Exhibit: _____

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law, or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements, and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (unit owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements, to the apartment owners by way of a condominium conveyance or apartment deed.

A. **Leasehold Interest to be Conveyed to Buyer**:

☐ Leasehold: An individual unit and its appurtenant common elements, which includes the underlying land, will be leased to each purchaser.

☐ Sub-leasehold: An individual unit and its appurtenant common elements, which includes the underlying land, will be subleased to each purchaser.

☐ Condominium Conveyance Document: An individual unit and its appurtenant common elements exclusive of the underlying land, will be conveyed to each purchaser by way of a deed, together with a lease of an undivided interest in the underlying land.

**Leases for the individual units and the underlying land usually require that at the end of the lease term, the lessee (unit owner) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.**

The explanations provided below describe the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: ☐ Monthly ☐ Quarterly ☐ Semi-Annually ☐ Yearly

*This information can be made available for individuals with special needs. Please call the Senior Condominium Specialist at (808) 586-2643 to submit your request.*

Attached hereto is a schedule of the lease rent for each unit per: ☐ Month ☐ Year

For Sub-leaseholds:

☐ Purchaser's sublease may be canceled if the master lease between the sublessor and fee owner is:

☐ Canceled ☐ Foreclosed

☐ As long as the purchaser is not in default, the purchaser may continue to occupy the unit and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.