, on October 9, 2020; Lot C-

1 as shown on survey map dated March 12, 2020, approved by the City and County of Honolulu, Department of Planning and Permitting, DPP File Number 2018/SUB-54, on March 13, 2020; and Lot 9467-B-4 as shown on Map 863 filed with Land Court Application 1000, pursuant to Grantor's reserved rights in Deed dated June 4, 1986, filed as Land Court Document No. 1382431 (the "Roadway Lots"), as may be necessary and designated by Grantor from time to time for access to a public road;

RESERVING to Grantor, however, the right to relocate said access to such other location as Grantor may from time to time designate in writing by recordation of any instrument designating the relocation of such access (without necessity of amending this instrument);

PROVIDED, HOWEVER, that in the event that any portion or all of the Roadway Lots or other designated access areas are conveyed to the State of Hawaii, the City and County of Honolulu, or any other appropriate governmental authority, said easement as to the area so conveyed shall immediately terminate.

TOGETHER WITH a nonexclusive appurtenant easement for utility purposes over, under, across, along, upon and through such portion of Easements A-9, A-10, A-11, A-12 and A-13 as shown on survey map dated January 20, 2021, approved by the City and County of Honolulu, Department of Planning and Permitting, DPP File Number 2021/SUB-30, on February 12, 2021;

TOGETHER WITH a nonexclusive appurtenant easement for bicycle rack purposes over, across, along, upon and through such portion of Easements BR-2 and BR-3 as shown on survey map dated January 20, 2021, approved by the City and County of Honolulu, Department of Planning and Permitting, DPP File Number 2021/SUB-30, on February 12, 2021;

TOGETHER WITH a nonexclusive appurtenant easement for parking stall purposes over, under, across, along, upon and through such portion of Easement P-2 as shown on survey map dated January 20, 2021, approved by the City and County of Honolulu, Department of Planning and Permitting, DPP File Number 2021/SUB-30, on February 12, 2021;

SUBJECT, HOWEVER, to the following:

1. Mineral and water rights of any nature.
2. The terms and provisions contained in Declaration of Conditions dated August 10, 2012, recorded as Document No. A-46100932.

3. The terms and provisions contained in Unilateral Agreement and Declaration for Conditional Zoning dated November 6, 2013, recorded as Document No. A-50580557.

4. Terms and provisions contained in Agreement and Grant of Sanitary Sewer Easement dated December 16, 2016, recorded as Document No. A-61941186.

5. Terms and provisions contained in Agreement and Grant of Sanitary Sewer Easement dated December 27, 2016, recorded as Document No. A-62210793.

6. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in that certain Declaration of Community Covenants for Koa Ridge dated June 8, 2020, recorded as Document No. A-74660352, as amended, restated and supplemented from time to time, including, without limitation, by that certain First Amendment to Declaration of Community Covenants for Koa Ridge dated July 17, 2020, recorded as Document No. A-75070350, and that certain Supplemental Declaration Annexing Property (Malina at Koa Ridge – Phase I Parcel) dated \_\_\_\_\_, 2021, recorded as Document No. \_\_\_\_\_.

7. Designation of Easement "D-1", for storm water purposes, as shown on subdivision map prepared by Wayne M. Teruya, Land Surveyor with ParEn, Inc. dba Park Engineering, dated October 5, 2020, approved by the Department of Planning and Permitting, City and County of Honolulu, DPP File Number 2019/SUB-70, on October 2, 2020.

8. The terms and provisions contained in Declaration of Restrictive Covenants and Unilateral Agreement for Issuance of Conditional Use Permit Under Section 21-5.380 of the Land Use Ordinance dated January 13, 2021, recorded as Document No. A-77170336.

9. Designation of Easement "A-8", for access and utility purposes, as shown on subdivision map prepared by Wayne M. Teruya, Land Surveyor with ParEn, Inc. dba Park Engineering, dated January 20, 2021, approved by the Department of Planning and Permitting, City and County of Honolulu, DPP File Number 2021/SUB-30, on February 12, 2021.

10. Designation of Easement "BR-1", for bicycle rack purposes, as shown on subdivision map prepared by Wayne M. Teruya, Land Surveyor with ParEn, Inc. dba Park Engineering, dated January 20, 2021, approved by the Department of Planning and Permitting, City and County of Honolulu, DPP File Number 2021/SUB-30, on February 12, 2021.

11. Designation of Easement "EV-1", for electric vehicle charging station purposes, as shown on subdivision map prepared by Wayne M. Teruya, Land Surveyor with ParEn, Inc. dba Park Engineering, dated January 20, 2021, approved by the Department of Planning and Permitting, City and County of Honolulu, DPP File Number 2021/SUB-30, on February 12, 2021.

12. Designation of Easement "LZ-1", for loading zone purposes, as shown on subdivision map prepared by Wayne M. Teruya, Land Surveyor with ParEn, Inc. dba Park Engineering, dated January 20, 2021, approved by the Department of Planning and Permitting, City and County of Honolulu, DPP File Number 2021/SUB-30, on February 12, 2021.

13. Designation of Easement "MB-2", for mailbox purposes, as shown on subdivision map prepared by Wayne M. Teruya, Land Surveyor with ParEn, Inc. dba Park Engineering, dated January 20, 2021, approved by the Department of Planning and Permitting, City and County of Honolulu, DPP File Number 2021/SUB-30, on February 12, 2021.

14. Designation of Easements "P-1" and "P-9", for parking stall purposes, as shown on subdivision map prepared by Wayne M. Teruya, Land Surveyor with ParEn, Inc. dba Park Engineering, dated January 20, 2021, approved by the Department of Planning and Permitting, City and County of Honolulu, DPP File Number 2021/SUB-30, on February 12, 2021.

15. Designation of Easement "SWQ-133", for storm water quality purposes, as shown on subdivision map prepared by Wayne M. Teruya, Land Surveyor with ParEn, Inc. dba Park Engineering, dated January 20, 2021, approved by the Department of Planning and Permitting, City and County of Honolulu, DPP File Number 2021/SUB-30, on February 12, 2021.

16. Declaration of Merger of Condominium Phases dated \_\_\_\_\_, 2021, recorded as Document No. \_\_\_\_\_, as amended from time to time.

17. Condominium File Plan No. \_\_\_\_\_, as amended from time to time.

18. Declaration of Condominium Property Regime of Malina at Koa Ridge – Phase I dated \_\_\_\_\_, 2021, recorded as Document No. \_\_\_\_\_, as amended from time to time.

19. By-Laws of the Association of Unit Owners of Malina at Koa Ridge – Phase I dated \_\_\_\_\_, 2021, recorded as Document No. \_\_\_\_\_, as amended from time to time.



THIRD: All of the right, title and interest of the Grantor in and to all of the furnishings, fixtures and appliances located in the Unit.

SPECIMEN

## EXHIBIT "B"

### City's Transfer, Use and Sale Restrictions

The unit will be subject to and encumbered by the restrictions on transfer, use and sale (the "City's Transfer, Use and Sale Restrictions"), as follows:

#### A. Transfer of Unit.

1. Notice of Intent. If the original purchaser or subsequent owner wishes to transfer title to the unit during the Restriction Period, the original purchaser or subsequent owner shall notify the City and County of Honolulu (the "City") in writing of the intent to transfer title to the unit (the "Notice of Intent"). The Notice of Intent shall be sent to the City at the following address:

City and County of Honolulu  
Department of Budget and Fiscal Services  
530 S. King Street, 2<sup>nd</sup> Floor  
Honolulu, Hawaii 96813

2. Fair Market Value of Unit. The original purchaser or subsequent owner shall be responsible for establishing the fair market value of the unit, and may do so by submitting, together with the Notice of Intent, an appraisal of the unit which is dated no earlier than sixty (60) days prior to the date of the Notice of Intent.

3. City's Response to the Notice of Intent. The City shall respond to the Notice of Intent by: (a) agreeing to purchase the unit; (b) requiring the sale of the unit to a qualified resident, or (c) waiving its right to purchase the unit or require the sale of the unit to a qualified resident. The City shall notify the owner of its decision within forty-five (45) days of receipt of the Notice of Intent.

#### 4. City's Purchase of the Unit.

a. If the City elects to purchase the unit, the purchase price of the unit shall not be less than the following:

1. The cost to the purchaser or subsequent owner;
2. The cost of any improvements added by the purchaser or subsequent owner; and
3. Fifty percent (50%) of the appreciation in value of the unit.

b. The term "cost to the purchaser or subsequent owner" means the purchase price of the unit, the reasonable costs of sale, and any negative amortization if the unit was financed with a graduated payment mortgage.

- c. The term “appreciation in value of the unit” means the difference between (i) the fair market value of the unit, and (ii) the sum of the cost to the purchaser or subsequent owner and the cost of any improvements added by the purchaser or subsequent owner.
  - d. The City 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 City shall ensure that all existing mortgages, liens, and encumbrances are satisfactorily paid by the owner.
  - e. In any purchase by transfer subject to an existing mortgage, the City 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 City. In these cases, the amount to be paid to the owner by the City 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 City.
5. Sale to a Qualified Resident.
- a. If the City elects to require the original purchaser or subsequent owner to sell the unit to a qualified resident, the original purchaser or subsequent owner shall sell the unit to a qualified resident whose household income is in the same target group as the original purchaser. Accordingly, for purposes of example only, if the original purchaser qualified under the 120% Income Group, i.e., the original purchaser’s annual household income did not exceed 120% of the Area Median Income for the City and County of Honolulu, as adjusted by household size, at the time of the purchase of the unit, the qualified resident would need to qualify under the then 120% Income Group, as adjusted by household size, at the time of the qualified resident’s purchase of the unit.
  - b. The purchase price of the unit shall be established by the City as provided by Section 2-10 of City & County of Honolulu Affordable Housing Rules for Unilateral Agreements adopted February 12, 2010, effective February 28, 2010 (“AH Rules”) and on terms that preserve the intent of Section 5-3 of the AH Rules, it being understood for avoidance of doubt that the terms and provisions of Section A.4 shall not be used to determine the purchase price of the unit for sale to a qualified resident.

- c. In the event of a sale to a qualified resident, the original purchaser or subsequent owner selling the unit may retain 100% of the appreciation in value of the unit, if any.
- d. The transferee of the unit shall take title to the unit subject to the restrictions on transfer, use and sale as set forth herein, for the remainder of the Restriction Period.

6. Waiver of Right to Purchase Unit or Require Sale of Unit to a Qualified Resident.

- a. The City may elect to waive its right to purchase the unit or require sale of the unit to a qualified resident. A waiver by the City will be determined on each separate request and may include consideration of the following criteria:
  - 1. The original purchaser or subsequent owner wishes to transfer title to the unit by devise or through the laws of descent to a family member who would otherwise qualify under the AHA; or
  - 2. The City determines that the sale or transfer of the unit would be at a price and upon terms that preserve the intent of the restrictions on transfer, use and sale as set forth herein without the necessity of the City to repurchase the unit.
- b. Unless waived by the City, the transferee of the unit shall take title to the unit subject to the restrictions on transfer, use and sale as set forth herein, for the remainder of the Restriction Period.

B. Occupancy of Unit as Principal Residence.

1. Principal Residence. The unit shall be occupied as the Grantee's principal residence at all times during the Restriction Period.

2. Verification of Use as Principal Residence. The City, the Grantor, or an affordable housing provider designated by the City, shall have the right during the Restriction Period to verify owner-occupancy of the unit as a principal residence.

3. Violation. Violation of Section B.1 shall be sufficient reason for the City, at its option, to purchase the unit as provided in Section A hereof and/or to seek financial recourse from the original purchaser or subsequent owner of the unit, which financial recourse may include the appreciated value of the unit.

C. Liens and Mortgages. During the Restriction Period, only liens and mortgages consented to in advance by the City and created for the purpose of financing, refinancing,

purchase of the fee (if applicable), repayment of subsidy (if applicable), maintenance and repair of the unit or essential improvements, or other household expenditures of an emergency or life-threatening nature may be placed on the unit.

D. Restrictions on Transfer, Use and Sale Terminate at end of Restriction Period.

The restrictions on transfer, use and sale as set forth herein shall automatically terminate at the end of the Restriction Period and be of no further force and effect without the necessity of recording a release. After the end of the Restriction Period, the original purchaser or subsequent owner may sell, lease or transfer the unit free and clear of any of the restrictions on transfer, use and sale as set forth herein.

E. Restrictions on Transfer, Use and Sale Not Applicable to Units Under Federally Subsidized Mortgage Program. The restrictions on transfer, use and sale as set forth herein shall not apply to units financed under a federally subsidized mortgage program.

F. Restrictions on Transfer, Use and Sale Extinguished in the Event of Foreclosure, etc. The restrictions on transfer, use and sale as set forth herein shall be automatically extinguished and shall not attach in subsequent transfers of title when a mortgage holder becomes the owner of a unit pursuant to a mortgage foreclosure, foreclosure under power of sale, or a conveyance in lieu of foreclosure after a foreclosure action is commenced.

G. Fees. The following fees shall be assessed by the City in accordance with Ordinance 20-18, as the same may be amended from time to time.

1. A \$75.00 applicant eligibility certification fee shall be assessed to review an affordable housing application.

2. A \$50.00 annual monitoring fee shall be assessed on an affordable housing unit.

3. A \$600.00 fee shall be assessed to process a request by the homeowner to sell the unit.

4. A \$600.00 fee shall be assessed upon a transfer of title by the original purchaser or subsequent owner. The homeowner shall also inform the Department of Budget and Fiscal Services whenever there is a title change.