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DEPARTMENT OF HOUSING AND LAND MANAGEMENT
KA ʻOIHANA HOʻOLĀLĀ KŪKULU HALE A ME KA HOʻOKELE ʻĀINA
CITY AND COUNTY OF HONOLULU

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DEPUTY DIRECTOR
HOPE PO'O

August 1, 2025

The Honorable Tommy Waters
Chair and Presiding Officer
and Members
Honolulu City Council
530 S. King Street, Room 202
Honolulu, Hawaiʻi 96813

Dear Chair Waters and Councilmembers:

SUBJECT: Resolution 25-198 - Authorizing the Issuance and Delivery of Multifamily Housing Revenue Notes in a Principal Amount Not to Exceed One Hundred Seven Million Seven Hundred Ten Thousand Dollars ($107,710,000) for the Purpose of Making Loans to Provide Financing to KPLR Phase 1, LP, a Hawaiʻi Limited Partnership, for Multifamily Rental Housing Development; Determining and Prescribing Certain Other Matters Relating Thereto; and Approving and Authorizing Related Actions and the Execution and Delivery of Related Documents and Agreements

As a follow-up to our letter dated July 11, 2025 (D-0566), attached are the updated drafts of the Pledge and Assignment, Agency Agreement, and Regulatory Agreement and Declaration of Restrictive Covenants documents for your review.

Should you need further information or have any questions, please contact me at (808) 768-4674.

Sincerely,

Kevin D. Auger
Director Designate

Attachments

cc: Department of Budget and Fiscal Services
Corporation Counsel

APPROVED:

Michael D. Formby, Managing Director
Office of the Managing Director

PLEDGE AND ASSIGNMENT (SERIES 2025A)

This PLEDGE AND ASSIGNMENT made as of August 1, 2025 (this "Pledge and Assignment"), from the CITY AND COUNTY OF HONOLULU, a political subdivision and body corporate and politic existing under the Constitution and laws of the State of Hawaii (the "Governmental Lender"), and BANK OF HAWAII (the "Agent"), a corporation duly organized and existing under the laws of the State of Hawaii, as agent under and pursuant to that certain Agency Agreement dated the date hereof between the Governmental Lender and the Agent, to BANK OF HAWAII, a corporation duly organized and existing under the laws of the State of Hawaii, as holder of the Governmental Lender Note described herein (the "Funding Lender").

W I T N E S S E T H

WHEREAS, the Governmental Lender has, concurrently herewith, executed and delivered to the Funding Lender the Governmental Lender's Multifamily Housing Revenue Governmental Lender Note (Kuhio Park Low Rises Phase 1) Series 2025A, dated the Closing Date (as defined herein), in a maximum principal amount of _____ Dollars ($[PAR AMOUNT A]) (the "Governmental Lender Note"), issued to evidence the obligation to repay the loan made hereunder by the Funding Lender to the Agent for the account of the Governmental Lender (the "Funding Loan");

WHEREAS, the proceeds of the Governmental Lender Note will be advanced by the Agent, for the account of the Governmental Lender, to KPLR Phase 1, LP, a Hawaii limited partnership (the "Borrower"), under a mortgage loan (the "Mortgage Loan") for the purpose of financing the acquisition and construction of a multifamily rental housing development to be known as Kuhio Park Low Rises located on leased real property described in EXHIBIT B hereto (the "Project");

WHEREAS, the Governmental Lender has also, concurrently herewith, executed and delivered: (i) to American Savings Bank, F.S.B. the Governmental Lender's Multifamily Housing Revenue Governmental Lender Note (Kuhio Park Low Rises Phase 1) Series 2025B, dated the Closing Date, in the maximum principal amount of _____ Dollars ($[PAR AMOUNT B]) (the "Series 2025B Governmental Lender Note"), issued to evidence the obligation to repay the loan made by American Savings Bank, F.S.B. to the Agent for the account of the Governmental Lender (the "Series 2025B Funding Loan") pursuant to a Pledge and Assignment, dated the date hereof (the "Series 2025B Pledge and Assignment"), by and among the Governmental Lender, the Agent and American Savings Bank, F.S.B., as funding lender thereunder, and the proceeds of the Series 2025B Governmental Lender Note will also be advanced by the Agent (to the extent received from American Savings Bank, F.S.B.), for the account of the Governmental Lender, to the Borrower, under a mortgage loan (the "Series 2025B Mortgage Loan"), for financing of the Project; and (ii) to Central Pacific Bank the Governmental Lender's Multifamily Housing Revenue Governmental Lender Note (Kuhio Park Low Rises Phase 1) Series 2025C, dated the Closing Date, in the maximum principal amount of _____ _____ Dollars ($[PAR AMOUNT C]) (the "Series 2025C Governmental Lender Note"), issued to evidence the obligation to repay the loan made by Central Pacific Bank to the Agent for the account of the Governmental Lender (the "Series 2025C Funding Loan") pursuant to a Pledge and Assignment, dated the date hereof (the "Series

2025C Pledge and Assignment"), by and among the Governmental Lender, the Agent and Central Pacific Bank, as funding lender thereunder, and the proceeds of the Series 2025C Governmental Lender Note will also be advanced by the Agent (to the extent received from Central Pacific Bank), for the account of the Governmental Lender, to the Borrower, under a mortgage loan (the "Series 2025C Mortgage Loan"), for the financing of the Project;

WHEREAS, the Mortgage Loan will be made pursuant to a [Construction/Permanent Loan Agreement] (the "Loan Agreement"), dated the Closing Date (as defined herein), between the Agent and the Borrower;

WHEREAS, the Borrower's obligation to repay the Mortgage Loan will be evidenced by a promissory note (the "Mortgage Note") from the Borrower to the Agent and secured by, among other things, the Mortgage (as defined herein) from the Borrower to the Agent;

WHEREAS, the Funding Lender, as a condition to its making and disbursing the Funding Loan, has required that the Governmental Lender and the Agent execute and deliver this Pledge and Assignment;

NOW, THEREFORE, as an inducement to the Funding Lender to make and disburse the Funding Loan as herein provided and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, the Governmental Lender and the Agent, in order to secure the due and punctual payment of the Governmental Lender Note and other sums due the Funding Lender hereunder or thereunder, do hereby pledge and grant a security interest to the Funding Lender in all of the Governmental Lender's and the Agent's right, title and interest in and to the following described property, whether real or personal (collectively, the "Collateral"):

(a) the Mortgage Loan, including without limitation, the Mortgage Note, the Mortgage and all other Loan Documents (as hereinafter defined) to which either the Governmental Lender or the Agent now is, or hereafter may be, a party or a direct beneficiary, together with all security interests, rights, powers, privileges and other benefits of the Agent and the Governmental Lender under the Loan Documents, such as, by way of example and not limitation, the right to make all waivers and agreements, to give and receive duplicate copies of all notices and other instruments or communications, to take such action upon the occurrence of any default under the Loan Documents, and the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Loan Documents or by law, and to do any and all other things whatsoever which the Governmental Lender or the Agent is or may be entitled to do under the Loan Documents;

(b) any and all payments of principal, interest, premiums and late payment fees made on the Mortgage Loan at any time hereafter by the Borrower;

(c) the proceeds of the sale of the Governmental Lender Note to the extent they have not been applied to fund the Mortgage Loan;

(d) any tax, insurance or other similar escrows now or hereafter held with respect to the Mortgage Loan;

(e) any and all proceeds received under any policy of title insurance, hazard insurance, or other such insurance with respect to the Project, proceeds received from Condemnation, and revenues, proceeds and other payments and tenders received from any foreclosure (or payments in lieu of foreclosure) of the Mortgage or from enforcement of the Mortgage or any other Loan Documents, and any and all proceeds from the conversion, voluntary or involuntary, of any of the foregoing into cash or other liquidated claims;

(f) [the Borrower's Funds Account established under the Loan Agreement;]

(g) [any amounts deposited in the Interest Reserve described in the Loan Agreement; and]

(h) any amounts funded and held by the Agent or its designee under the Contingency Draw-Down Agreement.

SUBJECT, HOWEVER, to (a) the interest of the Borrower, to the extent provided in the Loan Documents, with respect to any tax, insurance or other similar escrows, with respect to any property insurance proceeds or condemnation awards or proceeds of foreclosure, and (b) the right of the Agent to exercise, without the consent of the Funding Lender until an Event of Default shall have occurred and be continuing, all rights, powers, privileges and other benefits under the Loan Documents, including the right to make all waivers and agreements, to give and receive duplicate copies of all notices and other instruments or communications, and to take such action upon the occurrence of any default under the Loan Documents, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Loan Documents or by law, but subject to, and only upon, the terms and conditions of Article V.

IT IS HEREBY COVENANTED by the parties hereto that the Collateral is to be held and applied subject to the further covenants, conditions, uses and trusts herein set forth; and the Governmental Lender and the Agent, for themselves and their respective successors and assigns, hereby covenant and agree with the Funding Lender as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. The following terms shall, for all purposes of this Pledge and Assignment, have the following respective meanings:

"Act" means Chapter 49, Hawaii Revised Statutes, as amended, as made applicable by Hawaii Revised Statutes Sections 46-15.1 and 46-15.2, and all future acts supplemental thereto or amendatory thereof.

"Additional Governmental Lender Note or Notes" means any note or notes authorized pursuant to Section 2.9.

"Agent" means Bank of Hawaii, a Hawaii corporation, as Agent under the Agency Agreement, and its successors and assigns.

"Agency Agreement" means that certain Agency Agreement, dated the date hereof, between the Governmental Lender and the Agent.

"Assignment of Mortgage and Loan Documents" means that Assignment of Mortgage and Loan Documents by Agent in favor of Funding Lender and acknowledged and agreed to by Borrower, its general partners and Guarantor.

"Bond Counsel" means (i) Hawkins Delafield & Wood LLP and (ii) any attorney at law or other firm of attorneys selected by the Governmental Lender, of nationally recognized standing in matters pertaining to the federal tax status of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America, but shall not include counsel for the Borrower.

"Bond Counsel No Adverse Effect Opinion" means an opinion of Bond Counsel that the proposed action will not, in and of itself, adversely affect the exclusion of interest on the Governmental Lender Note from gross income for federal income tax purposes.

"Borrower" means KPLR Phase 1, LP, a Hawaii limited partnership, as Borrower or mortgagor under the Mortgage, and its successors or assigns.

"Closing Date" means August __, 2025.

"Co-Lender Agreement" means that certain Co-Lender Agreement, dated the Closing Date, by and among Bank of Hawaii, as noteholder representative, Bank of Hawaii, as lender, American Savings Bank, F.S.B., Central Pacific Bank and the Borrower.

"Collateral" means the collateral pledged to secure the repayment of the Governmental Lender Note as provided in Article III hereof.

"Condemnation" means a taking of all or any part of the Project or the Project site or any interest therein or right accruing thereto as a result of or in lieu of or in anticipation of the exercise of the right of condemnation, eminent domain, change of grade, appropriation or confiscation.

"Construction Loan Period" has the meaning given in the Loan Agreement.

"Contingency Draw-Down Agreement" means the Contingency Draw-Down Agreement of even date herewith among the Funding Lender, American Savings Bank, F.S.B., as holder of the Series 2025B Governmental Lender Note, Central Pacific Bank, as holder of the Series 2025C Governmental Lender Note, the Agent and the Borrower relating to possible conversion of the Funding Loan from a draw down loan to a fully funded loan.

"Conversion Date" has the meaning given in the Loan Agreement.

"Draw-Down Notice" shall mean a notice described in Section 1.01 of the Contingency Draw-Down Agreement regarding the conversion of the Funding Loan from a draw down loan to a fully funded loan.

"Funding Lender" means Bank of Hawaii, a corporation duly organized and existing under the laws of the State of Hawaii, in its capacity as the maker of the Funding Loan, and any permitted transferee or transferees of the Governmental Lender Note or interest therein.

"Funding Loan" means the loan by the Funding Lender to the Governmental Lender, for which the obligation to repay is evidenced by the Governmental Lender Note.

"Governmental Lender" means the City and County of Honolulu, a political subdivision and body corporate and politic organized and existing under the Constitution and laws of the State of Hawaii.

"Governmental Lender Note" means that certain Multifamily Housing Revenue Governmental Lender Note (Kuhio Park Low Rises Phase 1) Series 2025A, dated the Closing Date, from the Governmental Lender to the Funding Lender in a maximum principal amount of $[PAR AMOUNT A].

"Governmental Lender Note Deposit Account" means the account by that name held by the Agent under the Loan Agreement and containing any proceeds of the Mortgage Loan that have been funded by Funding Lender but not yet disbursed to the Borrower to pay costs of the Project.

"Governmental Lender's Tax Certificate" means the Governmental Lender's Tax Certificate, dated the Closing Date, executed and delivered by the Governmental Lender and the Borrower, as may be amended, modified, supplemented and/or replaced from time to time.

"Loan" means the loan of the proceeds of the Mortgage Loan, the Series 2025B Mortgage Loan and the Series 2025C Mortgage Loan by the Agent to the Governmental Lender as further described in the Loan Agreement.

"Loan Agreement" means the [Construction/Permanent Loan Agreement], dated the Closing Date, between the Borrower and the Agent with respect to the Mortgage Loan, the Series 2025B Mortgage Loan and the Series 2025C Mortgage Loan.

"Loan Documents" has the meaning assigned such term in the Loan Agreement.

"Maturity Date" means [January 1, 2045].

"Mortgage" means, the [Construction and Permanent Mortgage with Absolute Assignment of Leases and Rents, Security Agreement and Financing Statement (Fixture Filing)] from the Borrower to the Agent, dated the Closing Date, with respect to, among other things, the Project securing the Mortgage Loan, the Series 2025B Mortgage Loan and the Series 2025C Mortgage Loan, to be recorded on or after the Closing Date in the Bureau of Conveyances of the State of Hawaii.

"Mortgage Loan" means the loan made by the Agent for the account of the Governmental Lender to the Borrower with respect to the Project evidenced by the Mortgage Note and pursuant to the Loan Agreement.

"Mortgage Note" means the Promissory Note (Series 2025A) of the Borrower, dated the Closing Date, evidencing the Mortgage Loan.

"Permanent Loan Period" has the meaning given in the Loan Agreement.

"Permitted Transferee" means a "qualified institutional buyer" ("QIB") as defined in Rule 144A promulgated under the Securities Act of 1933, as in effect on the date hereof (the "Securities Act") that is a financial institution or commercial bank having capital and surplus of $5,000,000,000 or more.

"Project" means the multifamily rental housing development located on the leased real property described in EXHIBIT B hereto, including any improvements to be constructed to the Project.

"Regulatory Agreement" means the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of August 1, 2025, among the Governmental Lender, the Borrower and the Agent, to be recorded on or after the Closing Date with the Bureau of Conveyances of the State.

"Related Mortgage Note" means a note or notes of the Borrower in connection with the issuance of an Additional Governmental Lender Note or Notes pursuant to Section 2.9.

ARTICLE II

GOVERNMENTAL LENDER NOTE

Section 2.1. Issuance of Governmental Lender Note to Fund Mortgage Loan. This Pledge and Assignment is entered into by the Governmental Lender to assist in the acquisition and construction of the Project by providing financing for the Project through the issuance of the Governmental Lender Note, the proceeds of which Governmental Lender Note shall be advanced by the Funding Lender directly to the Agent for the account of the Governmental Lender on the Closing Date and periodically thereafter and shall be applied by the Agent for the account of the Governmental Lender to the funding of the Mortgage Loan pursuant to the terms of the Loan Agreement.

The Funding Loan is originated on a draw-down basis. The proceeds of the Funding Loan shall be advanced by the Funding Lender directly to the Agent for the account of the Governmental Lender as and when needed to make each advance of proceeds of the Mortgage Loan to the Borrower in accordance with the disbursement provisions of the Loan Agreement. Upon each advance of principal to the Borrower under the Loan Agreement, a like amount of the Funding Loan shall be deemed concurrently and simultaneously advanced under this Pledge and Assignment, including the initial advance of $[INITIAL DRAW]. Notwithstanding anything in this Pledge and Assignment to the contrary, no additional amounts of the Funding Loan may be drawn down and funded hereunder after December 31, 2028; provided, however, that upon the delivery of a Bond Counsel No Adverse Effect Opinion to the Governmental Lender and the Funding Lender such date may be changed to a later date as specified in such Bond Counsel No Adverse Effect Opinion. The Governmental Lender has reviewed and approved the form of Contingency Draw-Down Agreement and consents to the terms thereof and agrees to take all actions reasonably required of the Governmental Lender, at the expense of the Borrower, in

connection with the conversion of the Funding Loan to a fully drawn loan pursuant to the provisions of the Contingency Draw-Down Agreement in the event a Draw-Down Notice is filed by the Funding Lender or the Borrower.

Section 2.2. Form, Face Amount, Etc. The Governmental Lender Note secured hereby is designated "*Multifamily Housing Revenue Governmental Lender Note (Kuhio Park Low Rises Phase 1) Series 2025A*," is in substantially the form of EXHIBIT A attached hereto and incorporated herein by reference, is being issued in a maximum principal amount of _____ Dollars ($[PAR AMOUNT A]). The principal amount of the Governmental Lender Note and interest thereon shall be payable on the basis specified in Sections 2.3 through 2.6 hereof.

Section 2.3. Principal. The outstanding principal amount of the Governmental Lender Note as of any given date shall be the amount advanced by the Funding Lender, less any payments of principal previously received by such Funding Lender on the Governmental Lender Note upon payment of corresponding principal amounts under the Mortgage Note, including regularly scheduled principal payments and voluntary and mandatory prepayments. Principal of the Governmental Lender Note shall mature and be payable as specified therein.

Section 2.4. Interest. Interest shall be paid on the outstanding principal amount of the Governmental Lender Note at the rate or rates set forth in the Mortgage Note and otherwise as set forth in the Loan Agreement.

Section 2.5. Payments to be Made by Agent. The payments of principal, interest and late charges to be made on the Governmental Lender Note to the Funding Lender thereof shall be made directly by the Agent, on behalf of the Governmental Lender. Payments made to and received by the Agent shall be credited to the account of or transmitted to the Funding Lender without delay, and until so credited or transferred shall be held in trust for the Funding Lender by the Agent.

Section 2.6. Corresponding Payments. The payment or prepayment of principal, interest, prepayment charge and late charges on the Governmental Lender Note and any Additional Governmental Lender Note or Notes shall be identical with and shall be made on the same terms and conditions as the principal, interest, prepayment charge and late charges on the Mortgage Note and any Related Mortgage Note or Notes, respectively, except as may be required with respect to payee. Payments or prepayments made by the Borrower of principal, interest, prepayment charge and late charges on the Mortgage Note and any Related Mortgage Note or Notes shall be deemed to be like payments or prepayments of principal, interest, prepayment charge and late charges on the Governmental Lender Note and any Additional Governmental Lender Note or Notes, respectively. Said payments or prepayments by the Borrower shall be deemed to have been constructively received by the Funding Lender as payments or prepayments on the Governmental Lender Note and any Additional Governmental Lender Note or Notes on the date of receipt of such payment by the Agent, and interest with respect to each principal payment or prepayment shall cease to accrue upon receipt by the Agent. Payments or prepayments of principal, interest, prepayment charge and late charges shall be remitted to the Funding Lender by the Agent immediately.

Notwithstanding any provisions of this Pledge and Assignment, the Governmental Lender Note or the Mortgage Note to the contrary, the Governmental Lender shall be permitted to hold or direct prepayments, in full or in part, and repayments (other than regular amortizing payments), in full, of the Mortgage Note to a custodian or trustee (including the Agent) selected by the Governmental Lender, in lieu of application to repay a like portion of the Governmental Lender Note, so long as the Governmental Lender simultaneously causes other funds to be applied to repay such portion of the Governmental Lender Note. The preceding provisions shall apply only for purposes of preserving or "recycling" private activity bond volume cap in accordance with Section 146(i)(6) of the Code.

Section 2.7. Replacement of Governmental Lender Note. Upon receipt of evidence reasonably satisfactory to the Agent of the loss, theft, destruction or mutilation of the Governmental Lender Note, or any replacement Governmental Lender Note, and, in the case of any such loss, theft, or destruction, upon the delivery of an indemnity agreement reasonably satisfactory to the Agent or, in the case of any mutilation, upon the surrender and cancellation of such mutilated Governmental Lender Note, the Governmental Lender at the expense of the Funding Lender of such Governmental Lender Note will issue a new Governmental Lender Note, of like tenor, in lieu of such lost, destroyed or mutilated Governmental Lender Note.

Section 2.8. Registration and Transferability. The Governmental Lender Note shall be in fully registered form, registered in the name of the holder upon registration books of the Governmental Lender, such registration to be noted on the Governmental Lender Note, after which no transfer shall be valid unless noted on said registration books and on the Governmental Lender Note.

Subject to Section 4.4 hereof, the Governmental Lender Note shall be transferable upon said registration books by the registered holder in person or by its attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Director of the Department of Budget and Fiscal Services of the City and County of Honolulu, duly executed by the registered holder or its duly authorized attorney. Upon such transfer, the Director of the Department of Budget and Fiscal Services of the City and County of Honolulu will note the date of registration and the name and address of the newly registered holder on the books of the Governmental Lender and on the Governmental Lender Note. The Governmental Lender may deem and treat the person in whose name the Governmental Lender Note is last registered upon the books of the Director of the Department of Budget and Fiscal Services of the City and County of Honolulu, with such registration noted on the Governmental Lender Note, as the absolute owner thereof for the purpose of receiving payment of or on account of the principal, or interest, premium and late payment fees and for all other purposes; all such payments so made to the registered holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon the Governmental Lender Note to the extent of the sum or sums so paid, and the Governmental Lender shall not be affected by any notice to the contrary.

The Governmental Lender Note may not be transferred to any person unless the purchaser thereof is a Permitted Transferee and executes and delivers a certificate substantially in the form attached hereto as EXHIBIT C.

Section 2.9. Additional Governmental Lender Notes. So long as no Event of Default has occurred and is continuing under this Pledge and Assignment, at the request of the Borrower and with the written consent of the Funding Lender (which the Funding Lender may refuse to give in its sole and absolute discretion), and to the extent permitted by law in effect at the time thereof, the Governmental Lender may, from time to time, (but is not obligated to) issue an Additional Governmental Lender Note or Notes for the purpose of providing additional financing for the Project. Such Additional Governmental Lender Note or Notes shall be issued in such principal amounts, shall be dated, shall bear interest at such rates, and shall mature in such amounts and in such years as such Additional Governmental Lender Note or Notes and the supplement or supplements to this Pledge and Assignment with respect to such Additional Governmental Lender Note or Notes shall fix and determine, but shall otherwise conform to the provisions hereof.

Upon the execution and delivery in each instance of an appropriate supplement hereto, the Governmental Lender shall execute and deliver to the Funding Lender such Additional Governmental Lender Note or Notes. Prior to or concurrently with the delivery by the Governmental Lender of any such Additional Governmental Lender Note or Notes there shall be filed or deposited with the Funding Lender and the Agent:

(a) an executed counterpart of a supplement to this Pledge and Assignment securing and otherwise providing for such Additional Governmental Lender Note or Notes;

(b) a certified copy of the resolution of the City Council of the Governmental Lender authorizing the execution and delivery of the supplement to this Pledge and Assignment and the issuance, sale and delivery of such Additional Governmental Lender Note or Notes;

(c) a request and authorization to the Agent on behalf of the Governmental Lender and signed by a duly authorized officer of the Governmental Lender to deliver such Additional Governmental Lender Note or Notes to the purchaser thereof; and

(d) a certificate or certificates of the Funding Lender of the Governmental Lender Note and any previously issued Additional Governmental Lender Note or Notes consenting as provided above to the issuance of such Additional Governmental Lender Note or Notes and stating that no Event of Default has occurred and is continuing hereunder.

ARTICLE III

SECURITY FOR THE GOVERNMENTAL LENDER NOTE

Section 3.1. The Collateral. To provide security for the payment of the Governmental Lender Note, the Agent and the Governmental Lender have pledged, assigned, transferred, conveyed and granted their respective right, title and interest in the Collateral to the Funding Lender. In connection with such pledge, assignment, transfer and conveyance, the Agent has delivered to the Funding Lender the following documents or instruments:

(a) the Mortgage Note endorsed without recourse in blank by the Agent;

(b) a recorded Memorandum of Pledge and Assignment (as defined in Section 3.4 hereof) to the Funding Lender of the Mortgage and of the other Collateral;

(c) an originally executed and recorded Mortgage and all other Loan Documents constituting the Collateral existing at the time of delivery of the Mortgage Note;

(d) a recorded Assignment of Mortgage and Loan Documents;

(e) Uniform Commercial Code financing statements or other chattel security documents giving notice of the Agent's security interest in any personal property forming part of the Project, in form suitable for filing to indicate the pledge of such security interest to the Funding Lender; and

(f) Uniform Commercial Code financing statements giving notice of the Funding Lender's security interest in any Collateral, in form suitable for filing wherever necessary or appropriate in the opinion of counsel of the Funding Lender in order to duly establish and/or perfect all interests and liens created or purported to be created hereby.

The Agent and the Governmental Lender shall deliver and deposit with the Funding Lender such additional documents, financing statements, and instruments as the Funding Lender may reasonably require from time to time for the better perfecting and assuring to the Funding Lender of its lien and security interest in and to the Collateral.

Section 3.2. Acceptance by Funding Lender. The Funding Lender acknowledges receipt of the Mortgage Note and other documents referred to in subparagraphs (a) through (e) of Section 3.1, and declares that it holds and will hold such documents, and any similar documents hereafter delivered to it, under the terms of this Pledge and Assignment.

Section 3.3. Agent the Mortgagee of Record. Notwithstanding the pledge, transfer and conveyance hereunder of the Collateral to the Funding Lender, the Agent shall, except as otherwise provided in Section 9.2 hereof upon the occurrence of an Event of Default, be and remain the mortgagee of record for the Mortgage Loan, and is fully authorized and empowered to service and administer the Mortgage Loan as provided in Section 4.1 hereof.

Section 3.4. Recordation and Filing. The Agent will cause a financing statement with respect to this Pledge and Assignment and/or a memorandum of pledge of the Mortgage (the "Memorandum of Pledge and Assignment") to be at all times filed in such manner and in such places as may be required by law in order to fully preserve and protect the rights of the Funding Lender hereunder and to perfect the security interest created by this Pledge and Assignment in the Collateral. To the extent possible under the Uniform Commercial Code or other applicable Hawaii law, the Agent will maintain the priority of the security interest herein created in the Collateral as a first lien thereon, and warrant, protect, preserve and defend its interest in the Collateral and the security interest of the Funding Lender therein and all rights of the Funding Lender under this Pledge and Assignment against all actions, proceedings, claims and demands of all persons.

ARTICLE IV

SERVICING THE MORTGAGE LOAN AND
THE GOVERNMENTAL LENDER NOTE

Section 4.1. Servicing the Mortgage Loan. So long as the Agent is the mortgagee of record for the Mortgage Loan, the Agent shall take all steps necessary to maintain its qualifications to act hereunder as mortgagee, and shall service and administer the Mortgage Loan in accordance with standard mortgage banking practices, taking all steps and exercising the same degree of care and skill with respect to the Mortgage Loan, the Project and the Loan Documents that it would take or exercise under the circumstances in protecting its own interests as a mortgage lender therein. Except as specifically noted below, and subject to the Co-Lender Agreement in all respects and as provided in Section 10.10 hereof, the Agent shall have full power and authority, acting alone, to do any and all things in connection with such servicing and administration of the Mortgage Loan that it may deem necessary or desirable, including, without limitation, the following:

(a) the making of disbursements of proceeds of the Governmental Lender Note, pursuant to the Loan Documents, in accordance with law and the Agent's usual practices and procedures in administering similar projects and mortgage loans;

(b) recording and filing of documents and statements to create, preserve and release the lien of the Mortgage on the Project, site inspections, obtaining title updates and endorsements, processing change orders, and maintaining required insurance and escrow funds;

(c) the collection, holding and disbursement in accordance with the requirements of the Loan Documents and any applicable laws, of all payments of principal and interest due under the Mortgage Loan, and any other payments or sums due under the Loan Documents or with respect to the Mortgage Loan, including, without limitation, all payments for taxes, assessments, hazard insurance premiums, service charges and late payment fees, all proceeds of title and hazard insurance policies, letters of credit, and all condemnation awards;

(d) the preservation, administration and enforcement of the Mortgage Loan and the Loan Documents, and in this connection the Agent may do, or refrain from doing, all acts which are permitted under the terms of the Mortgage Loan or the Loan Documents and which in its sole judgment may be appropriate; provided, however, that, except as otherwise permitted in accordance with Section 5.2 hereof upon the happening of a default by the Borrower under the Mortgage Note or the Mortgage, the Agent may not do any of the following without the written consent of the Funding Lender:

(i) consent to or permit modification of the maximum original principal amount of the Mortgage Loan, reduce the interest rate thereon, or extend the maturity date thereof or the due date of any principal payment thereof or the date for commencement of amortization, or

(ii) make or consent to any release of the Borrower from any liability under the Mortgage Loan or any of the Loan Documents; and

(e) the preservation and administration of all other escrow funds required by any of the Loan Documents, in accordance with the requirements of the Loan Documents.

Section 4.2. Paying Agent for the Governmental Lender Note. So long as the Agent is the mortgagee of record for the Mortgage Loan, the Agent shall serve as paying agent for the Governmental Lender Note on behalf of the Governmental Lender, and shall remit, directly to the Funding Lender, the payments of principal, interest, and late payment charges on the Governmental Lender Note in accordance with the Governmental Lender Note, this Pledge and Assignment and the Co-Lender Agreement.

Section 4.3. Standard of Care. In servicing and administering the Mortgage Loan and acting as a paying agent for the Governmental Lender Note pursuant to Sections 4.1 and 4.2 hereof, the Agent shall act in the best interests of the Funding Lender, but neither the Governmental Lender nor the Agent shall be liable to the Funding Lender or to any other person or entity if, in so servicing and administering the Mortgage Loan and the Governmental Lender Note, the Agent exercises that degree of ordinary prudence and skill which it would exercise under the circumstances in protecting its own interests as if it were the Funding Lender, and further, neither the Governmental Lender nor the Agent shall have any liability when the Agent acts, or refrains from acting, pursuant to the specific written instructions of the Funding Lender.

Section 4.4. Sale of Governmental Lender Note and this Pledge and Assignment. Subject to Section 2.8 hereof, the Governmental Lender Note and this Pledge and Assignment may be sold, assigned, transferred or otherwise disposed of by the Funding Lender, in whole but not in part, provided that such sale, assignment, transfer or other disposition shall not cause the Governmental Lender to incur any obligation under the Funding Loan in addition to any obligations existing immediately prior to such sale, assignment, transfer or other disposition, and adequate assurances are given thereof to the Governmental Lender.

Subject to the foregoing, the Funding Lender shall have the right to sell participations in the Governmental Lender Note to any other persons or entities without the consent of or notice to the Governmental Lender. The Funding Lender may disclose to any participants or prospective participants any information or other data or material in the Funding Lender's possession relating to the Governmental Lender, the Governmental Lender Note and the Project, without the consent of or notice to the Governmental Lender.

Section 4.5. Substitution of Borrower. Upon the written consent of the Funding Lender, the Agent shall execute and deliver such documents and instruments as may be necessary to evidence the assumption of all liability under the Mortgage Loan by a new Borrower, and, if approved by the Funding Lender, the release of the original Borrower from all or any specified part of such liability.

Section 4.6. Termination of Agency Agreement. The Governmental Lender shall not terminate the Agency Agreement except as provided therein.

Section 4.7. Servicing Fee. As compensation for its services, the Agent shall be paid (i) a one-time construction servicing fee equal to one tenth of one percent (0.10%) of the maximum aggregate principal amount of the Mortgage Loans (as defined in the Agency Agreement) payable

on the Closing Date and (ii) during the Permanent Loan Period, a flat fee of $2,500.00 with respect to all of the Mortgage Loans, payable on the Conversion Date and annually thereafter within thirty (30) days of the anniversary of the Conversion Date for each year the Mortgage Note is outstanding, but in each case only to the extent such servicing fee is collected by the Agent from the Borrower pursuant to the Loan Agreement.

ARTICLE V

DEFAULTS ON MORTGAGE LOAN

Section 5.1. Defaults on Mortgage Loan. Except as provided in Section 5.2 hereof, upon the happening of any default by the Borrower under the Mortgage Note or the Mortgage, the Agent shall (a) promptly notify the Funding Lender and the Governmental Lender of the default, (b) proceed to take all action necessary in the reasonable commercial banking judgment of the Agent to enforce the Loan Documents in accordance with the terms thereof at the earliest practical date or dates, and (c) promptly apply as follows all proceeds realized upon enforcement of the Loan Documents, if any, in the following order of priority:

(i) to reimburse the Agent for its expenses (including reasonable attorneys' fees) incurred in taking such action to enforce the Loan Documents or for disbursements made by it for taxes, assessments, utilities, insurance and similar items with respect to the Mortgage Loan or for the completion or preservation of the Project;

(ii) to pay to the Funding Lender any interest accrued on the Governmental Lender Note, without preference or priority of any installment of interest over any other installment of interest;

(iii) to pay to the Funding Lender all principal outstanding on the Governmental Lender Note and any unpaid late payment charges, without preference or priority of any installment of principal or charges over any other installment of principal or charges; and

(iv) to reimburse the Funding Lender for any expenses or disbursements of the type described in (i) above or incurred by it in connection with the Governmental Lender Note.

The balance, if any, of such proceeds shall be applied in accordance with the Loan Documents, if applicable, and otherwise in accordance with the applicable law or as determined by the Agent and the Governmental Lender.

Section 5.2. Action After Consultation with Funding Lender. Upon the happening of any default by the Borrower under the Mortgage Note or the Mortgage, or if in the reasonable judgment of the Agent such default is imminent, the Agent shall notify the Funding Lender of such circumstance. The Agent may request consent of the Funding Lender to a course of action which is other than the enforcement of the Loan Documents but which is considered reasonable or appropriate by the Agent. Such course of action may include, but shall not be limited to, increase in the maximum amount of the Mortgage Loan, waiver of payments to any escrow under the Mortgage, deferral of payment of principal of or interest on the Mortgage Loan, entering into a forbearance agreement with the Borrower, and any similar work out arrangement. In the event the

Funding Lender shall approve in writing any such course of action, the Agent shall take such course of action provided the Governmental Lender and the Agent have received an opinion of nationally recognized bond counsel to the effect that such action will not, in and of itself, adversely affect the exclusion of interest on the Governmental Lender Note from gross revenue for Federal income tax purposes.

Section 5.3. Losses and Expenses Upon Exercise of Rights. Any and all losses or expenses incurred in enforcing the Loan Documents, or as a result of an alternate course or courses of action approved by the Funding Lender, shall be borne by the Funding Lender, to the extent not recovered from the Borrower or the Collateral pursuant to the Loan Documents. Such losses or expenses may include, but shall not be limited to:

(a) loss resulting from nonpayment of interest on or principal of the Mortgage Loan or from receipt of interest at a rate other than the rate specified in the Mortgage Note;

(b) reimbursement of the Agent for expenditures made by it for taxes, assessments, utilities, insurance and similar items with respect to the Mortgage Loan, or for the completion or preservation of the Project; and

(c) expenses of foreclosure (including reasonable attorneys' fees and court costs) in the event the Agent forecloses the Mortgage.

ARTICLE VI

REPRESENTATIONS BY AGENT AND GOVERNMENTAL LENDER

Section 6.1. Representations by Agent. The Agent hereby represents and warrants to the Funding Lender that as of the date of execution of this Pledge and Assignment:

(a) the Agent is a corporation duly organized, validly existing and in good standing under the laws of the State of Hawaii, has all requisite power and authority to enter into this Pledge and Assignment and to carry out its obligations hereunder;

(b) immediately prior to the pledge, assignment, transfer and conveyance of the Mortgage Loan to the Funding Lender as herein provided, the Agent has good title to the Mortgage Loan and there had been no other pledge, transfer, conveyance, assignment or sale thereof;

(c) to the best of the knowledge and belief of the Agent, there is no offset, defense or counterclaim to the Mortgage Note, the physical property constituting the Project has been subject to no material damage not fully covered by insurance, and no default exists under the Loan Documents;

(d) to the best of the knowledge and belief of the Agent, the entry by the Agent into the Agency Agreement and this Pledge and Assignment, and the carrying out by the Agent of its other obligations contemplated thereby, will not conflict with or constitute a breach of or default under any applicable law, administrative regulation, court or administrative decree or order, agreement, note, resolution, contract or other instrument to which the Agent is a party or is otherwise subject; and

(e) any escrows required by any of the Loan Documents have been established to the extent required thereby.

These representations and warranties are given solely for the benefit of the Funding Lender and are not intended to inure to the benefit of any other person, and no breach of any of these representations and warranties shall as such operate as a defense to any of the obligations of the Borrower under the Mortgage Loan.

Section 6.2. Representations by Governmental Lender. The Governmental Lender hereby represents and warrants to the Funding Lender, that as of the date of execution of this Pledge and Assignment:

(a) the Governmental Lender is a political subdivision and body corporate and politic, duly organized and existing under the laws of the State of Hawaii;

(b) the Governmental Lender Note has been duly authorized and issued in accordance with the applicable laws of the State of Hawaii, including but not limited to the Act, and constitutes a legal, valid and binding limited obligation of the Governmental Lender payable solely from, and secured by a first and exclusive pledge of, the Collateral, to the extent provided herein and subject to the equal and ratable pledge of collateral to the Holder of the Series 2025B Governmental Lender Note pursuant to the Series 2025B Pledge and Assignment and to the Holder of the Series 2025C Governmental Lender Note pursuant to the Series 2025C Pledge and Assignment;

(c) the Governmental Lender has all requisite power and authority to enter into the Agency Agreement, this Pledge and Assignment and the other agreements and instruments contemplated thereby, and to carry out its obligations contemplated thereby;

(d) the Governmental Lender is not in breach of or default under any applicable law, administrative regulation, court or administrative decree or order, agreement, note, resolution, contract or other instrument to which the Governmental Lender is a party or is otherwise subject, which breach or default would be in any respect material to the transactions contemplated hereby;

(e) the entry by the Governmental Lender into the Agency Agreement and this Pledge and Assignment, the issuance of the Governmental Lender Note and the carrying out by the Governmental Lender of its other obligations contemplated thereby, will not conflict with or constitute a breach of or default under any applicable law, administrative regulation, court or administrative decree or order, agreement, note, resolution, contract or other instrument to which the Governmental Lender is a party or is otherwise subject; and

(f) to the best of the knowledge and belief of the Governmental Lender, there is no offset, defense or counterclaim to the Mortgage Note, the physical property constituting the Project has been subject to no material damage not fully covered by insurance, and no default exists under the Loan Documents.

ARTICLE VII

BOOKS AND RECORDS; REPORTS

Section 7.1. Books and Records. The Agent shall at all times keep proper books, accounts and records relating to the Mortgage Loan, the Project, the Loan Documents and the Governmental Lender Note in a manner conforming to normal mortgage banking practices and in accordance with generally accepted accounting principles. All such books, accounts and records shall be accessible for inspection or duplication by the Funding Lender or the Governmental Lender, or their respective representatives during normal business hours.

Section 7.2. Reports. In connection with each advance to the Borrower of proceeds of a draw on the Governmental Lender Note, the Agent shall issue a written report to the Funding Lender and the Governmental Lender of the aggregate amount advanced to the Borrower from such account and of any material adverse condition known to the Agent which could result in a default under the Mortgage Loan or the Loan Documents. Upon payment of any part of the principal of the Mortgage Note by the Borrower, the Agent shall furnish to the Funding Lender a statement of the principal balance outstanding on the Governmental Lender Note after such payment.

ARTICLE VIII

NONRECOURSE;
OBLIGATIONS NOT DEBT OF GOVERNMENTAL LENDER, ETC.

Section 8.1. Nonrecourse. Notwithstanding any other provision hereof, of the Governmental Lender Note or of the Loan Documents or any other documents relating hereto or thereto, it is understood and agreed that (a) this Pledge and Assignment has been entered into by the Governmental Lender and the Agent, the Governmental Lender Note has been executed and delivered by the Governmental Lender, and any Loan Documents or any other documents have been entered into by the Governmental Lender and the Agent, on a strictly nonrecourse basis as against the Governmental Lender and the Agent; (b) none of the Governmental Lender, the Agent, nor any of their successors, members, directors, officers or employees shall have any personal liability for payment of the principal of or interest on, or any other sums called for under, the Governmental Lender Note, or for payment of any other sums called for under this Pledge and Assignment or the Loan Documents, or for any other undertakings thereunder or hereunder; (c) no judgment, order or execution entered in any suit, action or proceeding (legal, equitable or otherwise) on this Pledge and Assignment, the Governmental Lender Note or the Loan Documents shall be enforced against the Governmental Lender or the Agent or any of their successors, commissioners, members, directors, officers or employees thereof for the purpose of obtaining payment or satisfaction hereof or thereof or of the undertakings evidenced hereby or thereby from anything other than the Collateral, provided, however, that the foregoing shall not apply to the Agent with respect to any judgment, order or execution arising out of any actions or omissions of the Agent caused by the Agent's gross negligence or willful misconduct; and (d) the Funding Lender will look solely to the Collateral for satisfaction of any payment of the Governmental Lender Note or of any deficiency in case of foreclosure of the Collateral or sale in lieu thereof or other remedy exercised with respect thereto. Nothing contained in this Article VIII shall limit or

be construed to limit, impair or adversely affect the enforcement against the Collateral of the rights and remedies of the Funding Lender.

NO DIRECTOR, OFFICER, AGENT, EMPLOYEE, OR ATTORNEY OR MEMBER OF THE GOVERNMENTAL LENDER, OR ANY PAST, PRESENT OR FUTURE MEMBER OF ITS GOVERNING BODY, INCLUDING ANY PERSON EXECUTING THIS PLEDGE AND ASSIGNMENT ON BEHALF OF THE GOVERNMENTAL LENDER, SHALL BE LIABLE PERSONALLY UNDER THIS PLEDGE AND ASSIGNMENT OR FOR ANY REASON RELATING TO THE ISSUANCE OF THE GOVERNMENTAL LENDER NOTE. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE GOVERNMENTAL LENDER NOTE, OR FOR ANY CLAIM BASED ON THE GOVERNMENTAL LENDER NOTE, OR OTHERWISE IN RESPECT OF THE GOVERNMENTAL LENDER NOTE, OR BASED ON OR IN RESPECT OF THIS PLEDGE AND ASSIGNMENT OR ANY AMENDMENT TO THIS PLEDGE AND ASSIGNMENT, AGAINST ANY DIRECTOR, OFFICER, AGENT, EMPLOYEE, ATTORNEY OR MEMBER OF THE GOVERNMENTAL LENDER, OR ANY PAST, PRESENT OR FUTURE MEMBER OF ITS GOVERNING BODY, OR ANY SUCCESSOR WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE OF THIS PLEDGE AND ASSIGNMENT AND AS PART OF THE CONSIDERATION FOR THE ISSUE OF THE GOVERNMENTAL LENDER NOTE, EXPRESSLY WAIVED AND RELEASED.

Section 8.2. Obligations Not Debt of Governmental Lender. No provision, representation, covenant or agreement contained in this Pledge and Assignment, the Agency Agreement, the Governmental Lender Note, or any obligation herein or therein imposed upon the Governmental Lender, or the breach thereof, shall constitute or give rise to or impose upon the Governmental Lender a pecuniary liability. No provision hereof shall be construed to impose a general or moral obligation of the Governmental Lender or a charge upon its general fund, or shall the full faith and credit of the Governmental Lender be pledged to the payment of the principal and interest on the Governmental Lender Note.

ARTICLE IX

DEFAULTS UNDER THIS PLEDGE AND ASSIGNMENT

Section 9.1. Events of Default. Each of the following events shall constitute an event of default ("Event of Default") under this Pledge and Assignment:

(a) if the Agent shall not remit to the Funding Lender any payment received on the Governmental Lender Note within ten (10) days after receipt;

(b) if the Agent shall not comply with any other terms or provisions of this Pledge and Assignment or the Governmental Lender Note and such noncompliance shall continue for more than thirty (30) days after notice thereof to the Agent from the Funding Lender or, where such noncompliance is not subject to cure within such thirty (30) day period, if the Agent within such period shall not have commenced with due diligence and dispatch the curing of such

noncompliance or thereafter shall fail to prosecute and complete with due diligence and dispatch and within a reasonable time the curing of such noncompliance;

(c) if any representation or warranty made by the Agent or by the Governmental Lender contained in this Pledge and Assignment shall prove to have been false or incorrect in any material respect on the date as of which made;

(d) if the Governmental Lender shall not, after thirty (30) days' written notice from the Agent or Funding Lender, perform or comply with any term or provision of this Pledge and Assignment to be performed or complied with by the Governmental Lender;

(e) if an action or proceeding shall be brought, or judgment rendered, against or relating to the Agent or the Governmental Lender which has the effect of substantially impairing the rights and obligations of the Agent or the Governmental Lender hereunder or under the Governmental Lender Note or with respect to the Mortgage Loan;

(f) if either the Agent or the Governmental Lender shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due, or shall file a voluntary petition in bankruptcy, or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking, consenting to, or acquiescing in reorganization, arrangement, adjustment, composition, liquidation, dissolution, or similar relief under any present or future statute, law or regulation, or shall file an answer admitting or shall fail to deny or contest the material allegations of a petition against it for any such relief;

(g) if, with respect to either the Agent or the Governmental Lender, a trustee, receiver or liquidator of any material part of its properties or assets shall be appointed with its consent or acquiescence, or if any such appointment, if not so consented to or acquiesced in, shall remain unvacated or unstayed for sixty (60) days;

(h) any default by Borrower under the Mortgage Loan; or

(i) any Event of Default under the Series 2025B Pledge and Assignment or under the Series 2025C Pledge and Assignment.

Section 9.2. Remedies. If any Event of Default shall have occurred and be continuing, the Funding Lender shall have all rights, powers, and remedies with respect to the Collateral as are available under the Uniform Commercial Code applicable thereto or as are available under any other applicable law at the time in effect and, without limiting the generality of the foregoing, the Funding Lender may proceed at law or in equity or otherwise, to the extent permitted by applicable law:

(a) to take possession of the Collateral or any part thereof, with or without legal process, and to hold, service, administer and enforce any rights thereunder or thereto, and otherwise exercise all rights of ownership thereof, including (but not limited to) the sale of all or part of the Collateral;

(b) to become mortgagee of record for the Mortgage Loan and to service and administer the same with the same power and authority as had been provided for the Agent herein;

(c) to service and administer the Mortgage Note as agent and on behalf of the Governmental Lender or otherwise, and, if applicable, to take all actions necessary to enforce the Loan Documents, and to take alternative courses of action, with the same power, authority and standard of care as had been provided for the Agent herein; and

(d) to take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Governmental Lender Note, this Pledge and Assignment, or the Loan Documents, or in and of the execution of any power herein granted, or for foreclosure hereunder, or for enforcement of any other appropriate legal or equitable remedy or otherwise as the Funding Lender may elect.

Section 9.3. Continuance of Obligations Upon Default by Agent. Notwithstanding any other provision of this Pledge and Assignment, upon the occurrence and continuance of any Event of Default caused by or resulting from action, inaction or other condition on the part of the Agent (a) the Governmental Lender Note shall for all purposes hereof remain outstanding and shall continue in full force and effect, (b) the Mortgage Loan shall remain outstanding and the obligations of the Borrower under the Loan Documents shall remain valid and enforceable, and (c) the Funding Lender shall exercise such rights, powers and remedies hereunder or at law as may be required to become the mortgagee of record for the Mortgage Loan and to service and administer the Mortgage Loan and the Governmental Lender Note, and shall thereupon service and administer the Mortgage Loan as mortgagee of record, or shall have the right to retain another mortgagee to so service and administer the Mortgage Loan and administer the Governmental Lender Note as agent and on behalf of the Governmental Lender, in accordance with Sections 4.1, 4.2, 4.3, 5.1, 5.2 and 5.3 hereof, until retirement of the Governmental Lender Note.

Section 9.4. Continuance of Obligations and Servicing by Agent Upon Default by the Governmental Lender. Notwithstanding any other provision of this Pledge and Assignment, upon the occurrence and continuance of any Event of Default caused by or resulting from action, inaction or other condition on the part of the Governmental Lender, and not caused by action, inaction or other condition on the part of the Agent, then, unless the Funding Lender chooses to exercise remedies inconsistent with the following: (a) the Governmental Lender Note shall, to the extent possible under the law and in the best interests of the Funding Lender, for all purposes remain outstanding and shall continue in full force and effect, (b) the Funding Lender shall not be required to take possession of the Collateral, become mortgagee of record for the Mortgage Loan or otherwise exercise its remedies hereunder or at law, and (c) the Agent shall, to the extent possible under the law and in the best interests of the Funding Lender, continue to service the Mortgage Loan as mortgagee of record and continue to service and administer the Governmental Lender Note as agent and on behalf of the Governmental Lender in accordance herewith until retirement of the Governmental Lender Note.

Section 9.5. Funding Lender Authorized to Execute Assignments, Etc. Subject to Section 4.4 hereof, the Governmental Lender and the Agent each hereby irrevocably appoints the Funding Lender the true and lawful attorney of such party, in its name and stead and on its behalf, for the purpose of effectuating any sale, assignment, transfer or other disposition for the enforcement of this Pledge and Assignment and the Governmental Lender Note, to execute and deliver all assignments and other instruments as the Funding Lender may consider necessary or appropriate, with full power of substitution, the Governmental Lender and the Agent each hereby

ratifying and confirming all that its said attorney or any substitute shall lawfully do by virtue hereof. If so requested by the Funding Lender, the Governmental Lender or the Agent shall ratify and confirm any such sale, assignment, transfer or other disposition by executing and delivering to the Funding Lender all proper assignments, releases and other instruments as may be designated in any such request.

Section 9.6. Waiver of Appraisal, Evaluation, Etc. The Governmental Lender and the Agent each hereby waives, to the full extent it may lawfully do so, the benefit of all appraisal, evaluation, stay, extension and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder or any taking of possession by the Funding Lender, of the Collateral or any part thereof or any interest therein.

Section 9.7. Application of Proceeds of Collateral. The proceeds of any sale hereunder of the Collateral or any part thereof or any interest therein shall be applied in the order of priorities set forth in Section 5.1 hereof.

Section 9.8. Right of Funding Lender to Perform Covenants of the Governmental Lender and the Agent. If the Governmental Lender or the Agent shall fail to take any action or to perform any obligation required of it hereunder, the Funding Lender, without notice to or demand upon the Governmental Lender or the Agent and without waiving or releasing of any obligation or default, may (but shall be under no obligation to) at any time thereafter take such action or perform such obligation for the account and at the expense of the party failing to do so. All sums paid by the Funding Lender or costs incurred (including, without limitation, reasonable attorneys' fees and expenses) together with interest thereon at the maximum legal rate from the date of payment by the Funding Lender, shall constitute additional indebtedness secured by this Pledge and Assignment.

Section 9.9. No Waiver, Etc. No failure by the Funding Lender to insist upon the strict performance of any term hereof or of the Governmental Lender Note or the Loan Documents or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term or of any such breach. No waiver of any breach shall affect or alter this Pledge and Assignment, which shall continue in full force and effect, or the rights of the Funding Lender with respect to any other then existing or subsequent breach.

Section 9.10. Remedies Cumulative, Etc. Each right, power and remedy of the Funding Lender provided for in this Pledge and Assignment or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Pledge and Assignment or now or hereafter existing at law or in equity or by statute or otherwise; each such right, power or remedy may be exercised by any such person in any order or sequence; and the exercise or beginning of the exercise by any such person of any one or more of such rights, powers and remedies shall not preclude the simultaneous or later exercise of any or all such rights, powers or remedies. No failure or delay on the part of the Funding Lender to exercise any such right, power or remedy shall operate as a waiver thereof.

ARTICLE X

MISCELLANEOUS

Section 10.1. Provisions Subject to Applicable Law. All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and are intended to be limited to the extent necessary so that they will not render this Pledge and Assignment invalid, unenforceable or not entitled to be rendered, registered or filed under the provisions of any applicable law. If any term of this Pledge and Assignment or any application thereof shall be invalid or unenforceable, the remainder of this Pledge and Assignment and any other application of such term shall not be affected thereby.

Section 10.2. Applicable Law. This Pledge and Assignment, the Governmental Lender Note and the Loan Documents shall be interpreted in accordance with and governed by the laws of the State of Hawaii.

Section 10.3. Compromise of Action, Etc. Any action, suit or proceeding brought by the Funding Lender pursuant to any of the terms of this Pledge and Assignment or the Governmental Lender Note or otherwise, and any claim made by the Funding Lender hereunder or under the Governmental Lender Note, may be compromised, withdrawn or otherwise dealt with by the Funding Lender without any notice or approval of the Governmental Lender or the Agent.

Section 10.4. No Merger. Under no circumstances shall the rights, duties and obligations of the Agent hereunder be merged with the rights, duties and obligations of the Funding Lender hereunder, whether or not the same party shall act as both, and whether or not the Agent shall exercise its rights under the Mortgage or the Funding Lender shall exercise its rights under the pledge contained herein or its rights under certain circumstances to direct the activities of the Agent hereunder.

Section 10.5. Notices, Etc. All notices, demands, requests, consents, approvals and other instruments under this Pledge and Assignment shall be in writing and shall be deemed to have been properly given if mailed by first class registered or certified mail, postage prepaid, addressed as follows:

If to the Governmental Lender:

City and County of Honolulu
Department of Housing and Land Management
650 S. King Street, 3rd Floor
Honolulu, Hawaii 96813
Attention: Director Designate
Telephone: (808) 768-4277

If to the Agent or Funding Lender:

Bank of Hawaii
P.O. Box 2900
Honolulu, Hawaii 96846
Attention: Commercial Real Estate Loan Division #366

If to the Borrower:

KPLR Phase 1, LP
c/o Highridge Costa Development Company
330 West Victoria Street
Gardena, California 90248
Attention: Moe Mohanna
Telephone: (424) 258-2906

with copies to:

[Tax Credit Entity]
c/o RBC Capital Markets
200 Vesey Street, 9th Floor
New York, New York 10281
Attention: Lake Newcomb
Telephone: (919) 571-6258

and

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West 5th Street, 64th Floor
Los Angeles, California 90071
Attention: Daryll Kidd, Esq
Telephone: (213) 239-8020

If to the Department of the Corporation Counsel:

Department of the Corporation Counsel
City and County of Honolulu
1001 Bishop Street, Suite 2020
Honolulu, Hawaii 96813
Attention: Corporation Counsel
Telephone: (808) 758-5100

or at such other address as a party may have designated by written notice to the other parties.

Section 10.6. Termination. This Pledge and Assignment shall cease and terminate when the Governmental Lender Note has been surrendered and finally paid and all obligations secured hereby shall have been observed.

Section 10.7. No Duty of Governmental Lender. The Governmental Lender shall not be required hereby to take any action or incur any expense not expressly provided for herein. The Governmental Lender shall not be obligated to take any action with respect to the Mortgage Loan or the Project other than actions which this Pledge and Assignment expressly provides are to be taken by the Governmental Lender, if such action might in the reasonable judgment of the Governmental Lender involve it in any expense or liability, unless the Governmental Lender shall have been furnished with reasonable indemnity for itself, its officers, directors and employees. This Section is not in derogation of the authority, right and duty of the Agent to act on behalf of the Governmental Lender hereunder, but the Governmental Lender shall not be liable in any respect for any default by the Agent in the performance by the Agent of the Agent's duties hereunder.

Section 10.8. Amendments, Successors and Assigns, Headings and Counterparts. Any of the terms of this Pledge and Assignment may be amended or waived only by an instrument signed by the Governmental Lender, the Agent and the Funding Lender. All of the terms of this Pledge and Assignment shall be binding upon the successors and assigns of and all persons claiming under or through the Governmental Lender and the Agent or any such successor or assign, and shall inure to the benefit of and be enforceable by the successors and assigns of the Funding Lender. The headings of this Pledge and Assignment are for convenience of reference only and shall not limit or otherwise effect the meaning hereof. This Pledge and Assignment may be executed in several counterparts, each of which shall be an original, and all of which shall constitute one and the same instrument.

Section 10.9. Tax Covenants. The Governmental Lender shall not use or permit any use within its control of any proceeds of the Governmental Lender Note or any other funds of the Governmental Lender, directly or indirectly, to purchase any securities or obligations, or use or permit any use within its control of any amounts received by the Governmental Lender with respect to the Mortgage Loan in any manner, or take or permit to be taken any other action or actions within its control, which would cause the Governmental Lender Note to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code").

The Governmental Lender shall not use or permit any use within its control of any proceeds of the Governmental Lender Note or any other funds of the Governmental Lender, directly or indirectly, in any manner, or take or permit to be taken any other action or actions within its control, which would result in the Governmental Lender Note being treated as a private activity bond within the meaning of Section 141 of the Code that does not constitute an "exempt facility bond" within the meaning of Section 142 of the Code. To that end, the Governmental Lender and the Agent have entered into a Regulatory Agreement, dated the date hereof, with the Borrower.

Section 10.10. Co-Lender Agreement. In the event of a conflict between the terms of this Pledge and Assignment and the Co-Lender Agreement concerning the rights and obligations as between Bank of Hawaii, American Savings Bank, F.S.B. and/or Central Pacific Bank, the terms of the Co-Lender Agreement shall control.

IN WITNESS WHEREOF, the Governmental Lender, the Agent and the Funding Lender have each caused this Pledge and Assignment to be executed in their respective names as of the date first above written.

CITY AND COUNTY OF HONOLULU,
a political subdivision and body corporate
and politic existing under the Constitution and
laws of the State of Hawaii

By: _____
Andrew T. Kawano
Director, Department of Budget and Fiscal Services

By: _____
Dawn Takeuchi Apuna
Director, Department of Planning and Permitting

By: _____
Kevin Auger
Director Designate,
Department of Housing and Land Management

APPROVED AS TO FORM AND LEGALITY:

_____
Dana M.O. Viola
Corporation Counsel
City and County of Honolulu

[*Governmental Lender Signature Page to*
Pledge and Assignment (Series 2025A) – Kuhio Park Low Rises Phase 1]

BANK OF HAWAII, as Agent

By _____
Christopher Abbott
Senior Vice President

[*Agent Signature Page to*
Pledge and Assignment (Series 2025A) – Kuhio Park Low Rises Phase 1]

BANK OF HAWAII, as Funding Lender

By _____
Christopher Abbott
Senior Vice President

[*Funding Lender Signature Page to*
Pledge and Assignment (Series 2025A) – Kuhio Park Low Rises Phase 1]

EXHIBIT A

FORM OF GOVERNMENTAL LENDER NOTE

THIS GOVERNMENTAL LENDER NOTE MAY BE OWNED ONLY BY A PERMITTED TRANSFEREE (AS DEFINED IN THE PLEDGE AND ASSIGNMENT) IN ACCORDANCE WITH THE TERMS OF THE PLEDGE AND ASSIGNMENT, AND THE HOLDER HEREOF (A) REPRESENTS THAT IT IS A PERMITTED TRANSFEREE AND (B) ACKNOWLEDGES THAT IT CAN ONLY TRANSFER THIS GOVERNMENTAL LENDER NOTE TO ANOTHER PERMITTED TRANSFEREE IN ACCORDANCE WITH THE TERMS OF THE PLEDGE AND ASSIGNMENT.

CITY AND COUNTY OF HONOLULU
MULTIFAMILY HOUSING REVENUE GOVERNMENTAL LENDER NOTE
(KUHIO PARK LOW RISES PHASE 1) SERIES 2025A

No. R 1 $[PAR AMOUNT A]

GOVERNMENTAL LENDER NOTE DATE	**MATURITY DATE**
August __, 2025	[January 1, 2045]

REGISTERED OWNER:	**BANK OF HAWAII** **130 Merchant Street, 16th Floor** **Honolulu, Hawaii 96813**
MAXIMUM PRINCIPAL AMOUNT:	**_____ DOLLARS ($[PAR AMOUNT A])**

The **CITY AND COUNTY OF HONOLULU**, a political subdivision and body corporate and politic organized and existing under the laws of the State of Hawaii (the "Governmental Lender"), for value received, hereby promises to pay (but only from the Collateral as that term is defined in the Pledge and Assignment hereinafter described) to the Registered Owner named above, or registered assigns (the "Funding Lender"), in a maximum principal amount of _____ Dollars ($[PAR AMOUNT A]), on the maturity date hereof or earlier as provided herein, together with interest on the outstanding balance of principal from the date hereof at the rates, at the times and in the amounts provided below. Principal and interest shall be payable at the office of the Funding Lender in Honolulu, Hawaii, or such other place as the Funding Lender shall designate in writing, in any coin or currency which at the time or times of payment is legal tender for public or private debts in the United States of America.

This Governmental Lender Note constitutes an obligation in a maximum principal amount of $[PAR AMOUNT A], issued by the Governmental Lender under and pursuant to the provisions of Chapter 49, Hawaii Revised Statutes, and as amended, as made applicable by Hawaii Revised Statutes Sections 46-15.1 and 46-15.2 (collectively, the "Act"), and pursuant to a resolution of the City Council, adopted on [RESOLUTION APPROVAL DATE] (the "Resolution"), in order to provide moneys to fund a loan (the "Mortgage Loan") to be made for the account of the

Governmental Lender to KPLR Phase 1, LP, a Hawaii limited partnership (the "Borrower"), to finance the acquisition and construction of a multifamily rental housing development to be known as the Kuhio Park Low Rises, located in the City and County of Honolulu, Hawaii (the "Project").

The Mortgage Loan is evidenced by a promissory note (the "Mortgage Note"), dated the date hereof, executed by the Borrower and secured by a mortgage, dated the date hereof, from the Borrower to Bank of Hawaii (the "Agent"), as initial agent for the Governmental Lender pursuant to an Agency Agreement, dated the date hereof, between the Governmental Lender and the Agent. This Governmental Lender Note is secured by a Pledge and Assignment (Series 2025A) (the "Pledge and Assignment"), dated the date hereof, between the Governmental Lender, the Agent and the Funding Lender.

The payment or prepayment of principal of and interest on this Governmental Lender Note shall be identical with and shall be made on the same terms and conditions as the payments or prepayments of principal of, prepayment charge, if any, and interest on the Mortgage Note; except as may be required with respect to the identity of the payee. Payments or prepayments made by the Borrower of principal of, prepayment charge, if any, and interest on the Mortgage Note shall be deemed to be like payments or prepayments of principal, prepayment charge, if any and interest on this Governmental Lender Note. Said payments or prepayments by the Borrower shall be deemed to have been constructively received by the Funding Lender as payments or prepayments on this Governmental Lender Note on the date of receipt by the Agent under the Mortgage Note, and interest with respect to each principal payment or prepayment shall cease to accrue upon receipt by the Agent. Payments or prepayments of principal, prepayment charge, if any, and interest shall be remitted to the Funding Lender by the Agent immediately.

This Governmental Lender Note may be sold, assigned, transferred or otherwise disposed of by the Funding Lender, provided that such sale, assignment, transfer or other disposition shall not cause the Governmental Lender to incur any obligation under the Funding Loan (as that term is defined in the Pledge and Assignment) in addition to any obligations existing immediately prior to such sale, assignment, transfer or other disposition, and adequate assurances are given thereof to the Governmental Lender.

Subject to the foregoing, the Funding Lender shall have the right to sell participations in this Governmental Lender Note to any other persons or entities without the consent of or notice to the Governmental Lender.

Subject to the foregoing, this Governmental Lender Note is transferable upon the books of the Governmental Lender at the office of the Director of the Department of Budget and Fiscal Services of the City and County of Honolulu, by the registered Funding Lender hereof in person or by its attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Director of the Department of Budget and Fiscal Services of the City and County of Honolulu, duly executed by the registered Funding Lender or its duly authorized attorney. Upon such transfer, the Director of the Department of Budget and Fiscal Services of the City and County of Honolulu will note the date of registration and the name and address of the newly registered Funding Lender on the books of the Governmental Lender and in the registration blank appearing below. The Governmental Lender may deem and treat the person in whose name this Governmental Lender Note is last registered upon the books of the Department

of Budget and Fiscal Services of the City and County of Honolulu, with such registration noted on this Governmental Lender Note, as the absolute Owner hereof for the purpose of receiving payment of or on account of the principal or interest and for all other purposes; all such payments so made to the registered Funding Lender or upon its order shall be valid and effectual to satisfy and discharge the liability upon this Governmental Lender Note to the extent of the sum or sums so paid, and the Governmental Lender shall not be affected by any notice to the contrary.

All of the agreements, covenants, conditions, limitations, provisions and stipulations contained in the Pledge and Assignment are hereby made a part of this Governmental Lender Note to the same extent and with the same effect as if they were fully set forth herein. If any payment of the principal or interest hereon is due and payable in accordance with the terms and conditions of this Governmental Lender Note, and not paid within ten (10) days of the due date, or if any Event of Default (as that term is defined in the Pledge and Assignment) shall occur and be continuing, then the Funding Lender may at its right and option declare immediately due and payable the principal of this Governmental Lender Note and interest accrued hereon to the date of declaration of such default, together with any attorneys' fees and costs incurred by the Funding Lender in collecting or enforcing payment hereof, whether suit be brought or not, and all other sums due hereunder or under the Pledge and Assignment, notwithstanding anything to the contrary therein and payment thereof may be enforced and recovered in whole or in part, at any time, by one or more of the remedies provided in this Governmental Lender Note or the Pledge and Assignment. The Funding Lender may extend the time for payment of interest and/or principal of this Governmental Lender Note without notice to or consent of any party liable hereon and without releasing any such party.

Notwithstanding any other provision hereof or of the Loan Documents (as defined in the Pledge and Assignment) or any other documents relating hereto or thereto, it is understood and agreed that (a) the Pledge and Assignment has been entered into by the Governmental Lender and the Agent, this Governmental Lender Note has been executed and delivered by the Governmental Lender, and any Loan Documents or any other documents have been entered into by the Governmental Lender and the Agent, on a strictly nonrecourse basis as against the Governmental Lender and the Agent; (b) neither the Governmental Lender nor the Agent, nor any of their successors, members, directors, officers or employees shall have any personal liability for payment of the principal of or interest on, or any other sums called for under, this Governmental Lender Note, or for payment of any other sums called for under the Pledge and Assignment or the Loan Documents, or for any other undertakings thereunder or hereunder; (c) no judgment, order or execution entered in any suit, action or proceeding (legal, equitable or otherwise) on the Pledge and Assignment, this Governmental Lender Note or the Loan Documents shall be enforced against the Governmental Lender or the Agent or any of their successors, commissioners, members, directors, officers or employees thereof for the purpose of obtaining payment or satisfaction hereof or thereof or of the undertakings evidenced hereby or thereby from anything other than the Collateral, provided, however, that the foregoing shall not apply to the Agent with respect to any judgment, order or execution arising out of any actions or omissions of the Agent caused by the Agent's gross negligence or willful misconduct; and (d) the Funding Lender will look solely to the Collateral for satisfaction of any payment of this Governmental Lender Note or of any deficiency in case of foreclosure of the Collateral or sale in lieu thereof or other remedy exercised with respect thereto. The remedies of the Funding Lender, as provided herein and in the Pledge and Assignment, may be pursued at the sole discretion of the Funding Lender and may be exercised as

often as occasion therefor shall occur. The failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

The Funding Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Funding Lender and then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as a continuing waiver or as a bar to or waiver of any right or remedy as to a subsequent event.

The makers and endorsers severally waive diligence, presentment, protest, and demand, and also notice of protest, dishonor, and nonpayment of this Governmental Lender Note, and expressly agree that this Governmental Lender Note, or any payment hereunder, may be extended from time to time, and consent to the acceptance of further security for this Governmental Lender Note, including other types of security, all without in any way affecting the liability of the makers and endorsers hereof. The right to plead any and all statutes of limitations as a defense to any demand on this Governmental Lender Note, or any guaranty hereof, or to any agreement to pay the same, or to any demand secured by the Pledge and Assignment, or other security securing this Governmental Lender Note, or any and all obligations, or liabilities arising out of or in connection with this Governmental Lender Note or the Pledge and Assignment by any of the parties hereto, is expressly waived by each and every of the makers, endorsers, guarantors, or sureties.

THIS GOVERNMENTAL LENDER NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE GOVERNMENTAL LENDER, PAYABLE SOLELY FROM AND SECURED BY THE COLLATERAL (AS THAT TERM IS DEFINED IN THE PLEDGE AND ASSIGNMENT) AND IS NOT AN OBLIGATION OF THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF. THIS GOVERNMENTAL LENDER NOTE IS NOT A GENERAL OR MORAL OBLIGATION OF THE GOVERNMENTAL LENDER OR A CHARGE UPON ITS GENERAL FUND, NOR SHALL THE FULL FAITH AND CREDIT OF THIS GOVERNMENTAL LENDER BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS GOVERNMENTAL LENDER NOTE. NO HOLDER OF ANY GOVERNMENTAL LENDER NOTE HAS THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE GOVERNMENTAL LENDER TO PAY THE GOVERNMENTAL LENDER NOTE OR THE INTEREST OR THE REDEMPTION PREMIUM, IF ANY, THEREON.

It is intended that this Governmental Lender Note is made with reference to and shall be construed as a contract governed by the laws of the State of Hawaii.

THIS GOVERNMENTAL LENDER NOTE IS ISSUED PURSUANT TO THE ACT.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts and things required to exist, happen and be performed precedent to or in the issuance of this Governmental Lender Note do exist, have happened and have been performed in regular and due form as required by law.

IN WITNESS WHEREOF, the CITY AND COUNTY OF HONOLULU has caused this Governmental Lender Note to be executed in its name by its Director of the Department of Budget and Fiscal Services and its Director Designate of the Department of Housing and Land Management, and countersigned by its Mayor and its official seal or a facsimile thereof to be hereunto impressed or imprinted hereon, all as of the date set forth above.

CITY AND COUNTY OF HONOLULU

By: _____
Director, Department of Budget and Fiscal Services

By: _____
Director Designate, Department of Housing and Land Management

(SEAL)

COUNTERSIGNED:

By: _____
Mayor

PROVISIONS AS TO REGISTRATION

The Ownership of the unpaid principal balance of this Governmental Lender Note and the interest accruing thereon is registered on the books of the Director of the Department of Budget and Fiscal Services of the City and County of Honolulu, in the name of the registered Funding Lender last noted below.

Date of Registration	Name of Registered Funding Lender	Signature
August __, 2025	Bank of Hawaii	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

EXHIBIT B

DESCRIPTION OF REAL PROPERTY

[*Attached*]

EXHIBIT C

FORM OF FUNDING LENDER CERTIFICATE

THE FUNDING LENDER CERTIFICATE

The undersigned, Bank of Hawaii (the "Funding Lender"), hereby certifies in connection with its loan (the "Funding Loan") to the City and County of Honolulu (the "Governmental Lender") in the maximum amount of $[PAR AMOUNT A] evidenced by the tax-exempt Multifamily Housing Revenue Governmental Lender Note (Kuhio Park Low Rises Phase 1) Series 2025A (the "Governmental Lender Note") as follows:

1. The Funding Lender is a Permitted Transferee.

2. The Funding Lender acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable lender would attach significance in making lending decisions, and the Funding Lender has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Governmental Lender, the Project, the Funding Loan and the security therefor so that, as a reasonable lender, the Funding Lender has been able to make its decision to make the Funding Loan. The Funding Lender acknowledges that it has not relied upon the Governmental Lender for any information in connection with the Funding Lender's extension of the Funding Loan.

3. The Funding Lender is making the Funding Loan for investment and without any view to the redistribution thereof; provided, however, that the disposition of the Funding Lender's interest in the Funding Loan, including the sale of participation interests in the Funding Loan, shall remain in its control, subject to the requirements of the Pledge and Assignment. The Funding Lender understands and acknowledges that the Funding Loan may be sold, transferred or otherwise disposed of, in whole but not in part, only to a Permitted Transferee, and that the Governmental Lender Note will bear a legend reflecting this limitation.

4. The Funding Lender hereby expressly waives any right to receive any information from the Governmental Lender with respect to the Project and the Funding Loan, and relieves the Governmental Lender and its agents and representatives of any liability for failure to provide such information. The Funding Lender understands that holder of the Funding Loan has no right to demand payment from the Governmental Lender from any sources other than that described in the Governmental Lender Note. It is understood and agreed by the Funding Lender that the references to the Governmental Lender herein shall be deemed to include the State of Hawaii.

5. The Funding Lender further acknowledges that there is no offering document or official statement associated with the purchase and funding of the Funding Loan and that no placement agent is involved in the transaction.

6. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Pledge and Assignment (Series 2025A), dated as of August 1, 2025, among the Funding Lender, the Governmental Lender and Bank of Hawaii as Agent.

7. The individual executing this Certificate has been duly authorized to execute and deliver this Certificate on behalf of the Funding Lender.

Dated this ____th day of _____, 20___.

BANK OF HAWAII

By _____
Christopher Abbott
Senior Vice President

LAND COURT SYSTEM	REGULAR SYSTEM

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

Hawkins Delafield & Wood LLP
1331 N. California Blvd., Suite 680
Walnut Creek, California 94596
Attention: Alexis Harrington

Tax Map Key No.: (1) 1-3-039:006; (1) 1-3-039:008

Total Pages: _____

TYPE OF DOCUMENT

Agency Agreement

PARTIES TO DOCUMENT:

City and County of Honolulu, as Governmental Lender
Bank of Hawaii, as Agent

AGENCY AGREEMENT

CITY AND COUNTY OF HONOLULU
MULTIFAMILY HOUSING REVENUE GOVERNMENTAL LENDER NOTES
(KUHIO PARK LOW RISES PHASE 1)
SERIES 2025

AGENCY AGREEMENT

This Agency Agreement, dated as of August 1, 2025 between the CITY AND COUNTY OF HONOLULU, a political subdivision and body corporate and politic existing under the Constitution and laws of the State of Hawaii (the "Governmental Lender"), and BANK OF HAWAII, a corporation duly organized and existing under and by virtue of the laws of the State of Hawaii, as agent (the "Agent"):

W I T N E S S E T H:

WHEREAS, the Governmental Lender is authorized under the provisions of Chapter 49, Hawaii Revised Statutes, as amended, as made applicable by Hawaii Revised Statutes Sections 46-15.1 and 46-15.2 (collectively, the "Act"), to issue revenue bonds or notes to finance its program of providing loans to finance multifamily rental housing projects;

WHEREAS, KPLR Phase 1, LP, a Hawaii limited partnership (the "Borrower"), has applied to the Governmental Lender for mortgage loans to assist in financing the acquisition and construction of a multifamily rental housing development located on the real property as described in EXHIBIT A hereto (the "Project"), and the Governmental Lender has determined so to assist the Borrower;

WHEREAS, in order to provide moneys to make loans to the Borrower (the "Mortgage Loans") to assist in financing the acquisition and construction of the Project, the Governmental Lender has authorized the issuance of its (i) Multifamily Housing Revenue Governmental Lender Note (Kuhio Park Low Rises Phase 1) Series 2025A, in a maximum principal amount of _____ Dollars ($[PAR AMOUNT A]) (the "Series 2025A Governmental Lender Note"), secured by a Pledge and Assignment dated the date hereof (the "Series 2025A Pledge and Assignment") from the Governmental Lender and the Agent hereunder to Bank of Hawaii, as holder of the Series 2025A Governmental Lender Note (the "Series 2025A Funding Lender"), (ii) Multifamily Housing Revenue Governmental Lender Note (Kuhio Park Low Rises Phase 1) Series 2025B, in a maximum principal amount of _____ Dollars ($[PAR AMOUNT B]) (the "Series 2025B Governmental Lender Note"), secured by a Pledge and Assignment dated the date hereof (the "Series 2025B Pledge and Assignment") from the Governmental Lender and the Agent hereunder to American Savings Bank, as holder of the Series 2025B Governmental Lender Note (the "Series 2025B Funding Lender"), and (iii) Multifamily Housing Revenue Governmental Lender Note (Kuhio Park Low Rises Phase 1) Series 2025C in a maximum principal amount of _____ Dollars ($[PAR AMOUNT C]) (the "Series 2025C Governmental Lender Note" and, together with the Series 2025A Governmental Lender Note and the Series 2025B Governmental Lender Note, the "Governmental Lender Notes"), secured by a Pledge and Assignment dated the date hereof (the "Series 2025C Pledge and Assignment" and, together with the Series 2025A Pledge and Assignment and the Series 2025B Pledge and Assignment, the "Pledge and Assignments") from the Governmental Lender and Agent hereunder to Central Pacific Bank, as holder of the Series 2025C Governmental Lender Note (the "Series 2025C Funding Lender" and, together with the Series 2025A Funding Lender and the Series 2025B Funding Lender, the "Funding Lenders");

WHEREAS, it is necessary and desirable for the Governmental Lender and the Agent to enter into this Agreement to authorize and appoint the Agent to act on behalf of the Governmental Lender with respect to the Mortgage Loans;

WHEREAS, the Funding Lenders of the Governmental Lender Notes have an interest in the proper servicing of the Mortgage Loans as provided herein and as provided by each Pledge and Assignment, in that the proceeds of the repayment of each Mortgage Loan and the security for repayment of each Mortgage Loan have been assigned by each Pledge and Assignment to the respective Funding Lender of each Governmental Lender Note to secure payment of that Governmental Lender Note, as sole recourse for such payment;

WHEREAS, in order to regulate the use and operation of the Project by the Borrower, the Governmental Lender has required the Borrower to enter into the Regulatory Agreement (as defined in the Pledge and Assignments); and

WHEREAS, all conditions, things and acts required by the Act and by all other laws of the State of Hawaii to exist, to have happened and to have been performed precedent to and in connection with the issuance of the Governmental Lender Notes exist, have happened and have been performed in due time, form and manner as required by law, and the Governmental Lender is now duly authorized and empowered, pursuant to each and every requirement of law, to issue the Governmental Lender Notes for the purpose, in the manner and upon the terms therein provided;

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter contained, the parties hereto agree as follows:

Section 1. Appointment of Agent. By resolution of the City Council of the Governmental Lender adopted [RESOLUTION APPROVAL DATE] (the "Resolution"), and by this Agreement, the Governmental Lender has appointed the Agent as its agent with full authority and power to act on its behalf solely for the express purposes set forth herein and to do all other acts necessary or incidental to the performance and execution of such authority and power and the Governmental Lender hereby ratifies and confirms all such lawful acts done by virtue hereof.

Section 2. Representations of the Governmental Lender and the Agent.

(a) The Governmental Lender is a political subdivision and a body corporate and politic, duly organized and existing under the laws of the State of Hawaii. Under the provisions of the Act and the Resolution, the Governmental Lender has full power and authority to enter into the transactions contemplated by this Agreement, the Governmental Lender Notes and the Pledge and Assignments.

(b) The Agent is a corporation duly organized and existing under the laws of the State of Hawaii with full power and authority to enter into the transactions contemplated by this Agreement and the Pledge and Assignments and to make the Mortgage Loans (as defined in the Pledge and Assignments) to the Borrower as provided in the Loan Documents (as defined in the Pledge and Assignments) on behalf of the Governmental Lender.

Section 3. Authority and Agreements of the Agent. The Agent is authorized by the Governmental Lender to enter into, execute, deliver and perform under the Pledge and Assignments, the Loan Documents and the Regulatory Agreement as agent for the Governmental Lender, and is authorized and agrees, pursuant to and in accordance with the terms of the Pledge and Assignment and the Loan Documents, to advance the proceeds of the Governmental Lender Notes to fund the Mortgage Loans, to service and administer the Mortgage Loans and otherwise to act on behalf of the Governmental Lender as "Agent" pursuant to the terms of the Pledge and Assignments, the Loan Documents and (subject to Section 5 below) the Regulatory Agreement.

Section 4. Agent as Independent Contractor. In the performance of its duties as Agent hereunder, the Agent shall have sole control of the manner and means of performance of this Agreement, provided that the Agent meets the standard of care required of the Agent under this Agreement and in the Pledge and Assignments. The Agent shall have an independent contractor relationship with the Governmental Lender and will have no authority, express or implied, to act for or on behalf of the Governmental Lender, except as set forth herein.

Section 5. Standard of Performance. The Agent shall perform its duties hereunder in accordance with sound commercial banking practice, and in accordance with the Pledge and Assignments, provided, however, that with respect to the Regulatory Agreement, the Agent's duties shall be only as expressly set forth in the Regulatory Agreement.

Section 6. Successor Agent. Any corporation or association into which the Agent may be converted or merged or with which it may be consolidated or to which it may sell or transfer its business and assets as a whole or substantially as a whole or any corporation or association resulting from any conversion, sale, merger, consolidation or transfer to which it is a party shall, ipso facto, be and become successor Agent hereunder and vested with all of the title to the whole property and all the powers, discretions, immunities, privileges, obligations and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed or conveyance on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 7. Termination by Agent or Governmental Lender. The Agent may not terminate this Agreement so long as Bank of Hawaii is the Series 2025A Funding Lender. In the event that Bank of Hawaii is no longer the Series 2025A Funding Lender, the Agent may terminate this Agreement by giving thirty (30) days' written notice to the Governmental Lender, the Borrower and the new Funding Lender. Such termination shall take effect, except as to the duties of the Agent under Section 8 hereof, upon the appointment of a successor agent by the Governmental Lender and the execution, acknowledgment and delivery by the successor agent of an instrument in substantially the form of this Agreement.

So long as Bank of Hawaii is the Series 2025A Funding Lender, this Agreement shall not be terminated by the Governmental Lender, provided, however, that the Agent shall indemnify the Governmental Lender and the State of Hawaii, and hold the Governmental Lender and the State of Hawaii harmless from any loss or liability incurred by the Governmental Lender or the State of Hawaii to the Funding Lenders by reason of any failure of the Agent to perform in accordance herewith or to perform in accordance with the Pledge and Assignments.

In the event of any termination of this Agreement, the Governmental Lender shall promptly and diligently appoint, with approval and consent of the Director of the Department of Budget and Finance of the City and County of Honolulu, a successor agent qualified to perform the obligations of the Agent under this Agreement and as required by the Pledge and Assignments, and subject to an Agency Agreement upon the same terms and conditions as are herein provided. On failure or delay in the making of such appointment, or until the termination becomes effective, Bank of Hawaii may delegate its responsibilities hereunder to such person as it may designate, as subagent under this Agreement.

Section 8. Obligations of Agent in the Event of Termination. From and after the effective date of termination of this Agreement pursuant to Section 7 hereof, the Agent shall be relieved of further responsibility in connection with the Pledge and Assignments, the Loan Documents and the Regulatory Agreement. In the event of such termination, the Agent shall pay over to the successor agent appointed by the Governmental Lender all moneys collected and held by it pursuant to this Agreement and/or pursuant to any other agreement, letter or arrangement relative to the Pledge and Assignments, the Loan Documents and the Regulatory Agreement simultaneous with such termination, and turn over to the successor agent appointed by the Governmental Lender all documents and records in connection with the Pledge and Assignments, the Loan Documents and the Regulatory Agreement simultaneous with such termination. The Agent shall deliver to the successor agent a full accounting, including a statement showing the monthly payments collected by it and a statement of moneys held in escrow by it for the payment of taxes, maintenance or other charges in respect of the Pledge and Assignments, the Loan Documents and the Regulatory Agreement, simultaneous with such termination. The Agent shall execute and deliver to its successor such instruments as are required to assign to the successor all right, title and interest in all property of whatever nature which it holds as Agent of the Governmental Lender. Where necessary, all such instruments must be filed and/or recorded in each office where such instruments are required to be filed and/or recorded.

Section 9. Term of Agreement. Unless sooner terminated as herein provided, this Agreement shall continue from the date hereof until payment in full of the Governmental Lender Notes.

Section 10. Governing Law; Severability; Captions. This Agreement shall be construed in accordance with the laws of the State of Hawaii. In the event any provisions of this Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. Any headings of divisions of this Agreement are solely for convenience of reference and shall neither constitute a part of this Agreement nor affect its meaning, construction or effect.

Section 11. Notices. Any notice provided for herein shall be in writing and shall be deemed to have been given when delivered personally or when deposited in the United States mail, registered and postage prepaid, addressed as follows:

If to the Governmental Lender:

City and County of Honolulu
Department of Housing and Land Management
650 S. King Street, 3rd Floor
Honolulu, Hawaii 96813
Attention: Director Designate
Telephone: (808) 768-4277

If to the Agent:

Bank of Hawaii
P.O. Box 2900
Honolulu, Hawaii 96846
Attention: Commercial Real Estate Loan Division #366

If to the Borrower:

KPLR Phase 1, LP
c/o Highridge Costa Development Company
330 West Victoria Street
Gardena, California 90248
Attention: Moe Mohanna
Telephone: (424) 258-2906

With copies to:

[Tax Credit Entity]
c/o RBC Capital Markets
200 Vesey Street, 9th Floor
New York, New York 10281
Attention: Lake Newcomb
Telephone: (919) 571-6258

And

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West 5th Street, 64th Floor
Los Angeles, California 90071
Attention: Daryll Kidd, Esq
Telephone: (213) 239-8020

If to the Department of the Corporation Counsel:

Department of the Corporation Counsel
City and County of Honolulu
1001 Bishop Street, Suite 2020
Honolulu, Hawaii 96813
Attention: Corporation Counsel
Telephone: (808) 758-5100

or at such other address as any of them may designate by notice duly given in accordance with this Section 11 to the others.

Section 12. Other Authorization Documents. The Governmental Lender shall, at the request of the Agent, execute such powers of attorney or other documents as the Agent may reasonably require to exercise the powers necessary for its performance under this Agreement.

Section 13. Execution Counterparts. This Agreement may be executed, acknowledged and delivered in any number of counterparts. Each such counterpart shall constitute an original but all of such counterparts taken together shall constitute one agreement.

[*signature pages follow*]

IN WITNESS WHEREOF, the Governmental Lender and the Agent have each caused this Agency Agreement to be executed in their respective names as of the date first above written.

CITY AND COUNTY OF HONOLULU,
a political subdivision and body corporate
and politic existing under the Constitution and
laws of the State of Hawaii

By: _____
Andrew T. Kawano
Director, Department of Budget and Fiscal Services

By: _____
Dawn Takeuchi Apuna
Director, Department of Planning and Permitting

By: _____
Kevin Auger
Director Designate,
Department of Housing and Land Management

APPROVED AS TO FORM AND LEGALITY:

_____
Dana M.O. Viola
Corporation Counsel
City and County of Honolulu

STATE OF HAWAII)
) SS.
COUNTY OF HONOLULU)

On _____, before me personally appeared Andrew T. Kawano, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.

Further, I certify, as of this date, as follows:

☐ Date of Document: _____ ☐ undated at time of notarization
Number of Pages: _____ (if counterpart signature pages are subsequently attached, the document may have a different number of pages)
Document Description: Agency Agreement
Jurisdiction/Judicial Circuit Where Signed:

_____
Type or print name: _____
Date: _____
Notary Public, State of Hawaii
My commission expires: _____

STATE OF HAWAII)
) SS.
COUNTY OF HONOLULU)

On _____, before me personally appeared Dawn Takeuchi Apuna, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.

Further, I certify, as of this date, as follows:

☐ Date of Document: _____ ☐ undated at time of notarization
Number of Pages: _____ (if counterpart signature pages are subsequently attached, the document may have a different number of pages)
Document Description: Agency Agreement
Jurisdiction/Judicial Circuit Where Signed:

_____
Type or print name: _____
Date: _____
Notary Public, State of Hawaii
My commission expires: _____

STATE OF HAWAII)
) SS.
COUNTY OF HONOLULU)

On _____, before me personally appeared Kevin Auger, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.

Further, I certify, as of this date, as follows:

☐ Date of Document: _____ ☐ undated at time of notarization
Number of Pages: _____ (if counterpart signature pages are subsequently attached, the document may have a different number of pages)
Document Description: Agency Agreement
Jurisdiction/Judicial Circuit Where Signed:

_____
Type or print name: _____
Date: _____
Notary Public, State of Hawaii
My commission expires: _____

BANK OF HAWAII,
a corporation duly organized and existing under and by virtue of the laws of the State of Hawaii, as Agent

By _____
Christopher Abbott
Senior Vice President

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

On _____, before me personally appeared Christopher Abbott, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.

Further, I certify, as of this date, as follows:

☐ Date of Document: _____ ☐ undated at time of notarization
Number of Pages: _____ (if counterpart signature pages are subsequently attached, the document may have a different number of pages)
Document Description: Agency Agreement
Jurisdiction/Judicial Circuit Where Signed:

_____
Type or print name: _____
Date: _____
Notary Public, State of Hawaii
My commission expires: _____

EXHIBIT A

DESCRIPTION OF REAL PROPERTY

[*See Attached*]

LAND COURT SYSTEM	REGULAR SYSTEM

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

Hawkins Delafield & Wood LLP
1331 N. California Blvd., Suite 680
Walnut Creek, California 94596
Attention: Alexis Harrington

Tax Map Key No.: (1) 1-3-039:006; (1) 1-3-039:008
Total Pages: _____

TYPE OF DOCUMENT

Regulatory Agreement and Declaration of Restrictive Covenants

PARTIES TO DOCUMENT:

City and County of Honolulu, as Governmental Lender
KPLR Phase 1, LP, as Borrower
Bank of Hawaii, as Agent

REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

CITY AND COUNTY OF HONOLULU
MULTIFAMILY HOUSING REVENUE GOVERNMENTAL LENDER NOTES
(KUHIO PARK LOW RISES PHASE 1)
SERIES 2025

REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

by and among

CITY AND COUNTY OF HONOLULU,
as Governmental Lender

and

KPLR PHASE 1, LP,
as Borrower

and

BANK OF HAWAII,
as Agent

Dated as of August 1, 2025

Relating to

CITY AND COUNTY OF HONOLULU
MULTIFAMILY HOUSING REVENUE GOVERNMENTAL LENDER NOTES
(KUHIO PARK LOW RISES PHASE 1)
SERIES 2025

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REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS

THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (this "Agreement"), dated as of August 1, 2025, by and among the CITY AND COUNTY OF HONOLULU (the "Governmental Lender"), a political subdivision and body corporate and politic existing under the Constitution and laws of the State of Hawaii, BANK OF HAWAII, a corporation duly existing under the laws of the State of Hawaii, as Agent (the "Agent") under that certain Agency Agreement, of even date herewith, between the Governmental Lender and the Agent, relating to the Governmental Lender Notes identified herein, and recorded concurrently herewith (the "Agency Agreement"), and KPLR PHASE 1, LP, a Hawaii limited partnership (the "Borrower").

W I T N E S S E T H :

WHEREAS, the Governmental Lender is authorized under the provisions of Chapter 49, Hawaii Revised Statutes, as amended, as made applicable by Hawaii Revised Statutes Sections 46-15.1 and 46-15.2 (collectively, the "Act"), to issue revenue bonds or notes to finance its program of providing loans to finance multifamily rental housing projects; and

WHEREAS, the Governmental Lender proposes to issue its revenue notes pursuant to and in compliance with the Act to enable the Borrower to finance the acquisition and construction of a multifamily rental housing development located on the real property as described in EXHIBIT A hereto (the "Project"); and

WHEREAS, in order to assist the Borrower in financing the acquisition and construction of the Project, the Governmental Lender has authorized the issuance of its (i) "*Multifamily Housing Revenue Governmental Lender Note (Kuhio Park Low Rises Phase 1) Series 2025A*", in a maximum principal amount of _____ Dollars ($[PAR AMOUNT A]) (the "Series 2025A Governmental Lender Note"), secured by an unrecorded Pledge and Assignment dated the date hereof (the "Series 2025A Pledge and Assignment") from the Governmental Lender and the Agent to Bank of Hawaii, as holder of the Series 2025A Governmental Lender Note (the "Series 2025A Funding Lender"), (ii) "*Multifamily Housing Revenue Governmental Lender Note (Kuhio Park Low Rises Phase 1) Series 2025B*", in a maximum principal amount of _____ Dollars ($[PAR AMOUNT B]) (the "Series 2025B Governmental Lender Note"), secured by an unrecorded Pledge and Assignment dated the date hereof (the "Series 2025B Pledge and Assignment") from the Governmental Lender and the Agent to American Savings Bank, as holder of the Series 2025B Governmental Lender Note (the "Series 2025B Funding Lender"), and (iii) "*Multifamily Housing Revenue Governmental Lender Note (Kuhio Park Low Rises Phase 1) Series 2025C*" in a maximum principal amount of _____ _____ Dollars ($[PAR AMOUNT C]) (the "Series 2025C Governmental Lender Note" and, together with the Series 2025A Governmental Lender Note and the Series 2025B Governmental Lender Note, the "Governmental Lender Notes"), secured by an unrecorded

Pledge and Assignment dated the date hereof (the "Series 2025C Pledge and Assignment" and, together with the Series 2025A Pledge and Assignment and the Series 2025B Pledge and Assignment, the "Pledge and Assignments") from the Governmental Lender and Agent hereunder to Central Pacific Bank, as holder of the Series 2025C Governmental Lender Note (the "Series 2025C Funding Lender" and, together with the Series 2025A Funding Lender and the Series 2025B Funding Lender, the "Funding Lenders"); and

WHEREAS, in order to assure the Governmental Lender and the Funding Lender that interest on the Governmental Lender Notes will be exempt from federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended from time to time (the "Code"), and State of Hawaii income tax, and to satisfy the public purposes for which the Governmental Lender Notes are authorized to be issued under the Act, and to satisfy the purposes of the Governmental Lender in determining to issue the Governmental Lender Notes, certain limits on the occupancy of units in the Project need to be established and certain other requirements need to be met; and

WHEREAS, interest on the Governmental Lender Notes is exempt from state and federal income taxation only if the Project is continuously in compliance with requirements of the Code; and

WHEREAS, in order to ensure that the Project will be financed, used and operated in accordance with the Code, and in order to set forth the terms on which the proceeds of the Governmental Lender Notes will be expended, the Governmental Lender, the Agent and the Borrower have determined to enter into this Agreement; and

WHEREAS, the Governmental Lender, the Borrower and the Agent each represent as to itself that it has the power and authority to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Governmental Lender, the Agent and the Borrower hereby agree as follows:

Section 1. Definitions. Unless the context otherwise requires, capitalized terms used in this Agreement shall for all purposes of this Agreement have the meanings specified in the preambles hereto, in this Section 1, or in the Pledge and Assignments.

"Administrator" means any administrator appointed by the Governmental Lender as its agent in the administration of this Agreement, and any successor so appointed. Until any different Administrator is appointed, and at any time while such office is vacant, the term "Administrator" shall mean the Governmental Lender.

"Annual Income" means (i) when referring to the income of one tenant, the current gross income of such tenant, and (ii) when referring to the income of a household, the current gross income of all individuals in such household, calculated, in each instance, in a manner consistent with the determination of lower income families under Section 8 of the United

States Housing Act of 1937, as amended (or, if such program is terminated, under such program as in effect immediately before such termination).

"Area" means the City and County of Honolulu, State of Hawaii.

"Bond Counsel" means Hawkins Delafield & Wood LLP or any other firm of attorneys or attorney at law selected by the Governmental Lender, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America, but shall not include counsel for the Borrower.

"City Occupancy Guidelines" means Section 3-7 of the Department of Planning and Permitting's Rules to Implement City's Affordable Housing Requirements, effective March 31, 2019, as adopted under Chapter 91 of the Hawaii Revised Statutes, and as may be amended from time to time.

"Closing Date" means August __, 2025.

"Code" means the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder or pursuant to the Internal Revenue Code of 1954, as amended.

"Housing Act" means the United States Housing Act of 1937, as amended, or its successor.

"HUD" means the United States Department of Housing and Urban Development.

"Income Certification" means a verification of income prepared in accordance with HUD Handbook 4350.3, Appendix 1 or successor provision and an Occupancy Certificate in the form attached as EXHIBIT B to this Agreement or in such other form as may be provided by the Governmental Lender to the Borrower.

"Inducement Date" means [August __, 2025], the date of the first official action by the Governmental Lender expressing its intent to issue revenue obligations to assist the Borrower in financing the Project by declaration of official intent.

"Loan Agreement" means the Loan Agreement between the Agent and the Borrower, dated as of the Closing Date.

"Low Income Tenant" means any Tenant whose Annual Income does not exceed limits determined in a manner consistent with determinations of lower income families under Section 8 of the Housing Act, except that the percentage of median gross income that qualifies shall be sixty percent (60%) of median gross income for the Area, with adjustments for smaller and larger families, the method of determining income to be the method in effect on the date of issuance of the Governmental Lender Notes. If all the occupants of a unit are students (as defined under Section 152(f)(2) of the Code), such occupants shall not qualify as Low Income

Tenants unless the unit is occupied by an individual described in Section 42(i)(3)(D)(i) of the Code. The determination of a Tenant's status as a Low Income Tenant shall be made upon initial occupancy of a unit in the Project by such Tenant on the basis of an Income Certification executed by the Tenant and, unless a Waiver is in effect, on an annual basis as set forth herein.

"Low Income Units" means the units in the Project required to be rented to, or held available for occupancy by, Low Income Tenants pursuant to Section 2(e) hereof.

"Maturity Date" means the date provided in the Governmental Lender Notes.

"Qualified Project Costs" means and includes costs in connection with the acquisition, construction and installation of equipment or fixtures of or with respect to the Project, but only to the extent that (i) such costs were paid or incurred by or on account of the Borrower or any Related Person on or after the date which is 60 days prior to the Inducement Date or are preliminary capital expenditures (within the meaning of United States Treasury Regulations Section 1.150-2(f)(2)) with respect to the Project (such as architectural, engineering and soil testing services) incurred before commencement of construction or rehabilitation of the Project that do not exceed 20% of the issue price of the Governmental Lender Notes (as defined in United States Treasury Regulations Section 1.148-1); (ii) such costs are chargeable to the Project's capital account or would be so chargeable either with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs, within the meaning of Treasury Regulation Section 1.103-8(a)(1); (iii) if any portion of the Project is being constructed or rehabilitated by a Related Person of the Borrower (whether as a general contractor or a subcontractor), such costs include only the actual out-of-pocket costs incurred by such Related Person in constructing or rehabilitating the Project (or any portion thereof) and not, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the construction or rehabilitation of the Project or payments received by such Related Person due to early completion of the Project (or any portion thereof); (iv) such costs do not constitute (1) costs of issuance of the Governmental Lender Notes, or (2) leasing commissions, costs of advertising for the Project or other costs related to the rental of units in the Project, or (3) management fees for the management and operation of the Project; and (v) such costs are used to finance residential rental property described in Section 142(d) of the Code and Section 1.103-8(b) of the Treasury Regulations.

"Qualified Project Period" means the period beginning on the first day on which ten percent (10%) of the residential units in the Project are occupied and ending on the latest of the following:

(A) the date which is fifteen (15) years after the date on which at least fifty percent (50%) of the units in the Project are first occupied,

(B) the first date on which no tax-exempt private activity bond or note issued with respect to the Project is outstanding, or

(C) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates.

"Related Person" of a person means a person with a relationship to such person such that (i) the relationship between such persons would result in a disallowance of losses under Section 267 or 707(b) of the Code or (ii) such persons are members of the same controlled group of corporations (as defined in Section 1563(a) of the Code, except that "more than 50 percent" shall be substituted for "at least 80 percent" each place it appears therein).

"Single-Room Occupancy Unit" means a single-room occupancy unit within the meaning of Section 42 of the Code.

"State" means the State of Hawaii.

"Tenant" means, at any time of determination thereof, all persons who together occupy a single residential unit in the Project, and upon the occupancy of a unit by any individual in addition to the previous Tenant of such unit, such unit shall be deemed to be occupied by a new Tenant. Tenant shall not include any resident manager.

"Verification of Income" means a Verification of Income in the form attached as EXHIBIT B or in such other form as may be provided by the Governmental Lender to the Borrower.

"Waiver" means the waiver from yearly determinations by the Borrower of annual Income Certifications of Low Income Tenants that reside in the Project which waiver is available to the Borrower, upon application, pursuant to Section 142(d)(3)(A) and Section 42(g)(8)(B) of the Code, and which waiver, among other things, is available only for so long as the percentage of Low Income Units equals 100%.

Section 2. Representations, Covenants and Warranties of the Borrower.

(a) The Borrower hereby incorporates herein, as if set forth in full herein, each of the representations, covenants and warranties of the Borrower contained in the Governmental Lender's Tax Certificate, the Loan Agreement and agreements relating to the acquisition, construction and operation of the Project, so long as the Governmental Lender Notes are outstanding.

(b) The Borrower hereby represents and warrants that the Project is located entirely within the Area.

(c) The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions contemplated by this Agreement; that it is familiar with the provisions of all of the documents and instruments relating to the Governmental Lender Notes to which it is a party or of which it is a beneficiary; that it understands the financial and legal risks inherent in such transactions; and that it has not relied on the Governmental Lender or the Agent for any guidance or expertise in analyzing the financial or other consequences of such

financing transactions or otherwise relied on the Governmental Lender or the Agent in any manner except for the Governmental Lender to issue the Governmental Lender Notes in order to provide funds to assist the Borrower in acquiring the Project.

(d) [RESERVED]

(e) The Borrower acknowledges and agrees that the Project is to be owned, managed and operated as a "qualified residential rental project" (within the meaning of Section 142(d) of the Code) and, to that end, the Borrower represents, warrants and covenants, in compliance with Section 142(d) of the Code, and subject to additional set-aside requirements set forth in Section 6 herein, that:

(1) For the Qualified Project Period, the Borrower will maintain the Project as multifamily rental housing consisting of one or more buildings, together with (i) any functionally related and subordinate facilities, which are used on other than a transient basis, which meet the other requirements set forth herein and which are available to members of the general public and (ii) commercial space permitted in accordance with Section 142(d) and 103 of the Code, if any. For purposes of this paragraph (1), the term "functionally related and subordinate facilities" includes facilities for use by the tenants, for example, swimming pools, other recreational facilities, parking areas, and other facilities which are reasonably required for the Project, for example, heating and cooling equipment, trash disposal equipment and units for resident managers and maintenance personnel. Substantially all of the Project will contain such units and functionally related and subordinate facilities. All of the foregoing will be located on the site described in EXHIBIT A hereto. The Project will not be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home, or trailer park or court for use on a transient basis.

(2) All of the dwelling units in the Project will be similarly constructed, and each dwelling unit in the Project will contain facilities for living, sleeping, eating, cooking and sanitation for a single person or a family which are complete, separate and distinct from other dwelling units in the Project and will include a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink. A unit shall not fail to be treated as a residential unit merely because such unit is a Single-Room Occupancy Unit.

(3) If the Project consists of multiple buildings, they will be owned for federal income tax purposes by the Borrower, will be located on a single tract of land and will be financed pursuant to a common plan. For purposes of this paragraph (3), the term "tract" means any parcel or parcels of land which are contiguous (i.e., whose boundaries meet at one or more points) except for the interposition of any road, street, stream or similar property. A common plan of financing exists if, for example, all such buildings are provided by the same issue or several issues subject to a common indenture.

(4) Commencing on the first day of the Qualified Project Period, Low Income Tenants shall occupy at least 40% of all occupied units in the Project before any additional units are occupied by persons who are not Low Income Tenants; and, for the Qualified Project Period, no less than 40% of the total number of completed units of the Project shall at all times be rented to and occupied by Low Income Tenants. For purposes of this paragraph (4), (i) a vacant unit which was most recently occupied by a Low Income Tenant is treated as rented to and occupied by a Low Income Tenant until reoccupied, other than for a temporary period of not more than 31 days, at which time the character of such unit shall be redetermined; and (ii) a unit occupied by a Tenant who at the commencement of the occupancy qualifies as a Low Income Tenant shall be treated as continuing to be a Low Income Tenant except, however, that any Tenant whose Annual Income as of the most recent annual recertification (as described in paragraph (7), below) exceeds 140% of the applicable income limit (i.e., 140% of 60% of the area median income as adjusted for family size) shall not be treated as continuing to meet the low income requirements: (a) if after such determination but before the next determination, any residential unit of comparable or smaller size in the Project (in the building, in the case of a project to which tax credits are allowed under Section 42 of the Code) is occupied by a new resident whose income exceeds the low income limits (in which case noncompliance may result); or (b) at such time after the determination but before the next determination that another residential unit is rented in substitution therefor towards meeting the applicable low income requirement, in which case only the substitute unit shall be treated as meeting the requirements. Occupancy of a unit shall refer to the date that the Tenant has possession of the unit available to him and the right to occupy such unit pursuant to a fully executed lease.

(5) For the Qualified Project Period, once available for occupancy each residential unit in the Project (except for not more than 1 unit set aside for a resident manager or other administrative use) must be rented or held available for rental, on a first-come first-served, lottery or other equitable basis, subject to the other requirements hereof, to members of the general public who are natural persons, on a continuous basis and may not be converted to condominium, owner-occupied or other nonrental use.

(6) For the Qualified Project Period, the Borrower shall file with the Governmental Lender, and if requested by the Agent, the Agent, (i) at the time of initial occupancy of any Low Income Tenant, (ii) on a quarterly basis, upon the vacancy and reoccupancy of any Low Income Unit, and (iii) as often as necessary to comply with the requirements of Section 142(d) of the Code and the Act, an Income Certification which shall be subject to independent investigation and verification by the Governmental Lender and/or the Administrator and the Agent. The Borrower shall use its best efforts to verify the information set forth in any Verification of Income submitted by each Low Income Tenant at the time of submission of such certification, including, for other than Section 8 certificate holders, the following steps as part of the verification process by the Borrower: (1) obtain a federal income tax return for the applicant for the most recent tax year; and/or (2) obtain a written verification of employment from the applicant's current employer; or (3) if the applicant is not employed and/or has no tax return, obtain

verification of the applicant's source of income. During the Qualified Project Period, the Borrower shall file with the Administrator on behalf of the Governmental Lender and with the Agent a Certificate of Continuing Program Compliance, in the form attached to this Agreement as EXHIBIT C or such other form as may be provided by the Governmental Lender, such a certificate shall be filed on or before the fifteenth (15th) day of each calendar quarter and shall set forth the required information for the preceding calendar quarter. The Administrator shall monitor compliance of the Project with the requirements set forth herein on behalf of the Governmental Lender and the Agent and shall provide them with notice of any circumstances of non-compliance of which it becomes aware. The books and records of the Borrower pertaining to the incomes of Low Income Tenants residing in the Project must be open to inspection by any authorized representative of the Governmental Lender, the Agent and the Administrator. The Borrower shall notify the Governmental Lender and the Agent, in writing, of the completion of the construction and equipping of the Project.

(7) For the Qualified Project Period, the Borrower shall submit to the Secretary of the Treasury (at such time and in such manner as the Secretary shall prescribe) an annual certification as to whether the Project continues to meet the requirements of Section 142(d) of the Code, unless a Waiver has been obtained. The Borrower is on notice that the Code provides that failure to comply will subject the Borrower to penalty as provided in Section 6652(j). In addition, on or before 60 days following the end of the Borrower's fiscal year, the Borrower shall submit to the Governmental Lender the information set forth in EXHIBIT D, for the preceding fiscal year.

(8) For the Qualified Project Period, the Borrower shall not sell, transfer or otherwise dispose of the Project, in whole or in part, without the prior written consent of the Administrator on behalf of the Governmental Lender, which consent shall be given promptly provided that (a) the Borrower shall not be in default hereunder, (b) the continued operation of the Project shall comply with the provisions of this Agreement, (c) the purchaser or assignee shall be willing and capable of complying with the terms and conditions of this Agreement, (d) the purchaser or assignee shall execute any document requested by the Governmental Lender or the Agent with respect to the assumption of the Borrower's obligations under this Agreement, including without limitation an instrument of assumption hereof, and shall deliver to the Governmental Lender and the Agent an opinion of its counsel to the effect that each such document and this Agreement are valid, binding and enforceable obligations of such purchaser or assignee, (e) the Governmental Lender shall not have any reason to believe that the purchaser or assignee is incapable, financially or otherwise, of complying with, or may be unwilling to comply with, the terms of all agreements binding on such purchaser or assignee relating to the Project, (f) the Governmental Lender and the Agent shall have received an opinion of Bond Counsel to the effect that any such sale, transfer or other disposition will not cause interest on the Governmental Lender Notes to be includable in gross income of the holders thereof for federal income tax purposes, and (g) such other conditions are met as the Governmental Lender and the Agent may reasonably impose. It

is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this paragraph (8) shall be null, void and without effect, shall cause a reversion of title to the Borrower, and shall be ineffective to relieve the Borrower of its obligations under this Agreement. Upon any sale or other transfer which complies with this Agreement, the Borrower shall be fully released from its obligations hereunder to the extent such obligations have been assumed by the transferee of the Project. Any transfer of the Project to any entity, whether or not affiliated with the Borrower, shall be subject to the provisions of this paragraph (8).

(9) For the Qualified Project Period, all Tenant lists, applications and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Borrower which is unrelated to the Project and shall be maintained, as required from time to time by the Administrator on behalf of the Governmental Lender or by the Agent, in a reasonable condition for proper audit and subject to examination during business hours, upon two (2) business days' prior written notice to Borrower, by representatives of the Project, the Governmental Lender or the Agent. Failure to keep such lists and applications or to make them available to the Governmental Lender or the Agent will be a default hereunder.

(10) For the Qualified Project Period, all Tenant leases shall be subordinate to this Agreement and the Mortgage and shall contain clauses, among others, wherein each Tenant who occupies a Low Income Unit: (i) certifies the accuracy of the statements made in the Verification of Income and (ii) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy of such Tenant, that such Tenant will comply promptly with all requests for information with respect thereto from the Borrower, the Agent or the Administrator on behalf of the Governmental Lender, and that the failure to provide accurate information in the Verification of Income or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the tenancy of such Tenant.

(11) For the Qualified Project Period, the Borrower shall not: (a) except pursuant, or subordinate, to the provisions of this Agreement and the Mortgage (or except upon receipt by the Borrower of an opinion of Bond Counsel that such action will not adversely affect the exclusion from gross income of interest on the Governmental Lender Notes for federal income tax purposes), or except upon a sale, transfer or other disposition of the Project in accordance with the terms of this Agreement, encumber any of the Project or grant commercial leases of any part thereof, except leases of roof space to internet, cellular tower or solar panel providers solely for the benefit of, and of a size commensurate with, the Project, and customary leases for laundry machines and cable television, internet or other utility infrastructure solely for the benefit of, and of a size commensurate with, the Project, or permit the conveyance, transfer or encumbrance of any part of the Project (except for apartment leases); (b) demolish any part of the Project or substantially subtract from any real or personal property of the Project; or (c) permit

the use of the dwelling accommodations of the Project for any purpose except rental residences.

(12) For the Qualified Project Period, the Borrower shall exercise reasonable diligence to comply with the requirements of this Agreement and shall correct any noncompliance within sixty (60) days after such noncompliance is first discovered or would have been discovered by the exercise of reasonable diligence.

(13) All of the amounts received by the Borrower from the proceeds of the Governmental Lender Notes and earnings from the investment of such proceeds will be used to pay costs related to the Project; at least 95% of such amounts will be used to pay or reimburse the Borrower for payment of Qualified Project Costs for the Project as certified by the Borrower and its certified accountant; and the amount of such proceeds used to pay issuance costs of the Governmental Lender Notes, within the meaning of Section 147(g) of the Code, shall not exceed 2% of such proceeds.

(14) The Borrower covenants and agrees that it has not taken or permitted to be taken and will not take or permit to be taken or omit to take or cause to be taken any action which will cause the interest on the Governmental Lender Notes to become subject to federal income taxation pursuant to the provisions of Section 103 of the Code; provided that the Borrower shall not have violated these covenants if the interest on the Governmental Lender Notes becomes taxable to a person solely because such person is a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code; and provided further that none of the covenants and agreements herein contained shall require the Borrower to enter an appearance or intervene in any administrative, legislative or judicial proceeding in connection with any changes in applicable laws, rules or regulations or in connection with any decisions of any court or administrative agency or other governmental body affecting the taxation of interest on the Governmental Lender Notes. In addition, if the Borrower should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge thereof.

(15) The Borrower shall submit to the Administrator, within fifteen (15) days after receipt of a written request (or such longer period as may be reasonably required by the Borrower to obtain such information or forms or such shorter period as may be required by the Governmental Lender in order to comply with such reporting requirements), any information or completed forms requested by the Governmental Lender in order to comply with reporting requirements of the State or the Internal Revenue Service.

(16) For the Qualified Project Period, the Borrower covenants and agrees not to sell any of the individual dwelling units or any other real property within the Project, comprising less than all of the Project.

(f) Within thirty (30) days after the dates on which at least 10% and 50%, respectively, of the dwelling units in the Project are first occupied following issuance of the Governmental Lender Notes, the Borrower shall prepare and submit to the Governmental Lender a certificate (which may be in the form attached hereto as EXHIBIT E) in recordable form identifying such date for purposes of the calculation of the commencement and termination of the Qualified Project Period.

(g) The Borrower covenants and agrees that it shall take, or cause to be taken, the calculation and payment to the Internal Revenue Service of rebate of excess earnings on gross proceeds of the Governmental Lender Notes on the date the Governmental Lender Notes are redeemed or matures (the "Computation Date"). Such calculation and payment shall be done in compliance with Section 148 of the Code and the Governmental Lender's Tax Certificate. For this purpose, gross proceeds includes any amounts constituting sale proceeds and investment earnings with respect to the Governmental Lender Notes, and any amount reasonably expected and available to be used to pay debt service on the Governmental Lender Notes. Such calculation shall be submitted to the Agent and the Governmental Lender within fifteen (15) days of each Computation Date, and the payment of rebate to the Internal Revenue Service shall not be later than sixty (60) days following the Computation Date, accompanied by IRS Form 8038-T, signed by the Governmental Lender. The Borrower shall provide a copy of such filing to the Governmental Lender and the Agent. The exceptions to rebate set forth in the Governmental Lender's Tax Certificate shall apply and no rebate calculation need be undertaken for any time period during which at no time were any of the gross proceeds of the Governmental Lender Notes invested at a yield exceeding the yield referenced in the Governmental Lender's Tax Certificate relating to the Governmental Lender Notes. The Borrower shall submit to the Governmental Lender and Agent on an annual basis, beginning August 1, 2026, the record of investments of the gross proceeds of the Governmental Lender Notes and, if applicable, evidence that an exception to rebate applies; provided, that, for so long as Agent is the depository bank and/or disbursing bank for the gross proceeds, the Agent shall maintain records of investments of the gross proceeds and shall make such records available to the Governmental Lender on behalf of the Borrower.

Section 3. Considerations. (a) The Governmental Lender has issued the Governmental Lender Notes to provide financing for the Project, all for the purpose, among others, of inducing the Borrower to acquire, construct and operate the Project. In consideration of the issuance of the Governmental Lender Notes by the Governmental Lender, the Borrower has entered into this Agreement and has agreed to restrict the uses to which the Project can be put for the term hereof.

(b) The Borrower shall pay to or on behalf of the Governmental Lender all Costs of Issuance and, on or before the Closing Date, the Borrower shall have paid to the Governmental Lender the amount of $100,000 as a financing fee.

(c) In addition, the Borrower shall pay the following annual fees to the Governmental Lender in arrears on each August 1, commencing on August 1, 2026, until the expiry of the Qualified Project Period:

(1) an administration fee (to be remitted directly to the Governmental Lender) equal to 1/8% (0.125%) of the then-outstanding principal amount of the Governmental Lender Notes, plus

(2) a compliance monitoring fee (the "Compliance Monitoring Fee") of $35 per unit (excluding any manager units, if any).

(d) On each June 30 prior to the end of the Qualified Project Period, the Agent shall provide a loan statement to the Borrower reflecting the then-outstanding principal amount of the Bonds. On or before the immediately following August 1, the Borrower shall provide to the Governmental Lender a written calculation of the annual administrative fee (which is the then-outstanding principal amount of the Bonds, multiplied by 0.00125) in accordance with Section 3(c)(1) above. In addition, the Borrower shall provide to the Governmental Lender a copy of the Agent's monthly loan statement as support for the then-outstanding principal amount of the Bonds used to calculate the annual administrative fee.

Section 4. Transfer Restrictions. The Borrower covenants and agrees that the Borrower will cause or require as a condition precedent to any conveyance, transfer, assignment or any other disposition of the Project prior to the termination of the Qualified Project Period (the "Transfer") that the transferee of the Project pursuant to the Transfer assume in writing, in a form acceptable to the Governmental Lender and the Agent, all duties and obligations of the Borrower under this Agreement, including this Section, in the event of a subsequent Transfer by the transferee prior to expiration of the Qualified Project Period (the "Assumption Agreement"). The Borrower shall deliver the draft Assumption Agreement to the Governmental Lender prior to the Transfer.

Section 5. Additional Requirements of the Act. In addition to the requirements set forth in Section 2, the Borrower hereby agrees to comply with the requirements of the Act by assuring that the Project provides low and moderate income housing.

Section 6. Additional Requirements of the Governmental Lender. In addition to the requirements set forth in Sections 2 through 5 hereof, each of which is hereby incorporated as a specific requirement of the Governmental Lender, whether or not required by State or federal law, the Borrower hereby agrees to comply with each of the requirements of the Governmental Lender set forth in this Section 6 from the date hereof to and including August 1, 2090, as follows:

(a) Not less than 100% of the units in the Project (except for units occupied by resident managers, if any) shall be rented to individuals or families who qualify as Low Income Tenants as of their date of initial occupancy.

(b) The Borrower shall comply at all times with the City Occupancy Guidelines.

(c) The Borrower shall provide a written notice, approved in advance by the Governmental Lender, of the policies pertaining to the Low Income Units to all low income applicants.

(d) The financial records of the Project are to be maintained by the Borrower in accordance with generally accepted accounting principles. At the request of the Governmental Lender and upon reasonable notice of at least two (2) business days, the Borrower shall provide the Governmental Lender access during business hours to the books of account for the Project and the records pertaining to the Low Income Units. The Borrower shall, from time to time, provide to the Governmental Lender such reports as the Governmental Lender may reasonably request relative to the operation of the Project. During the Qualified Project Period, not more than one hundred twenty (120) days following the end of each fiscal year, the Borrower shall provide to the Governmental Lender annual audited financial statements for the Project, prepared by an independent certified public accounting firm. During the Qualified Project Period, the Borrower shall provide to the Governmental Lender an annual operating budget for the Project at least sixty (60) days prior to the beginning of each fiscal year. After the expiry of the Qualified Project Period until August 1, 2090, the Borrower shall provide the Governmental Lender annual audited financial statements for the Project and/or an annual operating budget for the Project, at the request of the Governmental Lender.

(e) The Borrower shall not discriminate on the basis of race, creed, color, sex, marital status, religion, national origin or age in the lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the construction, operation and management of the Project.

Any of the foregoing requirements of the Governmental Lender may be expressly waived by the Governmental Lender in writing, but (i) no waiver by the Governmental Lender of any requirement of this Section 6 shall, or shall be deemed to, extend to or affect any other provision of this Agreement, including particularly but without limitation the provisions of Sections 2 and 5 hereof, except to the extent the Governmental Lender has received an opinion of Bond Counsel that any such provision is not required by the Act and may be waived without adversely affecting the exclusion from gross income of interest on the Governmental Lender Notes for federal income tax purposes; and (ii) any requirement of this Section 6 shall be void and of no force and effect if the Governmental Lender and the Borrower receive a written opinion of Bond Counsel to the effect that compliance with any such requirement would cause interest on the Governmental Lender Notes to become includable in gross income for federal income purposes, if such opinion is accompanied by a copy of a ruling from the Internal Revenue Service to the same effect, or to the effect that compliance with such requirement would be in conflict with the Act.

(f) Notwithstanding anything set forth in this agreement to the contrary, the provisions of this Section 6 shall remain in effect, enforceable as set forth in this Agreement and shall bind the Borrower and its successors and assigns for the 65-year period set forth in this Section 6.

Section 7. Enforcement of Terms. The benefits of this Agreement shall inure to, and may be enforced by, respectively, the Governmental Lender, the Agent and their successors, and, to the extent permitted by the Agency Agreement, the holder of the Governmental Lender Notes and the successors and assigns of any of the foregoing, for the Qualified Project Period, or for such longer period set forth in Section 6 hereof, whether or not the Mortgage Loan may be paid in full, and whether or not the Governmental Lender Notes are outstanding. Notwithstanding the foregoing, the requirements of the Code set forth in Section 2 of this Agreement shall cease to apply to the Project in the event of involuntary noncompliance by the Borrower caused by a fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal agency which prevents the Governmental Lender from enforcing such requirements, or condemnation or similar event, but only if, within a reasonable period, either the Governmental Lender Notes are retired or amounts received as a consequence of such event are used to provide a project which meets such requirements; and promptly following any foreclosure the Governmental Lender agrees to execute a release reflecting the termination of such requirements with respect to the Project, subject to the next succeeding sentence. The provisions of the preceding sentence shall cease to apply if the Project is subject to foreclosure, transfer of title by deed in lieu of foreclosure or similar event if, at any time during that part of the Qualified Project Period subsequent to such event, the Borrower obtains an ownership interest in the Project for federal income tax purposes. The Borrower hereby agrees that, following any foreclosure, the transfer of title by deed in lieu of foreclosure or similar event, neither the Borrower nor any Related Person will obtain an ownership interest in the Project for federal income tax purposes. The parties hereto agree that they will execute and deliver any and all documents and instruments necessary to effectuate the provisions of this Section 7.

Section 8. Indemnification. The Borrower releases the Governmental Lender and the Agent from, and covenants and agrees that the Governmental Lender and the Agent shall not be liable for, and covenants and agrees, to the extent permitted by law, to indemnify and hold harmless the Governmental Lender and the Agent and each of their officers, employees and agents from and against, any and all losses, claims, damages, liabilities, fees or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from or in any way connected with (1) the Project, or the conditions, occupancy, use, possession, conduct or management of, or work done in or about, or from the planning, design, acquisition, installation, construction or equipping of the Project or any part thereof; (2) the offer, sale and issuance of the Governmental Lender Notes or any certifications or representations made in connection therewith and the carrying out of any of the transactions contemplated by the Pledge and Assignments, the Agency Agreement, the Loan Agreement, the Governmental Lender Notes and this Agreement; (3) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, in any official statement or other offering circular utilized by the Governmental Lender or any underwriter or placement agent in connection with the sale of the Governmental Lender Notes; or (4) the presence, use, storage, release or disposal of any hazardous substances on or about the Project in violation of any applicable environmental law (for purposes of this Section, "hazardous substances" means any substances, pollutants or contaminants now or hereafter included in such

(or any similar) term under any federal, state or local statute, law, ordinance or regulation now existing or hereafter enacted or amended); provided that the indemnity required by this Section shall not be required for damages that result from negligence or willful misconduct on the part of the party seeking such indemnity. The indemnity required by this Section shall be only to the extent that any loss sustained by the Governmental Lender or the Agent exceeds the net proceeds the Governmental Lender receives from any insurance carried with respect to the loss sustained and/or liquidation of all or a portion of the Collateral (as defined in the Pledge and Assignments). The Borrower further covenants and agrees, to the extent permitted by law, to pay or to reimburse the Governmental Lender and the Agent and each of its respective officers, employees and agents for any and all costs, attorney's fees, liabilities, fees or expenses incurred in connection with investigating, defending against or otherwise in connection with any such losses, claims, damages, liabilities, fees, expenses or actions.

The Borrower shall undertake to defend, at its sole cost and expense, any and all suits, actions and proceedings brought against the Governmental Lender, the Agent or any of their respective officials, officers, agents or employees in connection with any of the matters indemnified against in this Section. The persons so indemnified may, if they reasonably conclude that there are defenses available to them which are different or in addition to those available to the Borrower, also retain separate counsel in connection with such actions, suits or proceedings, and the Borrower shall be responsible for the fees and expenses of such counsel. The Governmental Lender and the Agent shall give the Borrower, as the case may be, timely notice of and shall forward to the Borrower every demand, notice, summons or other process received with respect to any claim or legal proceedings within the purview hereof, but the failure of the Governmental Lender or the Agent to give such notice shall not affect its right to indemnification hereunder.

All acts, including any failure to act, relating to the Project and the Governmental Lender Notes by the Governmental Lender or any agent, representative or designee of the Governmental Lender are performed solely for the benefit of the Governmental Lender and the holders of the Governmental Lender Notes to assure retirement of the Governmental Lender Notes, maintenance of the tax status of the interest on the Governmental Lender Notes and the increase and maintenance of residential rental housing in the jurisdiction of the Governmental Lender, and are not for the benefit of the Borrower or the benefit of any other person, unless, the failure to give notice shall have deprived the Borrower of a reasonable opportunity to contest any matter.

The obligations of the Borrower under this Section shall survive the termination of this Agreement and the payment and performance of all of the other obligations of the Borrower hereunder and under the Pledge and Assignments, the Agency Agreement, the Loan Agreement, the Governmental Lender Notes and this Agreement.

Section 9. Agreement to Record. The Borrower hereby represents, warrants and covenants that it will cause this Agreement to be recorded with the Bureau of Conveyances of the State to the name of the Borrower as grantor and to the name of the Governmental Lender

as grantee. The Borrower shall pay all fees and charges incurred in connection with any such recording.

Section 10. Default; Remedies. If the Borrower shall fail to observe or perform any covenant, condition or agreement contained herein on its part to be observed or performed, then and in such event (after a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given by the Governmental Lender or the Agent to the Borrower; provided, however, that if the failure shall be such that it can be corrected but not within such period, the Governmental Lender and the Agent will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Borrower within such period and diligently pursued until the failure is corrected), the Governmental Lender, the Agent, and, to the extent permitted by the Pledge and Assignments, any owner of the Governmental Lender Notes shall be entitled, individually or collectively, and in addition to all other remedies provided by law or in equity:

(a) To compel specific performance by the Borrower of its obligations under this Agreement, it being recognized that the beneficiaries of the Borrower's obligations hereunder cannot be adequately compensated by monetary damages in the event of the Borrower's default; and

(b) To cause the Borrower to pay to the Governmental Lender on demand amounts equal to all rent payable to the Borrower with respect to any such non-compliant Low Income Units, if such units are knowingly or negligently rented to persons who do not comply with the requirements of such units, which payments shall not be applied to reduce the amount due under the Loan. Nothing in this subsection (b) shall create a security interest in rents received with respect to those Low Income Units in favor of the Governmental Lender.

The Governmental Lender and the Agent shall have the right to enforce the obligations of the Borrower under this Agreement within shorter periods of time than are otherwise required hereby if necessary to ensure compliance with the Act or with the Code. The Government Lender and the Agent hereby agree that any cure made or tendered by any of the Borrower's limited partners shall be deemed made by the Borrower and shall be accepted or rejected by the Governmental Lender and the Agent on the same basis as if made or tendered by the Borrower.

Section 11. No Conflict with Other Documents. The Borrower warrants that it has not executed and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that, in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

Section 12. Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions hereof.

Section 13. Amendments. Subject to the limitations in this Section 13 and any other limitations in this Agreement, this Agreement may be amended, changed, modified, altered or terminated by written instrument executed and acknowledged by each of the parties hereto or their successors and duly recorded in the office in which this Agreement is recorded, but only if the Governmental Lender has received a written opinion of Bond Counsel to the effect that such amendment, change, modification, alteration or termination will not conflict with the Act or cause interest on the Governmental Lender Notes to be included in gross income for federal income tax purposes. The party or parties requesting such amendment shall notify the other parties to this Agreement of the proposed amendment, with a copy of such requested amendment to Bond Counsel. The Agent hereby agrees to enter into any amendment, change, modification, alteration or termination of this Agreement if the requirements set forth in this Section are met, unless any of the Agent's own rights, immunities, duties or liabilities would be affected thereby, in which event the Agent may in its discretion consent thereto. Anything to the contrary notwithstanding, the Governmental Lender, the Agent and the Borrower hereby agree to amend this Agreement to the extent required, in the opinion of Bond Counsel, in order for interest on the Governmental Lender Notes to remain excluded from gross income for federal income tax purposes.

Section 14. Successors Bound. This Agreement and the covenants and conditions contained herein shall run with the land and shall bind, and the benefits shall inure to, respectively, the Borrower and its successors and assigns and all subsequent owners of the Project or any interest therein, and the Governmental Lender and its successors and assigns and the Agent and its successors and assigns, for the Qualified Project Period, or for such longer period set forth in Section 6 hereof. Upon termination of this Agreement the covenants and conditions contained herein shall expire.

Section 15. Assignment of Governmental Lender's Rights. Certain rights of the Governmental Lender in this Agreement may be assigned to the Administrator and, if so assigned, shall be enforceable by the Administrator in accordance with their terms.

Section 16. Notices. All notices, certificates or other communications shall be sufficiently given and shall be deemed given on the second day following the date on which the same have been mailed by certified mail, postage prepaid, addressed as provided in the Pledge and Assignments. The Governmental Lender, the Agent and the Borrower may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 17. Governing Act. This Agreement shall be governed by the laws of the State of Hawaii.

[The next page is S-1]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed and sealed by their respective duly authorized representatives, as of the day and year first written above.

CITY AND COUNTY OF HONOLULU,
a political subdivision and body corporate
and politic existing under the Constitution and
laws of the State of Hawaii

By: _____
Andrew T. Kawano
Director, Department of Budget and Fiscal Services

By: _____
Dawn Takeuchi Apuna
Director, Department of Planning and Permitting

By: _____
Kevin Auger
Director Designate,
Department of Housing and Land Management

APPROVED AS TO FORM AND LEGALITY:

_____
Dana M.O. Viola
Corporation Counsel
City and County of Honolulu

STATE OF HAWAII)
) SS.
COUNTY OF HONOLULU)

On _____, before me personally appeared Andrew T. Kawano, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.

Further, I certify, as of this date, as follows:

☐ Date of Document: _____ ☐ undated at time of notarization
Number of Pages: _____ (if counterpart signature pages are subsequently attached, the document may have a different number of pages)
Document Description: Regulatory Agreement and Declaration of Restrictive Covenants
Jurisdiction/Judicial Circuit Where Signed:

_____
Type or print name: _____
Date: _____
Notary Public, State of Hawaii
My commission expires: _____

STATE OF HAWAII)
) SS.
COUNTY OF HONOLULU)

On _____, before me personally appeared Dawn Takeuchi Apuna, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.

Further, I certify, as of this date, as follows:

☐ Date of Document: _____ ☐ undated at time of notarization
Number of Pages: _____ (if counterpart signature pages are subsequently attached, the document may have a different number of pages)
Document Description: Regulatory Agreement and Declaration of Restrictive Covenants
Jurisdiction/Judicial Circuit Where Signed:

_____
Type or print name: _____
Date: _____
Notary Public, State of Hawaii
My commission expires: _____

STATE OF HAWAII)
) SS.
COUNTY OF HONOLULU)

On _____, before me personally appeared Kevin Auger, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.

Further, I certify, as of this date, as follows:

☐ Date of Document: _____ ☐ undated at time of notarization
Number of Pages: _____ (if counterpart signature pages are subsequently attached, the document may have a different number of pages)
Document Description: Agency Agreement
Jurisdiction/Judicial Circuit Where Signed:

_____
Type or print name: _____
Date: _____
Notary Public, State of Hawaii
My commission expires: _____

BANK OF HAWAII,
a corporation duly organized and existing under and by virtue of the laws of the State of Hawaii, as Agent

By _____
Christopher Abbott
Senior Vice President

STATE OF HAWAII)
) SS.
COUNTY OF HONOLULU)

On _____, before me personally appeared Christopher Abbott, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.

Further, I certify, as of this date, as follows:

☐ Date of Document: _____ ☐ undated at time of notarization
Number of Pages: _____ (if counterpart signature pages are subsequently attached, the document may have a different number of pages)
Document Description: Regulatory Agreement and Declaration of Restrictive Covenants
Jurisdiction/Judicial Circuit Where Signed:

_____
Type or print name: _____
Date: _____
Notary Public, State of _____
My commission expires: _____

BORROWER:

KPLR Phase 1, LP,
a Hawaii limited partnership

By: HCDC Kuhio Park 1 LLC,
a Hawaii limited liability company
Its General Partner

By: HCDC Hawaii Development LLC,
a Hawaii limited liability company
Its Manager

By: Highridge Costa Development Company,
LLC, a Delaware limited liability company
Its Manager

By: _____
Mohannad H. Mohanna
Its: President

STATE OF HAWAII)
) SS.
COUNTY OF HONOLULU)

On _____, before me personally appeared Mohannad H. Mohanna, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.

Further, I certify, as of this date, as follows:

☐ Date of Document: _____ ☐ undated at time of notarization
Number of Pages: _____ (if counterpart signature pages are subsequently attached, the document may have a different number of pages)
Document Description: Regulatory Agreement and Declaration of Restrictive Covenants
Jurisdiction/Judicial Circuit Where Signed:

_____
Type or print name: _____
Date: _____
Notary Public, State of _____
My commission expires: _____

EXHIBIT A

DESCRIPTION OF REAL PROPERTY

[*Attached*]

EXHIBIT B

OCCUPANCY CERTIFICATE

(To be filed with the Governmental Lender and, if requested by the Agent, the Agent along with a Verification of Income upon the rental of a unit to any Low Income Tenant.)

Project: Kuhio Park Low Rises Phase 1

Tenant Name (Head of Household):

Unit #:

The tenant identified in the attached Verification of Income has entered into a lease with respect to a unit in the above-described Project.

Such tenant is/is not (circle one) a Low Income Tenant.

Such tenant is/is not (circle one) a full-time student.

The rental of a unit to such tenant will not result in a violation of any of the requirements of the Regulatory Agreement and Declaration of Restrictive Covenants to which the Borrower is a party.

_____ _____

Witness Borrower

Tenant Move-In Date:_____

EXHIBIT B (CONTINUED)

OWNER'S CERTIFICATION OF COMPLIANCE
WITH TENANT ELIGIBILITY AND
RENT PROCEDURES

[HUD Form 50059]

EXHIBIT C

[FORM OF CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE]

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

Witnesseth that on this _____ day of _____, _____, the undersigned, having borrowed certain funds from the City and County of Honolulu (the "Governmental Lender") for the purpose of acquiring and constructing a multifamily rental housing development known as the Kuhio Park Low Rises Phase 1 (the "Project"), does hereby certify that during the preceding quarter (i) such Project was continually in compliance with the Regulatory Agreement and Declaration of Restrictive Covenants executed in connection with such loan from the Governmental Lender, and (ii) _____ % of the units in the Project were occupied by Low Income Tenants; and does hereby further certify that the representations set forth herein are true and correct to the undersigned's actual knowledge and belief.

Set forth below are the names of Low Income Tenants who commenced or terminated occupancy during the preceding quarter.

Commenced Occupancy			Terminated Occupancy		
Unit #	Tenant Name	Move-In Date	Unit #	Tenant Name	Move-Out Date
1.			1.		
2.			2,		
3,			3,		

The units occupied by Low Income Tenants are of similar size and quality to other units and are dispersed throughout the Project.

Attached is a separate sheet listing the number of each unit and indicating which units are occupied by Low Income Tenants, the size, the number of bedrooms of such units and the number of Low Income Tenants who commenced occupancy of units during the preceding quarter from (Month) (Day), (Year) to (Month) (Day), (Year).

_____ _____

Witness Borrower

Date:_____

LOW INCOME TENANT OCCUPANCY LISTING

(List all Low Income Tenants in the Project as of the reporting period)

Unit No.	Tenant Name	Move-In Date	Low Income Unit	No. of Bedrooms	No of Occupants	Total Tenant Payment	Total Rent	Total Eligible Income (for Low Units)

Total Number of Units: _____

Percentage of Low Income Units: _____

Number of Low Income Tenants commencing occupancy this quarter: _____

EXHIBIT D

FORM OF

STATISTICAL REPORT TO GOVERNMENTAL LENDER

Project: _____
Reporting Period: _____, ____. Date:_____
As of the date hereof:

1. Total units: ___; units occupied by Low Income Tenants: ___; vacant units most recently occupied by Low Income Tenants: ___; other vacant units:

2. Total units occupied by households with children: ___; Low Income Units so occupied: ____.

3. Total units occupied by elderly households with a member of age 62 or over:

____; Low Income Units so occupied: ____.

4. The percentage of units currently occupied by Caucasian, African American, Hispanic and Asian persons and American Indians are as follows:

Caucasian __%
African American __%
Hispanic __%
Asian __%
American Indian __%

5. The number of Low Income Tenants who terminated their rental agreements during the previous twelve (12) month period is ____.

6. The number of units rented to new Low Income Tenants during the last twelve (12) month period is ____.

7. The family name of each household currently occupying a Low Income Unit is listed on the schedule attached hereto.

8. The number of Low Income Units of various sizes is:

studio: _____
one-bedroom: _____
two-bedroom: _____
three-bedroom: _____

_____(Borrower Name)_____
By_____
Borrower Representative

RENT ROLL – LOW INCOME TENANT OCCUPANCY LISTING

(List <u>all</u> Low Income Tenants in the Project as of the reporting period)

Project: _____

Reporting Period: _____, _____ to _____, _____

Unit No.	Tenant Name	Move-In Date	Low Income Unit	No. of Bedrooms	No of Occupants	Total Tenant Payment	Total Rent	Total Eligible Income (for Low Units)

EXHIBIT E

CERTIFICATION CONCERNING QUALIFIED PROJECT PERIOD

KPLR Phase 1, LP., a Hawaii limited partnership (the "Borrower"), hereby certifies to the City and County of Honolulu, in connection with a certain loan for a certain project known as Kuhio Park Low Rises Phase 1, located in Honolulu, Hawaii (the "Project"), as follows:

1. The Qualified Project Period shall begin on the first date on which 10% of the total number of residential units in the Project were occupied, which date the Borrower certifies to be _____, 20__.

2. The Qualified Project Period shall end on the latest of the following dates to occur:

(i) Fifteen (15) years after the first date 50% of the residential units in the Project are occupied, which date the Borrower certifies to be _____, 20__, and fifteen (15) years after such date being _____, 20__;

(ii) the first date on which no tax exempt private activity bond or note issued with respect to the Project is outstanding;

(iii) the date on which all assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended, terminates.

[signature on following page]

BORROWER:

KPLR Phase 1, LP,
a Hawaii limited partnership

By: HCDC Kuhio Park 1 LLC,
a Hawaii limited liability company
Its General Partner

By: HCDC Hawaii Development LLC,
a Hawaii limited liability company
Its Manager

By: Highridge Costa Development Company,
LLC, a Delaware limited liability company
Its Manager

By: _____
Mohannad H. Mohanna
Its: President

STATE OF HAWAII)
) SS.
COUNTY OF HONOLULU)

On _____, before me personally appeared Mohannad H. Mohanna, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities.

Further, I certify, as of this date, as follows:

□ Date of Document: _____ □ undated at time of notarization
Number of Pages: _____ (if counterpart signature pages are subsequently attached, the document may have a different number of pages)
Document Description: Certification Concerning Qualified Project Period
Jurisdiction/Judicial Circuit Where Signed:

_____
Type or print name: _____
Date: _____
Notary Public, State of Hawaii
My commission expires: _____