

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer MLR GOLF PARTNERS LLC
 Address 55 Merchant Street, Suite 3000, Honolulu, Hawaii 96813-4306
 Project Name (*): KA MILO AT MAUNA LANI , PHASE 3
 Address: 68-1122 North Kaniku Drive, Kohala Coast, Hawaii 96743

Registration No. 6054 Effective date: July 20, 2006
 Expiration date: August 20, 2007

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports: Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

- PRELIMINARY:** (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.
 - CONTINGENT FINAL:** (green) The developer has legally created a condominium and has filed information with the Commission for this report which EXPIRES NINE (9) MONTHS after the above effective date. Contingent Final public reports may not be extended or renewed.
 - No prior reports have been issued.
 - This report supersedes all prior public reports.
 - FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.
 - No prior reports have been issued.
 - This report supersedes all prior public reports.
 - This report must be read together with _____
 - SUPPLEMENTARY:** (pink) This report updates information contained in the:
 - Preliminary Public Report dated: _____
 - Final Public Report dated: _____
 - Supplementary Public Report dated: _____
- And
- Supersedes all prior public reports.
 - Must be read together with _____
 - This report reactivates the _____ public report(s) which expired on _____

(*) Exactly as named in the Declaration
 This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the developer.

Changes made are as follows:

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: MLR GOLF PARTNERS LLC^o Phone: (808) 676-3300
Name* (Business)
55 Merchant Street, Suite 3000
Honolulu, Hawaii 96813-4306
Business Address

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

^o A member managed limited liability company – See Page 5A for additional information

Members: A&B MLR LLC, a Hawaii limited liability company

BROOKFIELD MLR LLC, a Delaware limited liability company

Real Estate BROOKFIELD HOMES HAWAII INC.
55 Merchant Street, Suite 3000
Honolulu, Hawaii 96813-4306
Broker: Name Phone: (808) 676-3300
(Business)
Business Address

Escrow TITLE GUARANTY ESCROW SERVICES, INC. Phone: (808) 521-0211
Name (Business)
235 Queen Street, 1st Floor
Honolulu, Hawaii 96813
Business Address

General Contractor: Not Designated at this Time Phone: _____
Name (Business)
Business Address

Condominium Managing Agent: Hawaiiana Management Company, Ltd. Phone: (808) 593-9100
Name (Business)
711 Kapiolani Boulevard, Suite 700
Honolulu, Hawaii 96813
Business Address

Attorney for Developer: McCORRISTON MILLER MUKAI MacKINNON LLP Phone: (808) 529-7300
Name (Business)
Five Waterfront Plaza, Suite 400
500 Ala Moana Boulevard
Honolulu, Hawaii 96813
Attn: D. Scott MacKinnon / Sharon H. Nishi
Business Address

MLR GOLF PARTNERS LLC is a Hawaii limited liability company that is managed by its Members, A&B MLR LLC and BROOKFIELD MLR LLC.

A&B MLR LLC is a Hawaii limited liability company that is managed by its Member,

A&B PROPERTIES, INC. is a Hawaii corporation, whose officers and directors are as follows:

Officers: Stanley M. Kuriyama – Chief Executive Officer
Robert K. Sasaki -- President
Robert M. Buelsing – Executive Vice President
Granty M. Chun – Vice President
Paul W. Hallin – Senior Vice President
Charles W. Loomis – Vice President/Assistant Secretary
Thomas H. Shigemoto – Vice President
M.K. Vicens – Vice President
Thomas A. Wellman – Vice President/Treasurer/CO
Michael G. Wright – Senior Vice President
Alyson J. Nakamura – Secretary
Lillian G. Rodolfich -- AC

Directors: Stanley M. Kuriyama – Vice Chairman
W. Allen Doane -- Chairman
Robert K. Sasaki
Norbert M. Buelsing
Meredith J. Ching
Christopher Benjamin

BROOKFIELD MLR LLC is a Hawaii limited liability company that is managed by its Member, BH/JP HAWAII HOLDINGS LLC

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

- A. **Declaration of Condominium Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. 2006-001506
 Book _____ Page _____
 Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

Amendment to Declaration dated February 24, 2006, recorded as Document No. 2006-040789.

- B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. 4139
 Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

Amendment to Declaration dated February 24, 2006, recorded as Document No. 2006-040789.

- C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances: Document No. 2006-001507
 Book _____ Page _____
 Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

- D. **House Rules.** The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

- E. **Changes to Condominium Documents** Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	75%*
Bylaws	65%	65%
House Rules	---	----- **

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

** **The House Rules may be amended by action of the Board of Directors of the Association of Apartment Owners of Ka Milo at Mauna Lani**

2. Developer:

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules:

See Exhibit A

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 68-1122 North Kaniku Drive Tax Map Key (TMK): (3) 6-8-022-041
Kohala Coast, Hawaii 96743

Address TMK is expected to change because N/A

Land Area: 30.559 square feet acre(s) Zoning: RM-4

Fee Owner: MLR GOLF PARTNERS LLC
 Name
55 Merchant Street, Suite 3000
Honolulu, Hawaii 96813-4306
 Address

Lessor: N/A
 Name

 Address

C. **Buildings and Other Improvements:**

1. New Building(s)
 Conversion of Existing Building(s)
 Both New Building(s) and Conversion

2. Number of Buildings: 30 Floors Per Building: 1-2
 Exhibit _____ contains further explanations.

3. Principal Construction Material:
 Concrete Hollow Tile Wood
 Other Glass & Steel

4. Uses Permitted by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>43</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
 Yes No

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

Pets: See Exhibit B

Number of Occupants: _____

Other: See Exhibit B

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0-1 per apt. Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>See Exhibit C</u>	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of Apartments: 43

* Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

Each apartment consists of the spaces within the perimeter and party walls, windows, doors, floors and ceiling(s) of the respective apartment.

Permitted Alterations to Apartments:

See Exhibit D

Apartments Designated for Owner-Occupants Only:

Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls:	<u>86</u>						
	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>TOTAL</u>
Assigned (for Residential Units*)	<u>86</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>86</u>
Guest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Extra for Purchase	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other: _____	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Covered & Open:	<u>86</u>		<u>0</u>		<u>0</u>		<u>86</u>

* Each **residential** apartment will include an enclosed garage containing 2 parking stalls.

Commercial parking garage permitted in condominium project.

Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute/Enclosure(s)

Other: _____

9. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations

There are no violations. Violations will not be cured.

Violations and cost to cure are listed below: Violations will be cured by _____
(Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations
(For conversions of residential apartments in existence for at least five years):

N/A

11. Conformance to Present Zoning Code

- a. No variances to zoning code have been granted.
 Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u> X </u>	_____	_____
Structures	<u> X </u>	_____	_____
Lot	<u> X </u>	_____	_____

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit E .

as follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which use them, as described in the Declaration, are:

described in Exhibit E*.

as follows:

* **Note:** Land areas referenced herein are not legally subdivided lots

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit F.

as follows:

E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit G describes the encumbrances against the title contained in the title report dated June 15, 2006 and issued by Title Guaranty of Hawaii, Incorporated.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[] There are no blanket liens affecting title to the individual apartments.

[X] There **will be** blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	If the Developer defaults before the apartment is conveyed to the buyer, the Mortgagee will have the right to decide whether to sell the apartment to the buyer under the Sales Contract. If the buyer's interest is terminated by the Mortgagee, then the buyer's deposit will be refunded to the buyer, less the escrow cancellation fee.

F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

See Exhibit H

2. Appliances:

See Exhibit H

G. **Status of Construction and Date of Completion or Estimated Date of Completion:**

Construction is scheduled to commence in September 2007 and is scheduled to be completed in August 2008. The actual date of completion of the Project, however, may vary due to numerous factors, not all of which are within the Developer's control. In addition, the dates of completion of individual apartments in the Project may vary.

H. **Project Phases:**

The developer Has has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

The Developer plans to develop the Project as the third phase of a 137 apartment condominium project. The Developer has no obligation to build any phase beyond Phases 1-3 of the Project. The Developer can develop the phases in any order that it wishes. It can also develop more than one phase at a time or divide a phase into separate smaller phases.

The Developer will be assigning to the commercial apartment in Phase 1 (the "Commercial Apartment") an undivided 11.102% common interest in the Project, which represents the remaining undivided percentage common interest in the Project which is not assigned to the 36 residential apartments in Phase 1, the 44 residential apartments in Phase 2, and the 43 residential apartments in Phase 3. It is not the intention of the Developer to complete construction of the Commercial Apartment and to obtain a certificate of occupancy therefor until the last phase of the Project. At least until such time as the Commercial Apartment is completed and the certificate of occupancy for the Commercial Apartment is issued, the Developer will retain sole ownership of the Commercial Apartment. As is described in more detail in Sections 19 and 25 of the Declaration, it is the intention of the Developer, as subsequent phases of the Project are developed, to transfer, allocate and assign a portion of the common interest assigned to the Commercial Apartment to each of the New Apartments to be developed in each of the future phases as the New Apartments are incorporated into the Project. The Declaration also provides that the land comprising the "Undeveloped Portion of the Property" will be made a Limited Common Element appurtenant to and for the exclusive use of the owner of the Commercial Apartment. As the Project is developed and future phases are incorporated into the Project, the Developer will have the right to exercise its reserved rights under the Declaration to alter, modify and change the Limited Common Elements appurtenant to the Commercial Apartment and convert the same into New Apartments, Common Elements and Limited Common Elements.

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit J contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated as of July 19, 2005
Exhibit K contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Contingent Final Report or Supplementary Report to a Contingent Final Report: Sales made by the developer are binding if:

- A) The Developer delivers to the buyer a copy of:
 - 1) Either the Contingent Final Public Report **OR** the Supplementary Public Report which has superseded the Contingent Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
 - 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
- B) The buyer is given an opportunity to read the report(s); **AND**
- C) One of the following has occurred:
 - 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

- A) The Developer delivers to the buyer a copy of:
 - 1) Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
 - 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
- B) The buyer is given an opportunity to read the report(s); **AND**
- C) One of the following has occurred:
 - 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**
- B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- D) House Rules, if any.
- E) Condominium Map, as amended.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other _____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs

Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 6054 filed with the Real Estate Commission on June 28, 2006.

Reproduction of Report. When reproduced, this report must be on:

YELLOW paper stock WHITE paper stock PINK paper stock GREEN paper stock

C. Additional Information Not Covered Above

1. Affiliated Parties. Prospective purchasers are hereby advised that the Real Estate Broker and the General Contractor for the Project are affiliated with the Developer. See Exhibit L
2. Master Association Declaration. The conditions imposed by the Master Association Declaration shall run with the Land and shall bind and constitute notice to all subsequent lessees, grantees, assignees, mortgagees, lienors, and any other persons who shall claim an interest in the Land, and the Mauna Lani Resort Association (the "Resort Association") shall have the right to enforce the Declaration of Covenants by appropriate action at law or suit in equity against all such persons. In accordance with the Master Association Declaration, the Association of Apartment Owners of Ka Milo at Mauna Lani Resort (the "Association") shall be jointly and severally obligated with the owners of apartments in the Project for assessments levied against the such apartments under the Master Association Declaration (the "Resort Association Assessments") and may be assessed for the cost of improvements made in the vicinity of the Project. Buyer shall be responsible for and shall pay its prorated share of any such Resort Association Assessments based on Buyer's common interest in the Project as a part of the common expenses of the Project and shall be liable for Buyer's pro rata share of any amounts of the Resort Association Assessments not paid by the Association.
3. Development of Project in Phases. The Developer intends to develop the Project in stages. Each stage is called a "phase" or "increment". Each phase may include Apartments and other Improvements. This is the third phase of the Project and the Developer has no and does not undertake any obligation to build any phase beyond Phases 1-3 of the Project. The Developer may develop and construct the phases in any order that the Developer wishes and may alter, modify, reduce, consolidate or further divide the currently proposed phases of the Project.
4. Developer's Reserved Rights to Create New Apartments, Create New Improvements, Convert Common Elements, and Designate Limited Common Elements. The Developer has reserved the right under the Declaration to develop and construct New Apartments and New Improvements, including, without limitation, a recreation center that may be located on a portion of the Land and a portion of the land underlying the Kulalani at Mauna Lani condominium project ("Kulalani") established by that certain Declaration of Condominium Property Regime of Kulalani at Mauna Lani recorded in the Bureau as Document No. 2005-194154 (the "Shared Recreation Center") on the Land, including the Undeveloped Land Area, convert the use of Common Elements and designate Limited Common Elements as the Developer deems appropriate and as may permitted or otherwise approved by any appropriate governmental authorities, all as set forth in Paragraphs 19 and 20 of the Declaration. The development, construction and sale of the New Apartments and New Improvements, conversion of Common Elements and/or designation of Limited Common Elements may result in the creation of dust, noise, vibrations and other nuisances. The Developer has expressly reserved the right, at its sole option and discretion, at any time and from time to time up to but not later than December 31, 2025, to exercise any of these reserved rights. The Developer has also expressly reserved the right and an easement to enter upon and use the Common Elements of the Project and do all things reasonably necessary, desirable or useful, for the purposes of designing, developing, constructing and completing the New Apartment(s) and New Limited Common Elements, connecting the New Apartments and New Improvements to the Project, providing access for the New Apartments and New Improvements through the Common Elements of the Project to any public roadways, connecting the New Apartments and New Improvements to the utility installations of the Project, and selling the apartments in the New Apartments and New Improvements, and the right in the nature of an easement over and upon the Project to create and cause dust, noise, vibration and other nuisance created by and resulting from any work connected with or incidental to the development, construction and sale of the New Apartments or New Improvements.
5. Developer's Reserved Rights to Execute Documents Governing the Shared Recreation Center. The Developer has reserved the right, on behalf of the Association and at any time or times prior to the earlier of December 31, 2025 or the date when the Developer records a document giving up all of the Developer's reserved rights, to establish, enter into and amend agreements with the Association of Apartment Owners of Kulalani at Mauna Lani (the "Kulalani Association") or the developer of Kulalani, on behalf of the Kulalani Association (the "Shared Recreation Center Documents"), governing the use, maintenance and management of the Shared Recreation Center and establishing an association comprised of the members of the Association and the Kulalani Association, which association shall be charged with carrying out the terms and provisions of the Shared Recreation

Center Documents, including without limitation the establishment of a budget and collection of assessments in connection with the use, maintenance and management of the Shared Recreation Center.

6. **Developer's Reserved Right to Withdraw Portions of the Land.** The Developer has reserved the right to subdivide the Land of the Project, and to withdraw and delete from the Project and from the condominium property regime all or any part of the areas designated on the Condominium Map from time to time as "Undeveloped Land Area."
7. **Developer's Easement for Sales Activities.** Under the terms of the Declaration, the Developer and its representatives, licensees, and invitees have the right and an easement to conduct extensive sales activities on the Common Elements (including, but not limited to, the Limited Common Elements) and from any Apartment owned or leased by the Developer. This right includes, but it is not limited to, the right: (a) to permit purchasers and prospective purchasers and their family members and guests, to come onto the Project through the Common Elements intended for access to and from any nearby roads, streets or highways; (b) to permit purchasers and prospective purchasers to park motor vehicles in any unassigned parking stalls; (c) to show the Project (including, but not limited to, model Apartments) to purchasers and prospective purchasers (who will have a right of ingress and egress for these purposes); (d) to use Apartments owned or leased by the Developer as model Apartments, sales, management, and/or administrative offices; and (e) to use banners, signs or other extensive sales displays and activities at the Project. This easement applies to activities conducted in connection with the initial sale of any Apartment in the Project. Buyer understands, acknowledges and accepts that these easements and the use of them may result in increased traffic, noise, and related inconveniences. Buyer gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions Buyer may have, now or in the future, against the Developer and its representatives, licensees, invitees, successors and assigns and arising from or with respect to the exercise of this easement.
8. **Developer's Easement for Noise, Dust, Etc.** The Developer and its representatives, licensees, and invitees, have an easement over, under and upon the Project and all of its parts, to create and cause noise, dust, soot, smoke, odors, surface water runoff, vibrations, and other nuisances or hazards in connection with (a) the exercise of the easements the Developer has reserved under the Declaration, or (b) the exercise of the Developer's reserved rights or any other rights of the Developer as described in the Declaration. Buyer (i) understands, acknowledges and accepts that these activities may result in noise, dust, soot, smoke, odors, surface water runoff, vibrations and other nuisances and hazards, (ii) consents to this activity, and (iii) gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions that Buyer may have, now or in the future, against the Developer and/or its representatives, licensees, invitees, successors and assigns with respect to such easement. Buyer shall assume the risk of any property damage, personal injury or loss in property value which may arise out of or from these activities.
9. **Developer's Easements for Access.** The Developer and its representatives, licensees, invitees (including any governmental officials that the Developer may invite), successors and assigns, have reserved under the Declaration an easement over, under and upon the Project, including the Common Elements, Limited Common Elements, and any Apartment, as may be reasonably necessary or convenient to complete any Improvements and to correct any defects and other punchlist items in the Common Elements or any Apartment or to the exercise of any of the other Developer's Reserved Rights under the Declaration. The easement to complete Improvements or correct defects or punchlist items terminates sixty (60) months after the later to occur of (i) the filing/recording date of the first deed for an Apartment in the Project; or (ii) the "date of completion" (as the term is used in Chapter 507, Part II, Hawaii Revised Statutes) of the Improvement to be completed or corrected.
10. **Developer's Reserved Right to Utilize Common Elements.** The Developer reserves the right, for itself, its representatives, licensees and invitees, to utilize the Common Elements for ingress and egress, for the exercise of any of the Developer's reserved rights under the Declaration, for access to parking spaces and model apartments within the Project, and in order to show the Common Elements to prospective purchasers.
11. **Developer's Reserved Right to Grant Easements.** The Developer reserves the right to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across or through the Common Elements as necessary or convenient to the exercise of any of the Developer's reserved rights under the Declaration, or for any reasonable purpose, which easements

may include, but will not be limited to, easements in favor of the Kulalani Association for (a) roadway access to the land underlying Kulalani, (b) utility purposes, and (c) access to and use of the portion of the Shared Recreation Center located on the Land, and easements or rights-of-way in favor of any public or governmental authority or utility company which do not materially and adversely interfere with the use, nor materially and adversely impair the value, of the Project or any apartment in it, over, across, under and through the Common Elements for lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, drainage and other public services and utilities, and rights to enter for the purpose of installing, repairing, altering and removing such lines and facilities and of trimming any trees in the way thereof.

12. **Changes in Price, Size and Design.** The Developer has made no promises, representations or assurances to Buyer regarding the pricing, size, design or configuration of any apartments in the Project other than the Apartment, and Buyer acknowledges that as market conditions or other facts change, such matters may be subject to change, including reduction in prices of such other apartments in the Project or sales incentives offered in connection therewith, and changes in size, design or product type of such other apartments in the Project.
13. **View Impairment.** Neither the Developer nor any of its authorized agents, representatives or employees has made any representations, warranties or promises concerning any view, present or future, that may be enjoyed from all or any portion of the Apartment or the Project. The views from the Apartment or Project may change, be affected or obstructed by (i) construction or installation of buildings, improvements, structures, walls and/or landscaping by the Developer or owners of property outside the Project and/or (ii) the growth of trees, landscaping and/or vegetation within or outside the Project. The Declaration does not contain any provisions intended to protect the view from any apartment or any other portion of the Project.
14. **Noise; Traffic.** Noise, dust, vibrations, and/or traffic in the vicinity of the Project may increase if and when any structures are constructed on lands adjacent to or in the vicinity of the Project. Buyer and every other person who has any interest in the Project or who has the right to use the Project or any part of it gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions that such person may have, now or in the future, against the Developer and its representatives, licensees, successors and assigns, and arising directly or indirectly out of or from such obstruction of views, additional noise, dust, vibrations, and/or additional traffic by reason of such further development.
15. **Golf Hazards.** The Project is adjacent to the North Course of the Mauna Lani Resort Francis H. I'i Brown Golf Course. The maintenance, operation and use of said golf course may result in nuisances or hazards to persons or property on or about the premises conveyed hereby, including without limitation stray golfballs, agricultural chemicals, particulates and the use of non-potable water systems.
16. **Mauna Lani Resort.** The Project is located in the vicinity of the Mauna Lani Resort. Resort-related activities such as golf tournaments, concerts and luaus may result in further nuisances to persons or property on or about the Project.
17. **Private Refuse Collection.** Refuse collection for the Project will be provided through a private refuse collection firm. All collection fees charged by such refuse collection firm shall be common expenses of the Association and be included in the Association's monthly maintenance fees.
18. **Environmental Issues – Mold.** Mold is a type of fungus that occurs naturally in the environment and is spread by means of microscopic spores in the air. Residential home construction is not, and cannot be, designed to exclude mold spores from a home. Mold spores may enter a home through open doorways, windows, and air conditioning systems. Spores in the air also attach themselves to people and animals, making clothes, shoes, and pets convenient vehicles for carrying mold spores indoors. Mold spores require a food source and a moisture source. The food source may be supplied by decorative items found in the home, such as fabric, carpet, wallpaper, or even building materials. Moisture sources include spills, leaks, overflows, condensation, excessive landscape watering and high humidity. Although the vast majority of molds are not known to cause health problems, some molds have the potential to cause health effects to individuals whose susceptibility is affected by existing sensitivities to allergies, underlying lung disease, and suppressed immune systems. There are currently no federal, state, or local standards that establish permissible limits for exposure to mold. Since microscopic mold spores exist everywhere naturally in the environment,

mold cannot be prevented or removed entirely. The only way to prevent mold growth is to eliminate excessive moisture in the home. Homeowners must therefore take positive steps to eliminate excessive moisture in the home through: (a) regular vacuuming and cleaning; (b) reducing humidity in the home by adequately venting the home; (c) promptly repairing water leaks; (d) regularly maintaining the home; and (e) performing routine visual inspections for mold growth and signs of leaks, moisture or water damage. The Developer can not ensure that mold and mold spores will not be present in the Project. Accordingly, the Developer shall not be liable for any actual, special, incidental or consequential damages based on any legal theory whatsoever, including, but not limited to, strict liability, breach of express or implied warranty, negligence or any other legal theory, with respect to the presence and/or existence of molds, mildew and/or microscopic spores at the Project unless caused by the sole negligence or willful misconduct of the Developer.

19. **Metal Work Disclosure.** Exterior metal work finish is severely impacted by salt air conditions. Notwithstanding anything in this Agreement to the contrary, no warranty is given for such finishes and the Developer makes no representations regarding rust prevention maintenance requirements. Aggressive action to prevent rust is required by Buyer or the Association. Metal work includes railings, hinges, gate mechanisms, if any, etc. All metal work may corrode, have pock marks, peel, rust or, in the case of painted metal materials, bubble and peel. Vinyl coated metal work may peel due to salt air conditions, which will require replacement more frequently than normally expected.
20. **Security.** The Developer has the right, but not the duty to take steps designed to make the Project safer than it otherwise might be. The Developer and each of its representatives are not in any way to be considered insurers or guarantors of safety or security within the Project, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate or effective safety or security measures. The Developer makes no representation or warranty that any fire protection, burglar alarm, or other safety or security system or measures, including anything intended to limit access to the Project, (i) will be effective in all cases and cannot be compromised or circumvented; (ii) will prevent all losses; (iii) will limit access to the Project; or (iv) will provide the detection or protection which it is designed or intended to provide. Each person using the Project assumes all risks of personal injury, death, or loss or damage to property resulting from the acts of third parties.
21. **Tax and Insurance Estimates.** Any sum estimated for taxes or insurance affecting the Apartment or Project may increase or decrease depending upon fluctuation of real property taxes or insurance rates.
22. **School Information.** The Developer has made no representations, warranties or assurances to Buyer that the Project will be included within any particular school district. Buyer is responsible for determining the availability of schools and the same are subject to change by the applicable school district.
23. **Time Share Restrictions.** The Apartments in the Project may be used as time share units in a time share plan only to the extent permitted by applicable law and only if both the Developer and Tokyu Corporation authorize or otherwise consent to that use in a recorded document.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6]. (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

MLR GOLF PARTNERS LLC

Printed Name of Developer

By:  _____
 Duly Authorized Signatory*

6/29/06

Date

Jeffrey J. Prostor, President of Brookfield MLR LLC

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Hawaii

Planning Department, County of Hawaii

**Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general Partner; Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.*

EXHIBIT A

DEVELOPER'S RIGHTS TO CHANGE THE DECLARATION, CONDOMINIUM MAP, BYLAWS OR HOUSE RULES

1. The Developer's has the right to change the Condominium Documents:
 - A. In any way and for any purpose before the date when the Developer first records a deed transferring an Apartment to someone other than the Developer or its Lenders;
 - B. To file the "as-built" statement (with plans, if necessary or convenient) required by Section 514A-12 of the Condominium Property Act. The Developer may do this each time a phase or increment of the Project, or any New Improvement is completed. It may also do this at any other time required by law or permitted by this Declaration. The Developer does not need the consent of anyone else who owns an Apartment or any other Interested Person;
 - C. To comply with the real estate laws of any place (for example, the State of Hawaii) or the requirements of any government agency (such as the Hawaii Real Estate Commission or the California Department of Real Estate) in connection with the registration of the Project, or to permit the sale of Apartments or any time share or fractional ownership plan affecting any of the Apartments;
 - D. To satisfy requests for changes made by any institutional lender loaning money to the Developer or by any title company licensed to do business in the State of Hawaii; or
 - E. To correct any misstatements of fact in the Condominium Documents. For example, the Developer can correct a mistake in the legal description of the Land.

2. The Developer has the right to amend the Declaration and/or the Condominium Map to reflect any of the following changes to an Apartment owned by the Developer that materially change the depiction of the Apartment on the Condominium Map or the description of it in the Declaration:
 - A. Change or removal of all or part of the intervening wall, floor and/or ceiling separating two (2) Apartments owned by the Developer or Limited Common Elements appurtenant to two (2) Apartments owned by the Developer; installation of doors, stairways and other Improvements in such opening/s in the intervening Common Element; sealing of hallways or other openings; and other reasonable changes or additions in accordance with Section 18.2.3 of the Declaration.
 - B. Consolidation of any two (2) adjacent Apartments owned by the Developer into a single Apartment; and making any Common Element walls, floors or ceilings between the Apartments part of the Apartment or its Limited Common Elements in accordance with Section 18.2.4 of the Declaration.
 - C. Change of the designation of the Limited Common Elements appurtenant to any two (2) adjacent Apartments owned by the Developer so that one or more Limited Common Elements appurtenant to one Apartment will be appurtenant to the other Apartment or to both of the Apartments in accordance with Section 18.2.5 of the Declaration.

3. The Developer has the right to amend the Declaration and the Condominium Map in order to create one or more New Apartments in the Project and to designate Limited Common Elements appurtenant to any New Apartment in accordance with Section 19 of the Declaration.
4. The Developer has the right to amend the Declaration and the Condominium Map as necessary or convenient to describe any New Improvements constructed on the Land in accordance with Section 20 of the Declaration.
5. In connection with the Developer's right, under Section 21 of the Declaration, to subdivide and/or reconsolidate the Land or any portion thereof, the Developer has the right to amend the Declaration and the Bylaws to change the description of the Land and to amend the Condominium Map if the Developer deems it necessary or useful to reflect the subdivision and/or consolidation.
6. In connection with the Developer's right, under Section 22 of the Declaration, to withdraw and delete from the Project, and from the condominium property regime, all or any part of the areas designated on the Condominium Map from time to time as "Undeveloped Land Area", the Developer has the right to amend the Declaration and the Bylaws to change the description of the Land and to amend the Condominium Map if necessary or useful to reflect the deletion of all or any portion of the Undeveloped Land Area.
7. The Developer has the right to amend the Condominium Documents as required to comply with any laws that apply to the Project, the Association or the Developer.
8. The Developer has the right to amend the Declaration in connection with the Developer's right, under Section 25 of the Declaration to reallocate the Common Interests among the existing Apartments and the New Apartments.

EXHIBIT B

SPECIAL USE RESTRICTIONS

1. NO MATTER WHAT ELSE THE CONDOMINIUM DOCUMENTS SAY, THE APARTMENTS MAY BE USED AS TIME SHARE UNITS IN A TIME SHARE PLAN ONLY TO THE EXTENT PERMITTED BY APPLICABLE LAW AND ONLY IF BOTH THE DEVELOPER AND TOKYU CORPORATION AUTHORIZE OR OTHERWISE CONSENT TO THAT USE IN A RECORDED DOCUMENT.
2. NO MATTER WHAT ELSE THE CONDOMINIUM DOCUMENTS SAY, THE APARTMENTS MAY ALSO, TO THE EXTENT PERMITTED BY APPLICABLE LAW, BE USED IN A FRACTIONAL OWNERSHIP PLAN IF THE DEVELOPER CREATES THE PLAN OR IF THE DEVELOPER AUTHORIZES OR CONSENTS TO THAT USE IN A RECORDED DOCUMENT. A "FRACTIONAL OWNERSHIP PLAN" IS ANY PLAN OR PROGRAM, OTHER THAN A TIME SHARE PLAN, IN WHICH THE USE, OCCUPANCY, OR POSSESSION OF ONE OR MORE APARTMENTS CIRCULATES AMONG VARIOUS PERSONS. UNDER THE CURRENT DEFINITION OF "TIME SHARE PLAN" CONTAINED IN THE TIME SHARE ACT, A FRACTIONAL OWNERSHIP PLAN WOULD CONTEMPLATE CIRCULATION FOR A PERIOD OF SIXTY OR MORE DAYS IN ANY YEAR, FOR ANY OCCUPANT.
3. Except for (a) home office use by the Apartment Owner which is allowed or permitted under the applicable zoning ordinance, or (b) where the Declaration allows the Developer to do otherwise: (i) the Apartments and their Limited Common Elements may not be used to carry on any business, trade or profession; (ii) the Apartments and their Limited Common Elements must not be used for sales of any articles or goods; and (iii) no Apartment Owner, lessee, tenant or other occupant of a Apartment can bring clients, customers or other business invitees onto the premises on a regular basis for business purposes.
4. No Apartment Owner, lessee, tenant, occupant, or other Interested Person can use the Project or any part of it: (a) for the promotion or sale of time share interests, or interests in any fractional ownership plan, directly or indirectly, or (b) for the operation of a tour or activity desk or any other business that directly or indirectly promotes the sale of time share interests, or interests in a fractional ownership plan. This restriction is intended to benefit the Developer alone and it will apply in every case unless the Developer gives its written consent in a recorded document. This restriction does not apply to the Developer. The Developer has the right to use its Apartments and the Developer's Reserved Rights for the promotion and sale of time share interests and/or interests in a fractional ownership plan, as provided elsewhere in this Declaration, if and to the extent permitted by applicable law.
5. Owners are not allowed to change or cause a change to the exterior appearance of the Project unless they have the prior written consent of either the Board or the Managing Agent. This rule does not apply to the Developer when exercising the Developer's Reserved Rights. Nobody is allowed to change the appearance of the Project in a way that is not consistent with a first class destination resort.
6. Neither pets nor specially trained animals may be kept, bred, or used at the Project for any commercial purpose.
7. Except for fishes and birds, no more than one (1) pet shall be allowed per Apartment. No more than two (2) birds shall be allowed per Apartment.
8. No pet may exceed forty (40) pounds in weight. No infant or juvenile pet of a type or breed, when fully grown, is likely to exceed forty (40) pounds in weight, may be kept in the Project.

9. Dogs and specially trained animals must be kept on a leash when they are on the Common Elements, including, but not limited to, any recreation areas.
10. Any pet or specially trained animal causing a nuisance or an unreasonable disturbance to any other Owner or occupant of the Project must be permanently removed from the Project promptly after the Board or the Managing Agent gives notice to the person owning the pet or using the specially trained animal.
11. No Owner of an Apartment may install awnings, shades, blinds, screens, louvers, or other similar objects or any exhaust vents, wind baffles, or drains on the lanai of any apartment, or paint, resurface, enclose or make any structural modifications, changes, additions or alterations to such Owner's lanai, except in strict accordance with such guidelines, rules, regulations, and requirements as the Board may adopt from time to time in the House Rules.
12. No Owner may enclose any lanai constituting a part of the Owner's Apartment.
13. Except in connection with (a) the exercise of the Developer's Reserved Rights, or (b) the reversal of a consolidation of Apartments under Section 18.2.4 of the Declaration, no Apartment may be subdivided.
14. The enclosed garage of each Apartment shall be used primarily for the parking and storing of automobiles.

EXHIBIT C

APARTMENT TYPES

Apt. Type	Quantity	BR/Bath	Net Living Area (SF)	Net Lanai/Entry Porch Area (SF)	Net Garage Area (SF)	Net Total Area (SF)
1	1	3/3.5	2174	574	428	3176
1R	2	3/3.5	2174	574	428	3176
2	4	4/4.5	2474	627	428	3529
3	4	3/3.0	2491	530	430	3451
3R	6	3/3.0	2491	530	430	3451
4	7	3/3.5	2489	860	432	3781
4R	7	3/3.5	2489	860	432	3781
5	4	3/3.0	1653	518	428	2599
5R	4	3/3.0	1653	518	428	2599
6	2	4/4.0	2103	677	428	3208
6R	2	4/4.0	2103	677	428	3208

EXHIBIT C

APARTMENT TYPES

1. There is one (1) Type 1 apartment. The apartment is a single-story apartment containing nine (9) rooms, including three (3) bedrooms, three (3) bathrooms, a half bathroom/powder room, a great room/kitchen/family room and a laundry room, and has an entry porch, a foyer, a lanai and a two (2) car garage. The apartment has a net living area of approximately 2,174 square feet, a net lanai/entry porch area of approximately 574 square feet, and a net garage area of approximately 428 square feet.
2. There are two (2) Type 1R apartments. Each apartment is a single-story apartment containing nine (9) rooms, including three (3) bedrooms, three (3) bathrooms, a half bathroom/powder room, a great room/kitchen/family room and a laundry room, and has an entry porch, a foyer, a lanai and a two (2) car garage. Each apartment has a net living area of approximately 2,174 square feet, a net lanai/entry porch area of approximately 574 square feet, and a net garage area of approximately 428 square feet.
3. There are four (4) Type 2 apartments. Each apartment is a single-story apartment with a detached bedroom and bathroom. The main portion of each apartment contains nine (9) rooms, including three (3) bedrooms, three (3) bathrooms, a half bathroom/powder room, a great room/kitchen/family room and a laundry room, and has an entry porch, a foyer, a lanai and a two (2) car garage. A fourth bedroom and fourth bathroom are contained in an annex connected to the apartment by a limited common element walkway. Each apartment has a net living area of approximately 2,474 square feet, a net lanai/entry porch area of approximately 627 square feet, and a net garage area of approximately 428 square feet.
4. There are four (4) Type 3 apartments. Each apartment is a two-story apartment containing eight (8) rooms. The upper floor contains one (1) bedroom, one (1) bathroom and a great room/kitchen, and has an entry porch, a foyer, a lanai and a two (2) car garage, and is connected by an interior stairway to the lower floor, which contains two (2) bedrooms, two (2) bathrooms and a family room, and has a lanai. Each apartment has a net living area of approximately 2,491 square feet, a net lanai/entry porch area of approximately 530 square feet, and a net garage area of approximately 430 square feet.
5. There are six (6) Type 3R apartments. Each apartment is a two-story apartment containing eight (8) rooms. The upper floor contains one (1) bedroom, one (1) bathroom and a great room/kitchen, and has an entry porch, a foyer, a lanai and a two (2) car garage, and is connected by an interior stairway to the lower floor, which contains two (2) bedrooms, two (2) bathrooms and a family room, and has a lanai. Each apartment has a net living area of approximately 2,491 square feet, a net lanai/entry porch area of approximately 530 square feet, and a net garage area of approximately 430 square feet.
6. There are seven (7) Type 4 duplex apartments. Each apartment is a two-story apartment containing nine (9) rooms. The upper floor contains one (1) bedroom, one (1) bathroom, a half-bathroom/powder room and a great room/kitchen, and has an entry porch, a foyer, a lanai and a two (2) car garage, and is connected by an interior stairway to the lower floor, which contains two (2) bedrooms, two (2) bathrooms and a family room, and has a laundry enclosure and two (2) lanais. Each apartment has a net living area of approximately 2,489 square feet, a net lanai/entry porch area of approximately 860 square feet, and a net garage area of approximately 432 square feet.
7. There are seven (7) Type 4R duplex apartments. Each apartment is a two-story apartment containing nine (9) rooms. The upper floor contains one (1) bedroom, one (1) bathroom, a half-bathroom/powder room and a great room/kitchen, and has an entry porch, a foyer, a lanai and a

two (2) car garage, and is connected by an interior stairway to the lower floor, which contains two (2) bedrooms, two (2) bathrooms and a family room, and has a laundry enclosure and two (2) lanais. Each apartment has a net living area of approximately 2,489 square feet, a net lanai/entry porch area of approximately 860 square feet, and a net garage area of approximately 432 square feet.

8. There are four (4) Type 5 duplex apartments. Each apartment is a single-story apartment containing eight (8) rooms, including three (3) bedrooms, three (3) bathrooms, a great room and a kitchen/dining room, and has an entry porch, a foyer, a laundry enclosure, two (2) lanais and a two (2) car garage. Each apartment has a net living area of approximately 1,653 square feet, a net lanai/entry porch area of approximately 518 square feet, and a net garage area of approximately 428 square feet.
9. There are four (4) Type 5R duplex apartments. Each apartment is a single-story apartment containing eight (8) rooms, including three (3) bedrooms, three (3) bathrooms, a great room and a kitchen/dining room, and has an entry porch, a foyer, a laundry enclosure, two (2) lanais and a two (2) car garage. Each apartment has a net living area of approximately 1,653 square feet, a net lanai/entry porch area of approximately 518 square feet, and a net garage area of approximately 428 square feet.
10. There are two (2) Type 6 duplex apartments. Each apartment is a two-story apartment containing ten (10) rooms. The lower floor contains three (3) bedrooms, three (3) bathrooms, a great room and a kitchen/dining room, and has an entry porch, a laundry enclosure, two (2) lanais and a two (2) car garage, and is connected by an interior stairway to the upper floor, which contains one (1) bedroom and one (1) bathroom and has a lanai. Each apartment has a net living area of approximately 2,103 square feet, a net lanai/entry porch area of approximately 677 square feet, and a net garage area of approximately 428 square feet.
11. There are two (2) Type 6R duplex apartments. Each apartment is a two-story apartment containing ten (10) rooms. The lower floor contains three (3) bedrooms, three (3) bathrooms, a great room and a kitchen/dining room, and has an entry porch, a laundry enclosure, two (2) lanais and a two (2) car garage, and is connected by an interior stairway to the upper floor, which contains one (1) bedroom and one (1) bathroom and has a lanai. Each apartment has a net living area of approximately 2,103 square feet, a net lanai/entry porch area of approximately 677 square feet, and a net garage area of approximately 428 square feet.

EXHIBIT D

PERMITTED ALTERATIONS TO APARTMENTS

1. Each Owner has the right, subject only to Board approval, to make any of the following changes, additions and Improvements solely within the Owner's Apartment or Limited Common Element which such Owner controls:
 - A. To install, maintain, remove and rearrange partitions and other walls from time to time within the Apartment or Limited Common Element which do not adversely affect the structural integrity of the Apartment or Limited Common Element; provided that the Owner may not enclose any lanai constituting a part of the Owner's Apartment;
 - B. To finish, change or substitute any plumbing, electrical or other fixtures attached to the ceilings, floors or walls as appropriate for the use of the Apartment or Limited Common Element;
 - C. To decorate, paint, repaint, wallpaper or otherwise change the appearance of the walls, floors and ceilings of the Apartment or Limited Common Element which is not readily visible from outside the Apartment or Limited Common Element;
 - D. To tile, finish, carpet, re-carpet, and install, change, or remove other flooring in the Apartment or Limited Common Element which is not readily visible from outside the Apartment or Limited Common Element; or
 - E. To make such changes, additions and improvements to the Apartment or Limited Common Elements to facilitate handicapped accessibility within the Apartment or Limited Common Element.
2. An Owner may make "nonmaterial structural additions to the Common Elements" as that term is used in §514A-89 of the Condominium Property Act.
3. The Owner of two (2) Apartments which are separated by a Common Element that is a wall, floor or a ceiling, or whose Limited Common Elements are separated from each other or from such Apartments by a Common Element that is a wall, floor or ceiling, has the right and an easement, subject only to Board approval, to change or remove all or part of the intervening wall, floor and/or ceiling; provided that it does not adversely effect the structural integrity of the Apartment or Limited Common Element of the building in which such Apartment is situated. The Owner also has the right, subject only to Board approval, to install doors, stairways and other Improvements in such opening or openings in the intervening Common Element, to seal hallways or other openings, and to make other reasonable changes or additions which do no adversely effect the structural integrity of the Apartment or Limited Common Element or the building in which such Apartment is situated. Before terminating its common ownership of such Apartments, the Owner must restore the Common Element wall, floor, ceiling, hallway and/or other openings to substantially the same condition as before the change or removal unless the new Owners agree in writing to accept such change or removal in writing and to assume full responsibility for such restoration upon the termination of the common ownership of the two (2) Apartments in the future. The rights of an Owner and the Developer under this Section 3 may be exercised only if:
 - A. The structural integrity of the Apartment, or Limited Common Element or the building in which the Apartment is situated will not be adversely affected;
 - B. The finish of the remaining Common Element improvements are restored to substantially the same condition they were in before the change or removal; and

- C. All construction activity is completed within a reasonable time after it begins. If there is a delay for reasons beyond the control of the Owner or Developer or their contractors, the construction activity must be completed in the additional time reasonably needed to finish it by working on it diligently.
4. An Owner who owns any two (2) adjacent Apartments has the right, subject only to Board approval: (i) to consolidate the Apartments into a single Apartment; and (ii) to make any Common Element walls, floors or ceilings between the Apartments part of the Apartment or its Limited Common Elements. The rights of an Owner under this Section 4 may be exercised only if:
- A. The structural integrity of the Apartment, or Limited Common Element or the building in which the Apartment is situated will not be adversely affected;
 - B. The finish of the remaining Common Element improvements are restored to substantially the same condition they were in before the change or removal; and
 - C. All construction activity is completed within a reasonable time after it begins. If there is a delay for reasons beyond the control of the Owner or Developer or their contractors, the construction activity must be completed in the additional time reasonably needed to finish it by working on it diligently.
5. The Owners of any two (2) adjacent Apartments have the right to change the designation of the Limited Common Elements appurtenant to their Apartments so that one or more Limited Common Elements appurtenant to one Apartment now will be appurtenant to the other Apartment or to both of the Apartments. The Owners cannot do this without the written consent of each Lender who has a Mortgage on either Apartment.
6. The Developer has the right to create one or more New Apartments in the Project and to designate Limited Common Elements appurtenant to any New Apartment. The Developer may do this more than once and at any time before the Development Period ends. The rights of the Developer under this Section 6 are subject to the following terms and conditions:
- A. The Developer can only create New Apartments with respect to New Improvements constructed or intended to be constructed or added to the Project pursuant to Section 20 of the Declaration;
 - B. The total number of Apartments in the Project may not exceed the limits contained in the zoning code applicable to the Land.
 - C. The Developer must pay all costs of creating the New Apartments and designating the Limited Common Elements.

EXHIBIT E

COMMON ELEMENTS

Common Elements. The Common Elements are comprised of all portions of the Project with the exception of the Apartments, and included specifically, but are not limited to:

1. The Land in fee simple;
2. All roads, driveways, access lanes, paved areas, ramps and loading areas;
3. All parking stalls and parking areas except for the parking garages, which comprise a portion of the Apartments;
4. All yards, grounds, trees, gardens, walkways, walkway railings, water features, gates, landscaping and refuse facilities not located within an Apartment;
5. All foundations, floor slabs, columns, girders, beams, supports, perimeter, party and load-bearing walls and partitions (excluding the finishes thereon), roofs and stairways (excluding any private stairway located within and serving only an Apartment);
6. All vents, shafts, sewer lines, water lines, pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations on, above, over, under and across the Project to the point of their respective connections to Improvements comprising a part of the Apartments or the Limited Common Elements appurtenant thereto, including, without limitation, those providing electricity, light, gas (if any), water, air conditioning, sewer, refuse, drainage, irrigation, telephone, and radio and television signal distribution (if any) to more than one Apartment;
7. All mailboxes;
8. All swimming pools, recreation buildings, spas and their appurtenant deck and barbecue areas not located within an Apartment or the limited common elements of an Apartment;
9. All restroom facilities not located within an Apartment; and
10. Any and all other apparatus and installations existing for common use by more than one (1) Apartment, and any and all other parts of the Project necessary or convenient to its existence, maintenance or safety, or normally in common use.

Limited Common Elements. The Limited Common Elements are those certain parts of the Common Certain which are designated and set aside for the exclusive use of certain Apartments as follows:

1. Each Apartment shall have for its exclusive use one (1) mailbox bearing the same number as such Apartment;
2. Each Apartment shall have for its exclusive use the yards, walls (or portions thereof) and other spaces abutting the Apartment designated on the Condominium Map as Limited Common Elements; and

3. The Commercial Apartment shall have for its exclusive use all of the undeveloped area of the Land as designated and shown on the Condominium Map from time to time as the "Undeveloped Land Area".

EXHIBIT F
THE APARTMENTS

Apt. No.	Apt. Type	Garage Config.	Building Type	BR/Bath	Net Living Area (SF)	Net Lanai/Entry Porch Area (SF)	Net Garage Area (SF)	Net Total Area (SF)	% Common Interest
18	3R	GF	3R	3/3.0	2491	530	430	3451	0.758%
19	3R	GF	3R	3/3.0	2491	530	430	3451	0.758%
20	3	GF	3	3/3.0	2491	530	430	3451	0.758%
21	3R	GF	3R	3/3.0	2491	530	430	3451	0.758%
22	3	GF	3	3/3.0	2491	530	430	3451	0.758%
23	3R	GF	3R	3/3.0	2491	530	430	3451	0.758%
24	3	GF	3	3/3.0	2491	530	430	3451	0.758%
25	3R	GF	3R	3/3.0	2491	530	430	3451	0.758%
26	3R	GF	3R	3/3.0	2491	530	430	3451	0.758%
27	3	GF	3	3/3.0	2491	530	430	3451	0.758%
28	1R	GF	1R	3/3.5	2174	574	428	3176	0.697%
29	2	GF	2	4/4.5	2474	627	428	3529	0.774%
30	1	GF	1	3/3.5	2174	574	428	3176	0.697%
31	1R	GF	1R	3/3.5	2174	574	428	3176	0.697%
32	2	GF	2	4/4.5	2474	627	428	3529	0.774%
33	2	GF	2	4/4.5	2474	627	428	3529	0.774%
34	2	GF	2	4/4.5	2474	627	428	3529	0.774%
58-1	4	GS	4R	3/3.5	2489	860	432	3781	0.830%
58-2	4R	GF	4R	3/3.5	2489	860	432	3781	0.830%
59-1	5	GF	5	3/3.0	1653	518	428	2599	0.571%
59-2	5R	GS	5	3/3.0	1653	518	428	2599	0.571%
60-1	6	GF	6	4/4.0	2103	677	428	3208	0.705%
60-2	6R	GS	6	4/4.0	2103	677	428	3208	0.705%
61-1	6	GF	6	4/4.0	2103	677	428	3208	0.705%
61-2	6R	GS	6	4/4.0	2103	677	428	3208	0.705%
62-1	4	GF	4	3/3.5	2489	860	432	3781	0.830%
62-2	4R	GS	4	3/3.5	2489	860	432	3781	0.830%
63-1	4	GF	4	3/3.5	2489	860	432	3781	0.830%
63-2	4R	GF	4	3/3.5	2489	860	432	3781	0.830%
64-1	4	GF	4	3/3.5	2489	860	432	3781	0.830%
64-2	4R	GF	4	3/3.5	2489	860	432	3781	0.830%
65-1	4	GF	4	3/3.5	2489	860	432	3781	0.830%
65-2	4R	GF	4	3/3.5	2489	860	432	3781	0.830%
66-1	4	GF	4	3/3.5	2489	860	432	3781	0.830%
66-2	4R	GF	4	3/3.5	2489	860	432	3781	0.830%
67-1	4	GS	4R	3/3.5	2489	860	432	3781	0.830%
67-2	4R	GF	4R	3/3.5	2489	860	432	3781	0.830%

EXHIBIT F
THE APARTMENTS

Apt. No.	Apt. Type	Garage Config.	Building Type	BR/Bath	Net Living Area (SF)	Net Lanai/Entry Porch Area (SF)	Net Garage Area (SF)	Net Total Area (SF)	% Common Interest
68-1	5	GF	5R	3/3.0	1653	518	428	2599	0.571%
68-2	5R	GF	5R	3/3.0	1653	518	428	2599	0.571%
69-1	5	GS	5R	3/3.0	1653	518	428	2599	0.571%
69-2	5R	GF	5R	3/3.0	1653	518	428	2599	0.571%
70-1	5	GS	5R	3/3.0	1653	518	428	2599	0.571%
70-2	5R	GF	5R	3/3.0	1653	518	428	2599	0.571%
43								144712	31.775%

EXHIBIT G

ENCUMBRANCES AGAINST TITLE

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DECLARATION OF COVENANTS AND RESTRICTIONS (MAUNA LANI RESORT ASSOCIATION)

DATED : June 3, 1982

FILED : Land Court Document No. 1120889

RECORDED : Liber 16425 Page 203

Said Declaration was amended and/or supplement by the following instruments:

- (1) dated June 3, 1982, filed as Land Court Document No. 1121081, recorded in Liber 16428 at Page 456,
- (2) dated August 13, 1982, filed as Land Court Document No. 1129996, recorded in Liber 545 at Page 345,
- (3) dated June 23, 1986, filed as Land Court Document No. 1380755, recorded in Liber 9613 at Page 236,
- (4) dated January 8, 1987, filed as Land Court Document No. 1432988, recorded in Liber 20284 at Page 384,
- (5) dated October 28, 1987, filed as Land Court Document No. 1507024, recorded in Liber 21287 at Page 398,
- (6) dated June 22, 1988, filed as Land Court Document No. 1560401, recorded in Liber 22084 at Page 131,
- (7) dated June 25, 1991, filed as Land Court Document No. 1832379, recorded as Document No. 91-089395,
- (8) acknowledged December 24, 1993, filed as Land Court Document No. 2109682, recorded as Document No. 94-009533,
- (9) dated November 7, 1995, filed as Land Court Document No. 2281205, recorded as Document No. 95-168247,
- (10) dated October 16, 1998, filed as Land Court Document No 2537869, recorded as Document No. 98-155464,
- (11) dated April 30, 1999, filed as Land Court Document No. 2541614, recorded as Document No. 99-070732,
- (12) dated August 23, 1999, filed as Land Court Document No. 2597831, recorded as Document No. 99-204463,

- (13) dated May 22, 2002, recorded as Document No. 2002-101491;
- (14) dated April 18, 2003, recorded as Document No. 2003-090769; and
- (15) dated February 24, 2004, recorded as Document No. 2004-044458;
- (16) dated December 23, 2004, recorded as Document No. 2004-262092;
- (17) dated January 7, 2005, recorded as Document No. 2005-006575; and
- (18) dated February 2, 2005, filed as Land Court Document No. 3228828, recorded as Document No. 2005-026122.

The foregoing includes, but is not limited to, matters relating to Association liens which may be superior to certain mortgages.

By DESIGNATION OF DECLARANT AND CO-DECLARANT OF THE MAUNA LANI RESORT ASSOCIATION DECLARATION OF COVENANTS AND RESTRICTIONS AND ACCEPTANCE dated March 10, 1998, effective January 30, 1998, filed as Land Court Document No. 2445165 and also recorded as Document No. 98-033812, MAUNA LANI SERVICE, INC., a Hawaii corporation, is designated as Declarant, and MAUNA LANI RESORT (OPERATION), INC., a Hawaii corporation, is designated as Co-Declarant.

-Note:- Said above Declaration, as amended by the First, Second and Third Amendments, was amended in its entirety by the Fourth Amendment dated January 8, 1987, shown as Item (iv) above. In the event of any conflict between the terms and conditions contained in the Declaration, or the First, Second and Third Amendments, and this Fourth Amendment, the Fourth Amendment shall be controlling.

- 3. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : CERTIFICATE

DATED : April 22, 1986

RECORDED : Liber 19452 Page 724

PARTIES : MAUNA LANI RESORT, INC.

RE : reclassification of the land described herein from the Agricultural and Conservation districts to the Urban District

- 4. Claims arising out of customary and traditional rights and practices, including without limitation those exercised for subsistence, cultural, religious, access or gathering purposes, as provided for in the Hawaii Constitution or the Hawaii Revised Statutes.
- 5. Encroachments or any other matters, including archaeological sites identified in the Scientific Consultant Services, Inc. SCS Project 443, Report of Archaeological Sites, dated March 6, 2004, as shown on map prepared by Pedro Y. Guzman, Land Surveyor, with Sam O. Hirota, Inc., dated May 21, 2004, revised June 3, 2004.
- 6. Encroachments or any other matters which a survey prepared after June 3, 2004 would disclose.

7. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : LIMITED WARRANTY DEED

DATED : as of May 25, 2004

RECORDED : Document No. 2004-104739

The foregoing includes, but is not limited to, matters relating to underground water.

8. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME
OF KA MILO AT MAUNA LANI RESORT

DATED : December 19, 2005

RECORDED : Document No. 2006-001506

MAP : 4139 and any amendments thereto

Said Declaration was amended by instrument dated February 24, 2006, recorded as Document No. 2006-040789.

9. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT
OWNERS

DATED : December 19, 2005

RECORDED : Document No. 2006-001507

10. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land described in Schedule C herein.

EXHIBIT H

CONSTRUCTION WARRANTIES

1. Building and Other Improvements.

Upon the closing of the purchase of an Apartment in the Project, the Developer shall issue to the purchaser of the Apartment (the "Buyer") a limited warranty relating to the construction of the Apartment as more particularly set forth in the Limited Warranty section of the Homeowner Manual provided by the Developer to the Buyer upon acceptance of the Purchase Agreement by the Developer. The coverage of this limited warranty shall begin on the date of closing and, except for any exceptions expressly stated in the Homeowner Manual, the coverage of the limited warranty shall expire one (1) year from the date of closing.

2. Appliances.

It is the Developer's intention that the closing of the purchase of an Apartment in the Project shall effectuate an assignment by the Developer to the Buyer, for the unexpired term, if any, of any manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances that are part of the Apartment. It is the Developer's intention, in so attempting to assign such warranties, to pass through to the Buyer any such manufacturer's or dealer's warranties; the Developer will not adopt any such warranties or act as co-warrantor with respect to any furnishings, fixtures or appliances. The terms of the manufacturer's or dealer's written warranties will be available for the Buyer's examination at the Developer's sales office.

Except for the agreements set forth hereinabove, THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO ANY APARTMENT, THE PROJECT, ANY CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED IN ANY APARTMENT OR IN THE PROJECT, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS OF ANY APARTMENT FOR A PARTICULAR PURPOSE.

EXHIBIT I

KA MILO AT MAUNA LANI - MONTHLY OPERATING BUDGET
(Costs to be Apportioned on a Pro Rata Basis)

Utilities

Electricity	\$4,583
Sewer	\$6,302
Water	\$12,500
Refuse	\$1,370
Telephone(entry)	\$42

subtotal Utilities	\$24,797
	=====

Repairs & Maintenance

Building Maint	\$3,750
Building Supplies	\$833
Landscaping	\$25,000
Pest Control	\$833

subtotal R&M	\$30,417
	=====

General and Administrative

Insurance	\$8,333
Master Association Dues	\$15,344
Management Fee	\$2,740
Data and Accounting	\$1,370
Audit and Taxes	\$367
Payroll and Benefits	\$14,583

subtotal G&A	\$42,737
	=====

Reserve \$16,440

TOTAL PROJECT EXPENSES \$114,391

PHASE 3 PRO RATA SHARE OF PROJECT EXPENSES:

\$114,391 x 31.775% = **\$36,348**

RESORT VILLAGE CENTER
(Costs to be shared 50/50 with the AOA Kulalani)

Utilities

Electricity	3,333
Gas Propane	167
Refuse	0
Water	6,667
Sewer	333

subtotal Utilities	10500
	=====

Repairs and Maintenance

Pool and Pool Pavillion	4,928
Maint Supplies	250
Entry Gate	83
Pool Supplies	1,000
Landscaping	1,667
Pest Control	167

subtotal R & M	8094
	=====

General & Administrative

Audit and Taxes	417
Management & Acctg	2,630
Insurance	300
Legal	167
Concierge	5,256

subtotal G & A	8769
	=====

RESERVE	4,167
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Total Expenses	31530
	=====

AOAO Ka Milo at Mauna Lani's Share:	$\$ 31,530 \times 50\% =$	\$15,765
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Phase 3 Pro Rata Share:	$\$15,765 \times 31.775\% =$	\$5,009
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EXHIBIT I

ESTIMATED INITIAL MONTHLY MAINTENANCE FEES

As of June 26, 2006

Apt. No.	Apt. Type	BR/Bath	Net Total Area (SF)	% Common Interest	Est. Init. Mo. Maint. Fees [▲]
18	3R	3/3.0	3451	0.758%	986.58
19	3R	3/3.0	3451	0.758%	986.58
20	3	3/3.0	3451	0.758%	986.58
21	3R	3/3.0	3451	0.758%	986.58
22	3	3/3.0	3451	0.758%	986.58
23	3R	3/3.0	3451	0.758%	986.58
24	3	3/3.0	3451	0.758%	986.58
25	3R	3/3.0	3451	0.758%	986.58
26	3R	3/3.0	3451	0.758%	986.58
27	3	3/3.0	3451	0.758%	986.58
28	1R	3/3.5	3176	0.697%	907.19
29	2	4/4.5	3529	0.774%	1,007.41
30	1	3/3.5	3176	0.697%	907.19
31	1R	3/3.5	3176	0.697%	907.19
32	2	4/4.5	3529	0.774%	1,007.41
33	2	4/4.5	3529	0.774%	1,007.41
34	2	4/4.5	3529	0.774%	1,007.41
58-1	4	3/3.5	3781	0.830%	1,080.29
58-2	4R	3/3.5	3781	0.830%	1,080.29
59-1	5	3/3.0	2599	0.571%	743.19
59-2	5R	3/3.0	2599	0.571%	743.19
60-1	6	4/4.0	3208	0.705%	917.60
60-2	6R	4/4.0	3208	0.705%	917.60
61-1	6	4/4.0	3208	0.705%	917.60
61-2	6R	4/4.0	3208	0.705%	917.60
62-1	4	3/3.5	3781	0.830%	1,080.29
62-2	4R	3/3.5	3781	0.830%	1,080.29
63-1	4	3/3.5	3781	0.830%	1,080.29
63-2	4R	3/3.5	3781	0.830%	1,080.29
64-1	4	3/3.5	3781	0.830%	1,080.29
64-2	4R	3/3.5	3781	0.830%	1,080.29
65-1	4	3/3.5	3781	0.830%	1,080.29
65-2	4R	3/3.5	3781	0.830%	1,080.29
66-1	4	3/3.5	3781	0.830%	1,080.29
66-2	4R	3/3.5	3781	0.830%	1,080.29
67-1	4	3/3.5	3781	0.830%	1,080.29
67-2	4R	3/3.5	3781	0.830%	1,080.29
68-1	5	3/3.0	2599	0.571%	743.19
68-2	5R	3/3.0	2599	0.571%	743.19
69-1	5	3/3.0	2599	0.571%	743.19

EXHIBIT I

ESTIMATED INITIAL MONTHLY MAINTENANCE FEES

As of June 26, 2006

69-2	5R	3/3.0	2599	0.571%	743.19
70-1	5	3/3.0	2599	0.571%	743.19
70-2	5R	3/3.0	2599	0.571%	743.19
Total: 43				31.775%	41,356.99

- Apartment Owners shall not be obligated for payment of their respective shares of the common expenses until such time as the Developer files a disclosure abstract with the Real Estate Commission of the State of Hawaii which states that after a date certain, the respective apartment owners shall be obligated to pay for their respective share of common expenses allocated to their apartments

- ▲ In accordance with Section 514A-15(b), Hawaii Revised Statutes, the Developer shall not become obligated for the payment of the share of the common expenses allocated to the Commercial Apartment until the certificate of occupancy relating to that apartment has been issued by the appropriate county agency. As stated in Section 4.5 of the Declaration, the Developer does not intend to complete construction of the Commercial Apartment and to obtain a certificate of occupancy therefor until the last phase of the Project. Therefore, the maintenance fees shall initially be allocated among the 36 residential apartments of Phase 1 of the Project, the 44 residential apartments of Phase 2 of the Project, and the 43 residential apartments of Phase 3 of the Project.

We hereby certify that the annual operating budget for the Ka Milo at Mauna Lani, Phase 3 condominium project (the "Project") and the estimates of the initial monthly maintenance fees assessable against the owner(s) of each of the apartments in the Project set forth in this Exhibit I to the Preliminary Condominium Public Report for the Project were prepared in accordance with generally accepted accounting principles.

HAWAIIANA MANAGEMENT COMPANY, LTD.

By *Emory Bush*
Name: Emory Bush
Title: President
Date: June 27, 2006

Subscribed and sworn to
before me this 27 day
of June, 2006.

[Signature]

Notary Public, State of Hawaii
Name: Annie C. Kekoolani

My commission expires: 02-16-2010

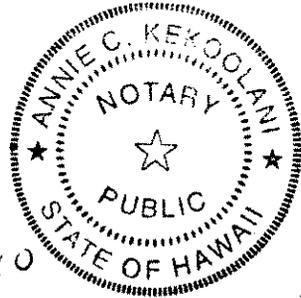


EXHIBIT J

SUMMARY OF THE SALES CONTRACT

The specimen Condominium Purchase Agreement, Deposit Receipt and Contract ("Purchase Agreement") contains, among others, the following terms and provisions (which may be modified or otherwise limited by provisions not summarized):

1. The Purchase Price shall be paid in three (3) payments, the last of which shall be paid to Escrow, subject to other terms, on the Date of Preclosing, except that mortgage proceeds from Buyer's Permanent Loan may be paid one (1) day prior to the Scheduled Closing Date.
2. The Purchase Price does not include the Project start-up fee, maintenance fees, closing costs, prorations, and additional costs payable by Buyer under the Purchase Agreement.
3. At any time prior to the effective date of the Contingent Final Condominium Public Report (or, if a Contingent Final Condominium Public Report is not issued, for the Final Condominium Public Report), Seller shall be entitled to specify in a written notice to Buyer a date within ninety (90) days after such effective date, which shall constitute the earliest date on which the Purchase Agreement shall become legally binding upon Buyer (the "Binding Date"). If Seller notifies Buyer of a Binding Date in accordance with this Section IV.2, then, notwithstanding the issuance of an effective date for the Contingent Final Condominium Public Report (or, if a Contingent Final Condominium Public Report is not issued, for the Final Condominium Public Report), in no event shall the Purchase Agreement be legally binding upon Buyer prior to such Binding Date.
4. The Purchase Agreement shall become a legally binding contract upon the last to occur of (i) Buyer's actual or deemed execution and return of the receipt for a Contingent Final Condominium Public Report, or, if a Contingent Final Condominium Public Report is not issued, the Final Condominium Public Report, and Buyer's actual or deemed waiver, or the expiration, of Buyer's right to cancel as more particularly provided in §514A-62 of the Hawaii Revised Statutes, as amended; and (ii) the Binding Date. Prior to the time the Purchase Agreement becomes a binding sales contract, the Purchase Agreement may be terminated at any time, with or without cause, at the option of either party, by written notice of such termination delivered to the other party.
5. When an effective date for the Contingent Final Condominium Public Report (or, if a Contingent Final Condominium Public Report is not issued, the Final Condominium Public Report) is issued by the Real Estate Commission, a copy of the Contingent Final Condominium Public Report (or, if a Contingent Final Condominium Public Report is not issued, the Final Condominium Public Report) will be delivered to Buyer along with a receipt for the report and a notice of right to cancel. If Buyer fails to execute and return the receipt and notice of right to cancel within thirty (30) calendar days after the delivery to Buyer of a copy of the Contingent Final Condominium Public Report (or, if a Contingent Final Condominium Public Report is not issued, the Final Condominium Public Report), then Seller may at its sole option terminate the Purchase Agreement. Upon such termination, Seller shall cause Escrow to refund to Buyer all payments previously made by Buyer, with interest to the extent described in summary item 12 hereinbelow and less Escrow's cancellation fee, and Seller shall have no further liability under the Purchase Agreement.
6. Buyer has received a copy of the public report(s) for the Project, form of Apartment Deed, and Escrow Agreement, and Buyer acknowledges that Buyer has received a copy of and had a reasonable opportunity to read the Declaration, Bylaws, House Rules, form of Apartment Deed

and Escrow Agreement and to examine the Project plans and specifications, and the Declaration of Covenants and Restrictions for the Mauna Lani Resort Association and amendments thereto, and Buyer accepts such documents and plans with such changes and modifications as the Project architect may deem necessary.

7. Within thirty (30) days after the date Seller accepts the Purchase Agreement, Buyer must submit to Seller a Qualification Letter in form and content acceptable to Seller from the Qualification Agent, confirming Buyer's ability to pay the Purchase Price.
8. If Buyer shall have applied for a Qualification Letter and diligently pursued such application, and Buyer does not obtain a Qualification Letter in form and content acceptable to Seller (in Seller's sole discretion) within thirty (30) calendar days of Seller's acceptance of the Purchase Agreement, then Seller or Buyer shall have the right and option to terminate the Purchase Agreement and upon such termination, Escrow shall refund to Buyer all monies previously paid by Buyer, with interest to the extent provided in the Purchase Agreement, less Escrow's cancellation fee and any other actual expenses incurred by reason of Buyer having signed the Purchase Agreement.
9. If Buyer will be utilizing mortgage financing to pay a portion of the Purchase Price, then Buyer shall be solely responsible for applying for and obtaining the Buyer's Permanent Loan from the Qualification Agent or Buyer's Permanent Lender. All financing and the terms and conditions thereof, shall be a matter of concern solely between Buyer and the Qualification Agent or Buyer's Permanent Lender and shall not affect the rights or obligations of Seller or Buyer. The sale and purchase of the Apartment shall not be contingent upon Buyer's ability to retain the interest rate quoted at the time of approval of the Qualification Letter or Buyer's Permanent Loan. Buyer shall be solely responsible for any loan fees or other charges payable to Buyer's Permanent Lender in processing, issuing or canceling Buyer's Permanent Loan.
10. If Buyer will be paying the entire Purchase Price in cash and Seller so requires, then no later than thirty (30) days, and no earlier than ninety (90) days prior to the Scheduled Closing Date, Buyer must submit to Seller written evidence from Buyer's bankers or accountants or other persons reconfirming Buyer's ability to pay the Purchase Price in cash on the Date of Closing. If Seller, in its sole discretion, is not satisfied as to Buyer's continued ability to make such cash payments, then Buyer shall be in default under the Purchase Agreement.
11. All payments made by Buyer under the Purchase Agreement will be deposited with Escrow under the terms of the Escrow Agreement.
12. All interest earned on Purchaser's deposits shall accrue to the credit of and shall be paid to Seller unless Purchaser instructs Escrow in writing to establish a separate interest-bearing account on Purchaser's behalf, pays the processing fee charged by Escrow and complies with all other requirements of Escrow. Except in the event of a default by Buyer (in which case the default provisions summarized hereinbelow shall govern), all interest earned from such account(s) from the date of Seller's acceptance of the Purchase Agreement shall be credited to Buyer's account; provided that no interest shall be credited to Buyer for the period prior to Seller's acceptance of the Purchase Agreement. Any interest earned on funds in escrow which is not required by the terms of the Purchase Agreement to be credited to the account of Buyer shall be paid to Seller.
13. After the Real Estate Commission's issuance of an effective date for a Final Public Report, Payments A, B and C under the Purchase Agreement may be disbursed by Escrow subject to the terms of the Escrow Agreement prior to the date of completion of the Project as permitted by §514A-40(a)(6) and §514A-67, Hawaii Revised Statutes, as amended, to pay for the costs of constructing the Project.

14. Seller has reserved the right to make certain modifications to the Declaration, By-Laws, House Rules, Condominium Map, form of Apartment Deed, and other documents as may be required by law, any title insurance company, any institutional mortgagee, or any governmental agency, or as Seller otherwise deems appropriate; provided that no such modification shall (i) materially increase Buyer's share of common expenses without Buyer's consent; or (ii) reduce the obligations of Seller for common expenses on unsold apartments; or (iii) require a substantial physical change of the Apartment or of the building in which the Apartment is located.
15. Seller has reserved the right to require alterations of the Project (and to modify any of such documents accordingly) to change the configuration of, to alter the number of rooms of, to decrease or increase the size of, or to change the location of any other apartment and/or parking area, and to make other minor changes in the Apartment, any of the other apartments or the common elements of the Project.
16. Any model shown to Buyer is displayed only for illustration and Seller shall not be required to deliver the Apartment in exact accordance with any model. None of the appurtenances and furnishings shown in any model is included in the Purchase Agreement, unless Seller agrees in writing to deliver the same for part of the Purchase Price. The usable or living area, location and configuration of the Apartment and all improvements of the Project may fluctuate from that shown or displayed to Buyer in any drawings, plans, topographic maps or models when Seller finally places final improvements. The location, size, height and composition of all improvements to be constructed as a part of the Project or adjacent thereto shall be determined by Seller in its sole and absolute discretion. Despite models or drawings displayed to Buyer, Seller has made no representations, warranties or assurances to Buyer regarding the size, height, location or composition of any improvement to be constructed on or adjacent to the Project. Seller may substitute the materials, appliances and other items in the Apartment and on the Project with materials, appliances and other items of substantially equal quality and utility, without adjustment to the Purchase Price. If Seller is unable to complete or install in the Apartment any optional item, decorator item, fixture, furnishing or other improvement, and such failure is caused by circumstances beyond Seller's reasonable control, the Close of Escrow shall not be delayed so long as occupancy of the Apartment is approved by the applicable governmental authority.
17. If Seller offers color selections for the standard appliances or any other standard items in the Apartment, then Buyer shall make such selections within five (5) business days after receipt of written notice from Seller or Seller's agent requiring Buyer to make such selections. If Buyer fails to make such selections within the allotted time period, Seller shall be authorized to make the color selections on behalf of Buyer. If any of the color selections become unavailable for any reason, Buyer shall select, within five (5) business days after notice thereof, another color selection from the alternative choices offered by Seller, or Seller shall be authorized to make such selection on behalf of Buyer. The unavailability of any original color selection shall have no effect on Buyer's obligations hereunder and shall not in any way constitute grounds for any claim whatsoever against Seller.
18. Buyer acknowledges the conditions pertaining to the Project set forth in Exhibit 1 attached hereto.
19. BUYER INTENTIONALLY WAIVES, RELINQUISHES AND SUBORDINATES THE PRIORITY OR SUPERIORITY OF ANY LIEN OR OTHER LEGAL OR EQUITABLE INTEREST ARISING UNDER THE PURCHASE AGREEMENT IN FAVOR OF THE LIEN OR CHARGE ON THE PROJECT OR THE SECURITY INTERESTS OF SELLER'S LENDER, INCLUDING BUT NOT LIMITED TO ANY LIEN, MORTGAGE OR OTHER CHARGE SECURING A LOAN MADE TO FINANCE THE ACQUISITION OF THE LAND AND THE COSTS OF CONSTRUCTION AND OTHER COSTS DURING SUCH CONSTRUCTION AND ANY AND ALL ADVANCES THEREFOR, WHETHER CONTRACTUAL OR VOLUNTARY, UNTIL THE FINAL CLOSING AND DELIVERY BY SELLER OF AN APARTMENT DEED TO BUYER.

20. Buyer consents to Seller's assignment to Lender, as security, of Seller's interests in the Purchase Agreement and Buyer's deposits with Escrow. In the event Lender acquires Seller's interest in the Purchase Agreement pursuant to said assignment, Buyer shall, at Lender's option, perform to, attorn to, and recognize Lender as the Seller under the Purchase Agreement.
21. Seller unconditionally covenants and agrees that construction of the Apartment shall be completed within two (2) years of the date that the Purchase Agreement becomes a binding contract between Buyer and Seller; provided, however that said two (2) year period shall be extended for any period of time during which Seller is actually and necessarily delayed in completing construction of the Apartment if said delay is due to fire, earthquake, acts of God, the elements, war or civil disturbance, strikes or other disturbances, government legislation or controls, or economic controls making it impossible to obtain the necessary labor or materials, or other matters or conditions legally supportable under Hawaii as being beyond the control of Seller and which cause completion of construction of the Apartment within said two (2) year period to be impossible.
22. Seller reserves the right to exercise all of the powers as a member of the Condominium Association as to all unsold apartments in the Project. So long as Seller owns an interest in any Apartment in the Project, and until the election of the Board of Directors and officers of the Condominium Association, Seller may exercise all of the powers of the Board of Directors and officers.
23. The estimates of monthly maintenance charges and assessments for the Apartment as shown in the condominium public report(s) for the Project are not intended to be and do not constitute any representation or warranty by Seller.
24. Neither Seller nor any of its representatives has made any representation or reference as to rental of the Apartment, income from the Apartment or any other economic benefit to be derived from the rental of the Apartment, including, but not limited to, any reference or representation to the effect that Seller or any affiliate of Seller will provide, directly or indirectly, any services relating to the rental of the Apartment.
25. Until Seller has closed out the sale of all the apartments in the Project or until December 31, 2025, whichever shall first occur, Buyer will not enter into any "rental pool" or similar agreement with any purchaser, lessee or owner of another apartment in the Project and/or any third party under which Buyer agrees to share expenses and/or rentals of apartments in the Project unless specifically agreed to in writing by Seller.
26. After the Purchase Agreement has become a binding contract, Buyer shall have the right to rescind the Purchase Agreement only if there is a material change in the Project which directly, substantially and adversely affects the use or value of (i) the Apartment or appurtenant limited common elements, or (ii) amenities of the Project available for Buyer's use.
27. Upon the Closing of the purchase of the Apartment, Seller shall issue to Buyer a Limited Warranty relating to the construction of the Apartment as more particularly set forth in the Limited Warranty Section of the Homeowner Manual provided by Seller to Buyer upon acceptance of this Agreement by Seller. Except for any exceptions expressly stated in the Homeowner Manual, the coverage of the Limited Warranty expires one year from the Date of Closing. Upon the closing of the sale of the Apartment, any manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances that are part of the Apartment shall be assigned by Seller to Buyer for their respective unexpired terms, if any. Seller is merely attempting to pass through to Buyer any such manufacturer's or dealer's warranties; Seller is not adopting any such warranties or acting as co-warrantor with respect to any furnishings, fixtures or appliances.

28. Chapter 672E of the Hawaii Revised Statutes contains important requirements Buyer must follow before Buyer can file a lawsuit or other action for defective construction against the contractor who designed, repaired, or constructed the Apartment or Project. Ninety days before Buyer can file a lawsuit or other action against the contractor, Buyer must serve on the contractor a written notice of any construction conditions Buyer alleges are defective. Under the law, a contractor has the opportunity to make an offer to repair and/or pay for the defects. Buyer is not obligated to accept any offer made by a contractor. There are strict deadlines and procedures under the law, and failure to follow them may negatively affect Buyer's ability to file a lawsuit or other action.
29. Seller makes no warranties with respect to the Apartment, the Project, any consumer products or anything else installed in the Apartment or in the Project, including but not limited to any implied warranty of merchantability, habitability, workmanlike construction or fitness of the Apartment for a particular purpose.
30. If Buyer is purchasing the apartment pursuant to Part VI of the Condominium Property Regime Act, Hawaii Revised Statutes § 514A-101 et seq., governing sales to prospective owner-occupants, then Buyer may not sell or offer to sell, lease or offer to lease, rent or offer to rent, assign or offer to assign, convey or otherwise transfer any interest in the Apartment until at least three hundred sixty five (365) consecutive calendar days have elapsed since the recordation of the Apartment Deed. At any time after obtaining Buyer's Permanent Loan, or a firm written commitment for Buyer's Permanent Loan, up until the expiration of the Owner-Occupant Affidavit executed by Buyer pursuant to § 514A-104.5, Hawaii Revised Statutes, Buyer shall notify the Commission immediately upon any decision to cease being an owner-occupant of the Apartment.
31. The Date of Occupancy shall be the date upon which the Architect certifies that the Apartment is ready for occupancy. If the Purchase Agreement is accepted by Seller more than forty-five (45) calendar days prior to the Date of Occupancy, then the Scheduled Date of Closing shall be a date within thirty (30) calendar days after the Date of Occupancy as specified by Seller in a written notice to Buyer; otherwise, the Scheduled Closing Date shall be a date mutually acceptable to Buyer and Seller, but in no event more than sixty (60) calendar days after Seller has accepted the Purchase Agreement.
32. The Date of Preclosing shall be the date on or about thirty (30) calendar days prior to the Scheduled Closing Date, as specified by Seller in a written notice to Buyer. On the Date of Preclosing, Buyer shall pay into Escrow all sums due from Buyer at closing, including, without limitation, the title insurance premium, the escrow fee, recording fees and applicable conveyance taxes, but excluding only Buyer's Permanent Loan proceeds, if applicable.
33. Buyer or its agent shall inspect the Apartment and will sign an inspection sheet to be furnished by Seller or the contractor, or Buyer will appoint the inspecting architect or engineer for the Project, or Seller or any agent of Seller to inspect the Apartment and execute the inspection sheet on behalf of Buyer. Buyer agrees to accept possession of the Apartment despite the existence of damages and defects as long as Seller agrees to repair such defects or damage within a reasonable time. Buyer agrees to indemnify Seller for any damages or losses resulting from any wrongful refusal to accept possession of the Apartment.
34. Time is of the essence of the obligations of Buyer under the Purchase Agreement.
35. Risk of loss to the Apartment shall be borne by Seller until the Date of Closing.
36. Buyer shall be in default under the Purchase Agreement if (i) Buyer fails to make a payment when due; or (ii) Buyer fails to furnish to Qualification Agent an application for a Qualification Letter and

such additional information and documents as Qualification requires; or (iii) Buyer fails to furnish to Seller the Qualification Letter within the time period specified therein; or (iv) Buyer fails to execute and return the receipt and notice of right to cancel in connection with Buyer's receipt of a copy of the Contingent Final Condominium Public Report (or, if a Contingent Final Condominium Public Report is not issued, the Final Condominium Public Report) within the time period specified in Section IV., Paragraph 2 of the Purchase Agreement; or (v) Buyer fails to act in good faith in accordance with, or otherwise comply with, any of the requirements for mortgage financing set forth in the Purchase Agreement; or (vi) if Buyer will be paying the entire Purchase Price in cash and Buyer fails to submit to Seller written evidence from Buyer's bankers or accountants or other persons reconfirming Buyer's ability to pay the Purchase Price in cash on the Date of Closing no later than sixty (60) days, and no earlier than ninety (90) days prior to the Scheduled Closing Date; or (vii) Buyer violates the provisions of Section 10 of the Purchase Agreement; or (viii) Buyer fails to perform any other obligation required under the Purchase Agreement and such failure continues for fifteen (15) days after Seller gives written notice to Buyer of such failure.

37. In the event of any default under the Purchase Agreement by Buyer which occurs before the Purchase Agreement becomes a binding contract, Seller can terminate the Purchase Agreement by written notice to Buyer, and (a) all moneys paid under the Purchase Agreement shall be refunded or the check returned to Buyer, with interest to as and to the extent provided and described in summary item 12 hereinabove, less any cancellation fee imposed by Escrow and any other actual expenses incurred by reason of Buyer having signed the Purchase Agreement; and (b) all costs, including reasonable attorneys' fees, incurred by reason of the default by Buyer shall be paid by Buyer promptly upon Seller's demand therefor. In the event of any default under the Purchase Agreement by Buyer which occurs after the Purchase Agreement becomes a legally binding contract, (i) Seller can terminate the Purchase Agreement and thereupon, at Seller's option, all sums previously paid by Buyer under the Purchase Agreement, together with all accrued interest thereon, shall belong to Seller as liquidated damages. If Seller does not elect to retain as liquidated damages the sums previously paid by Buyer under the Purchase Agreement, then Seller may pursue any other remedies permitted at law or in equity, including, but not limited to, specific performance.
38. Seller shall be in default under the Purchase Agreement if (i) Seller fails to complete or cause completion of construction of the Apartment within two (2) years of the date that the Purchase Agreement becomes a legally binding contract (provided that said two (2) year period shall be extended for any period of time during which Seller is actually and necessarily delayed in completing construction of the Apartment due to fire, earthquake, acts of God, the elements, war or civil disturbance, strikes or other disturbances, government legislation or controls, economic controls making it impossible to obtain the necessary labor or materials, or other matters or conditions legally supportable under Hawaii law as being beyond the control of Seller); or (ii) Seller fails to perform any other obligation required under the Purchase Agreement and such failure continues for fifteen (15) days after Buyer gives written notice to Seller of such failure.
39. In the event of any default by Seller which occurs before the Purchase Agreement becomes a binding contract, Buyer can terminate the Purchase Agreement by written notice to Seller, and (i) all moneys paid under the Purchase Agreement by Buyer shall be refunded or the check returned to Buyer, with interest as and to the extent described provided in summary item 12 hereinabove, less any cancellation fee imposed by Escrow and any other actual expenses incurred by reason of Buyer having signed the Purchase Agreement; and (ii) upon Buyer's demand therefor, Seller shall promptly pay all costs, including reasonable attorneys' fees, incurred by reason of the default by Seller. In the event of any default by Seller which occurs after the Purchase Agreement becomes a binding contract, Buyer can (i) cancel and terminate the Purchase Agreement by written notice to Seller, and receive (x) from Escrow a full refund of all moneys paid

by Buyer under the Purchase Agreement, together with interest as and to the extent described summary item 12 hereinabove (less any cancellation fee imposed by Escrow), and (y) all costs, including reasonable attorneys' fees, incurred by Buyer by reason of the default by Seller, or (ii) file suit against Seller for the actual damages suffered by Buyer as a result of Seller's default under the Purchase Agreement, or (iii) pursue any other remedies permitted at law or in equity, including, but not limited to, seeking specific performance of the Purchase Agreement.

Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings given them under the Purchase Agreement.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS-CONTAINED IN THE PURCHASE AGREEMENT. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF BUYER'S RIGHTS AND OBLIGATIONS UNDER THE PURCHASE AGREEMENT, BUYER MUST REFER TO THE PURCHASE AGREEMENT TO DETERMINE BUYER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE PURCHASE AGREEMENT, THE PURCHASE AGREEMENT WILL CONTROL.

EXHIBIT 1

CONDITIONS ACKNOWLEDGED BY BUYER

1. Master Association Declaration. The conditions imposed by the Master Association Declaration shall run with the Land and shall bind and constitute notice to all subsequent lessees, grantees, assignees, mortgagees, lienors, and any other persons who shall claim an interest in the Land, and the Mauna Lani Resort Association (the "Resort Association") shall have the right to enforce the Declaration of Covenants by appropriate action at law or suit in equity against all such persons. In accordance with the Master Association Declaration, the Association of Apartment Owners of Ka Milo at Mauna Lani Resort (the "Condominium Association") shall be jointly and severally obligated with the owners of apartments in the Project for assessments levied against the such apartments under the Master Association Declaration (the "Resort Association Assessments") and may be assessed for the cost of improvements made in the vicinity of the Project. Buyer shall be responsible for and shall pay its prorated share of any such Resort Association Assessments based on Buyer's common interest in the Project as a part of the common expenses of the Project and shall be liable for Buyer's pro rata share of any amounts of the Resort Association Assessments not paid by the Condominium Association.
2. Development of Project in Phases. Seller intends to develop the Project in stages. Each stage is called a "phase" or "increment". Each phase may include Apartments and other Improvements. This is the third phase of the Project and Seller has no and does not undertake any obligation to build any phase beyond Phase 1 through 3 of the Project. Seller may develop and construct the phases in any order that Seller wishes and may alter, modify, reduce, consolidate or further divide the currently proposed phases of the Project.
3. Seller's Reserved Rights to Create New Apartments, Create New Improvements, Convert Common Elements, and Designate Limited Common Elements. Seller has reserved the right under the Declaration to develop and construct New Apartments and New Improvements, including, without limitation, a recreation center that may be located on a portion of the Land and a portion of the land underlying the Kulalani at Mauna Lani condominium project ("Kulalani") established by that certain Declaration of Condominium Property Regime of Kulalani at Mauna Lani recorded in the Bureau as Document No. 2005-194154 (the "Shared Recreation Center") on the Land, including the Undeveloped Land Area, convert the use of Common Elements and designate Limited Common Elements as Seller deems appropriate and as may permitted or otherwise approved by any appropriate governmental authorities, all as set forth in Paragraphs 19 and 20 of the Declaration. The development, construction and sale of the New Apartments and New Improvements, conversion of Common Elements and/or designation of Limited Common Elements may result in the creation of dust, noise, vibrations and other nuisances. Seller has expressly reserved the right, at its sole option and discretion, at any time and from time to time up to but not later than December 31, 2025, to exercise any of these reserved rights. Seller has also expressly reserved the right and an easement to enter upon and use the Common Elements of the Project and do all things reasonably necessary, desirable or useful, for the purposes of designing, developing, constructing and completing the New Apartment(s) and New Limited Common Elements, connecting the New Apartments and New Improvements to the Project, providing access for the New Apartments and New Improvements through the Common Elements of the Project to any public roadways, connecting the New Apartments and New Improvements to the utility installations of the Project, and selling the apartments in the New Apartments and New Improvements, and the right in the nature of an easement over and upon the Project to create and cause dust, noise, vibration and other nuisance created by and resulting from any work connected with or incidental to the development, construction and sale of the New Apartments or New Improvements.

4. Seller's Reserved Rights to Execute Documents Governing the Shared Recreation Center. Seller has reserved the right, on behalf of the Condominium Association and at any time or times prior to the earlier of December 31, 2025 or the date when Seller records a document giving up all of Seller's reserved rights, to establish, enter into and amend agreements with the Association of Apartment Owners of Kulalani at Mauna Lani (the "Kulalani Association") or the developer of Kulalani, on behalf of the Kulalani Association (the "Shared Recreation Center Documents"), governing the use, maintenance and management of the Shared Recreation Center and establishing an association comprised of the members of the Condominium Association and the Kulalani Association, which association shall be charged with carrying out the terms and provisions of the Shared Recreation Center Documents, including without limitation the establishment of a budget and collection of assessments in connection with the use, maintenance and management of the Shared Recreation Center.
5. Seller's Reserved Right to Withdraw Portions of the Land. Seller has reserved the right to subdivide the Land of the Project, and to withdraw and delete from the Project and from the condominium property regime all or any part of the areas designated on the Condominium Map from time to time as "Undeveloped Land Area."
6. Seller's Easement for Sales Activities. Under the terms of the Declaration, Seller and its representatives, licensees, and invitees have the right and an easement to conduct extensive sales activities on the Common Elements (including, but not limited to, the Limited Common Elements) and from any Apartment owned or leased by Seller. This right includes, but it is not limited to, the right: (a) to permit purchasers and prospective purchasers and their family members and guests, to come onto the Project through the Common Elements intended for access to and from any nearby roads, streets or highways; (b) to permit purchasers and prospective purchasers to park motor vehicles in any unassigned parking stalls; (c) to show the Project (including, but not limited to, model Apartments) to purchasers and prospective purchasers (who will have a right of ingress and egress for these purposes); (d) to use Apartments owned or leased by Seller as model Apartments, sales, management, and/or administrative offices; and (e) to use banners, signs or other extensive sales displays and activities at the Project. This easement applies to activities conducted in connection with the initial sale of any Apartment in the Project. Buyer understands, acknowledges and accepts that these easements and the use of them may result in increased traffic, noise, and related inconveniences. Buyer gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions Buyer may have, now or in the future, against Seller and its representatives, licensees, invitees, successors and assigns and arising from or with respect to the exercise of this easement.
7. Seller's Easement for Noise, Dust, Etc. Seller and its representatives, licensees, and invitees, have an easement over, under and upon the Project and all of its parts, to create and cause noise, dust, soot, smoke, odors, surface water runoff, vibrations, and other nuisances or hazards in connection with (a) the exercise of the easements Seller has reserved under the Declaration, or (b) the exercise of the Seller's reserved rights or any other rights of Seller as described in the Declaration. Buyer (i) understands, acknowledges and accepts that these activities may result in noise, dust, soot, smoke, odors, surface water runoff, vibrations and other nuisances and hazards, (ii) consents to this activity, and (iii) gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions that Buyer may have, now or in the future, against Seller and/or its representatives, licensees, invitees, successors and assigns with respect to such easement. Buyer shall assume the risk of any property damage, personal injury or loss in property value which may arise out of or from these activities.
8. Seller's Easements for Access. Seller and its representatives, licensees, invitees (including any governmental officials that Seller may invite), successors and assigns, have reserved under the Declaration an easement over, under and upon the Project, including the Common Elements,

Limited Common Elements, and any Apartment, as may be reasonably necessary or convenient to complete any Improvements and to correct any defects and other punchlist items in the Common Elements or any Apartment or to the exercise of any of the other Seller's Reserved Rights under the Declaration. The easement to complete Improvements or correct defects or punchlist items terminates sixty (60) months after the later to occur of (i) the filing/recording date of the first deed for an Apartment in the Project; or (ii) the "date of completion" (as the term is used in Chapter 507, Part II, Hawaii Revised Statutes) of the Improvement to be completed or corrected.

9. Seller's Reserved Right to Utilize Common Elements. Seller reserves the right, for itself, its representatives, licensees and invitees, to utilize the Common Elements for ingress and egress, for the exercise of any of Seller's reserved rights under the Declaration, for access to parking spaces and model apartments within the Project, and in order to show the Common Elements to prospective purchasers.
10. Seller's Reserved Right to Grant Easements. Seller reserves the right to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across or through the Common Elements as necessary or convenient to the exercise of any of Seller's reserved rights under the Declaration, or for any reasonable purpose, which easements may include, but will not be limited to, easements in favor of the Kulalani Association for (a) roadway access to the land underlying Kulalani, (b) utility purposes, and (c) access to and use of the portion of the Shared Recreation Center located on the Land, and easements or rights-of-way in favor of any public or governmental authority or utility company which do not materially and adversely interfere with the use, nor materially and adversely impair the value, of the Project or any apartment in it, over, across, under and through the Common Elements for lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, drainage and other public services and utilities, and rights to enter for the purpose of installing, repairing, altering and removing such lines and facilities and of trimming any trees in the way thereof.
11. Changes in Price, Size and Design. Seller has made no promises, representations or assurances to Buyer regarding the pricing, size, design or configuration of any apartments in the Project other than the Apartment, and Buyer acknowledges that as market conditions or other facts change, such matters may be subject to change, including reduction in prices of such other apartments in the Project or sales incentives offered in connection therewith, and changes in size, design or product type of such other apartments in the Project.
12. View Impairment. Neither Seller nor any of its authorized agents, representatives or employees has made any representations, warranties or promises concerning any view, present or future, that may be enjoyed from all or any portion of the Apartment or the Project. The views from the Apartment or Project may change, be affected or obstructed by (i) construction or installation of buildings, improvements, structures, walls and/or landscaping by Seller or owners of property outside the Project and/or (ii) the growth of trees, landscaping and/or vegetation within or outside the Project. The Declaration does not contain any provisions intended to protect the view from any apartment or any other portion of the Project.
13. Noise; Traffic. Noise, dust, vibrations, and/or traffic in the vicinity of the Project may increase if and when any structures are constructed on lands adjacent to or in the vicinity of the Project. Buyer and every other person who has any interest in the Project or who has the right to use the Project or any part of it gives up (in legal terms, "waives, releases and discharges") any rights, claims or actions that such person may have, now or in the future, against Seller and its representatives, licensees, successors and assigns, and arising directly or indirectly out of or from such obstruction of views, additional noise, dust, vibrations, and/or additional traffic by reason of such further development.

14. Golf Hazards. The Project is adjacent to the North Course of the Mauna Lani Resort Francis H. I'i Brown Golf Course. The maintenance, operation and use of said golf course may result in nuisances or hazards to persons or property on or about the premises conveyed hereby, including without limitation stray golfballs, agricultural chemicals, particulates and the use of non-potable water systems.
15. Mauna Lani Resort. The Project is located in the vicinity of the Mauna Lani Resort. Resort-related activities such as golf tournaments, concerts and luaus may result in further nuisances to persons or property on or about the Project.
16. Private Refuse Collection. Refuse collection for the Project will be provided through a private refuse collection firm. All collection fees charged by such refuse collection firm shall be common expenses of the Condominium Association and be included in the Condominium Association's monthly maintenance fees.
17. Environmental Issues – Mold. Mold is a type of fungus that occurs naturally in the environment and is spread by means of microscopic spores in the air. Residential home construction is not, and cannot be, designed to exclude mold spores from a home. Mold spores may enter a home through open doorways, windows, and air conditioning systems. Spores in the air also attach themselves to people and animals, making clothes, shoes, and pets convenient vehicles for carrying mold spores indoors. Mold spores require a food source and a moisture source. The food source may be supplied by decorative items found in the home, such as fabric, carpet, wallpaper, or even building materials. Moisture sources include spills, leaks, overflows, condensation, excessive landscape watering and high humidity. Although the vast majority of molds are not known to cause health problems, some molds have the potential to cause health effects to individuals whose susceptibility is affected by existing sensitivities to allergies, underlying lung disease, and suppressed immune systems. There are currently no federal, state, or local standards that establish permissible limits for exposure to mold. Since microscopic mold spores exist everywhere naturally in the environment, mold cannot be prevented or removed entirely. The only way to prevent mold growth is to eliminate excessive moisture in the home. Homeowners must therefore take positive steps to eliminate excessive moisture in the home through: (a) regular vacuuming and cleaning; (b) reducing humidity in the home by adequately venting the home; (c) promptly repairing water leaks; (d) regularly maintaining the home; and (e) performing routine visual inspections for mold growth and signs of leaks, moisture or water damage. Seller can not ensure that mold and mold spores will not be present in the Project. Accordingly, the Seller shall not be liable for any actual, special, incidental or consequential damages based on any legal theory whatsoever, including, but not limited to, strict liability, breach of express or implied warranty, negligence or any other legal theory, with respect to the presence and/or existence of molds, mildew and/or microscopic spores at the Project unless caused by the sole negligence or willful misconduct of Seller.
18. Metal Work Disclosure. Exterior metal work finish is severely impacted by salt air conditions. Notwithstanding anything in this Agreement to the contrary, no warranty is given for such finishes and Seller makes no representations regarding rust prevention maintenance requirements. Aggressive action to prevent rust is required by Buyer or the Condominium Association. Metal work includes railings, hinges, gate mechanisms, if any, etc. All metal work may corrode, have pock marks, peel, rust or, in the case of painted metal materials, bubble and peel. Vinyl coated metal work may peel due to salt air conditions, which will require replacement more frequently than normally expected.
19. Security. Seller has the right, but not the duty to take steps designed to make the Project safer than it otherwise might be. Seller and each of its representatives are not in any way to be considered insurers or guarantors of safety or security within the Project, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate or effective safety or

security measures. Seller makes no representation or warranty that any fire protection, burglar alarm, or other safety or security system or measures, including anything intended to limit access to the Project, (i) will be effective in all cases and cannot be compromised or circumvented; (ii) will prevent all losses; (iii) will limit access to the Project; or (iv) will provide the detection or protection which it is designed or intended to provide. Each person using the Project assumes all risks of personal injury, death, or loss or damage to property resulting from the acts of third parties.

20. Tax and Insurance Estimates. Any sum estimated for taxes or insurance affecting the Apartment or Project may increase or decrease depending upon fluctuation of real property taxes or insurance rates.
21. School Information. Seller has made no representations, warranties or assurances to Buyer that the Project will be included within any particular school district. Buyer is responsible for determining the availability of schools and the same are subject to change by the applicable school district.
22. Time Share Restrictions. The Apartments in the Project may be used as time share units in a time share plan only to the extent permitted by applicable law and only if both Seller and Tokyu Corporation authorize or otherwise consent to that use in a recorded document.

EXHIBIT K

SUMMARY OF THE CONDOMINIUM ESCROW AGREEMENT

The Condominium Escrow Agreement ("Escrow Agreement") dated as of July 19, 2005, 2005, was made by and between Title Guaranty Escrow Services, Inc. ("Escrow Agent") and MLR GOLF PARTNERS LLC ("Developer"). The Escrow Agreement contains among other provisions the following (which may be modified or otherwise limited by provisions not summarized herein):

1. Sales Contracts Deposited in Escrow. Whenever Developer enters into a sales contract with a purchaser for the sale of an apartment in the Ka Milo at Mauna Lani condominium project (the "Project"), Developer shall deliver an executed copy of the sales contract to Escrow Agent. The sales contract shall require that all payments due thereunder be made directly to Escrow Agent to be held and disbursed in accordance with the Escrow Agreement. If the purchaser intends to purchase the apartment as an "owner-occupant" pursuant to Chapter 514A, Part VI, Hawaii Revised Statutes ("H.R.S."), said purchaser shall deliver an owner-occupant affidavit to Escrow Agent in the form and content required by H.R.S. §514A-104.5.

2. Receipt of Funds by Escrow Agent. Escrow Agent shall receive and hold in escrow and disburse in accordance with the Escrow Agreement all payments under sales contracts for apartments in the Project and all sums of money from any other source relating to the Project. Within a reasonable time after receiving any such funds, Escrow Agent shall deposit the same in an interest-bearing account or accounts at a federally insured bank, savings and loan association, or trust company authorized to do business in the State of Hawaii. Any interest earned on such deposits shall accrue as specified in the sales contract.

3. Conditions to be Met Prior to Disbursement; Disbursement of Purchasers' Funds Held In Escrow to Pay Certain Project Expenses Prior to Completion of Construction. Escrow Agent shall make no disbursement of funds deposited with it unless: (a) the Real Estate Commission has issued an effective date for a Final Condominium Public Report for the Project; (b) Developer or Developer's attorney has notified Escrow Agent that the requirements of H.R.S. §514A-62, §514A-63 and §514A-64.5 have been met; (c) Developer has given Escrow Agent a written waiver of any reserved option to cancel the sales contract; and (d) Developer has delivered to Escrow Agent a statement from Developer's architect that the Project is in compliance with the Federal Fair Housing Amendments Act of 1988. Prior to completion of construction, provided that the requirements set forth in clauses (a) through (d) of the preceding sentence have been satisfied, Escrow Agent shall disburse funds deposited with it to pay for (i) construction costs of the buildings and other improvements and fixtures of the Project, and (ii) architectural, engineering, finance and legal fees and other incidental expense of the Project to the extent approved by Developer's mortgagee.

4. Return of Funds and Documents. Escrow Agent shall return deposited sums, with interest to the extent provided in the sales contract, less Escrow Agent's cancellation fee and other costs up to a maximum of \$250.00, to a purchaser if:

(a) Developer and such purchaser instruct Escrow Agent in writing to return such funds to such purchaser; or

(b) Developer notifies Escrow Agent of Developer's exercise of the option to cancel or rescind the sales contract entered into by such purchaser pursuant to any right of cancellation or rescission provided for therein or otherwise available to Developer with respect to which, in accordance with the sales contract, Purchaser is entitled to a return of funds deposited by it with Escrow Agent; or

(c) The purchaser exercises such purchaser's right, pursuant to Section IV, Paragraph 2 of the sales contract, to cancel the sales contract entered into by such purchaser; or

(d) The purchaser exercises such purchaser's right, pursuant to HRS Section 514A-63, to rescind the sales contract entered into by such purchaser .

5. Unclaimed Funds. Escrow Agent shall notify each purchaser entitled to a return of funds by registered, certified or regular mail. If any purchaser does not claim the refund within sixty (60) days, Escrow Agent shall deposit the funds with a bank or depository selected by Escrow Agent in the name of Developer as trustee for the purchaser. Thereafter, Escrow Agent shall have no further obligation or liability with respect to such funds and purchaser.

6. Closing. Except for the sales contract and any note and mortgage, Escrow Agent shall arrange for and supervise the execution, recording, and delivery of all documents, as necessary, related to the Project.

7. Partial Closings. In the event Developer desires partial closings (i.e. closings for some but not all of the apartments), Escrow Agent agrees to cooperate and facilitate such partial closings.

8. Defects in Documents. Within five (5) business days of the date of closing, Escrow Agent shall record all documents necessary to effect the transfer of legal title to the purchaser, provided said documents are not defective in any way. If any documents are defective, Escrow Agent shall notify Developer thereof and correct such defects if they are within Escrow Agent's capacity to correct.

9. Purchaser's Default. Developer shall notify Escrow Agent when payments are due from a purchaser, who shall then be notified by Escrow Agent. Escrow Agent shall notify Developer of any defaults by a purchaser. If Developer certifies to Escrow Agent in writing that Developer has terminated the sales contract in accordance with the terms thereof, then Escrow Agent shall thereafter treat all funds of the purchaser paid on account of such sales contract as funds of Developer. Upon the written request of Developer, Escrow Agent shall pay such funds to Developer, less any cancellation fee. Thereafter, Escrow Agent shall have no further obligation or liability with respect to such funds or purchaser.

10. Protection of Escrow Agent. Escrow Agent shall have no liability for acting in accordance with the terms of the Escrow Agreement, notwithstanding a notice to the contrary from Developer, any purchaser, or any third person. Escrow Agent shall not be responsible for the validity or sufficiency of any documents received by it, shall be entitled to assume that said documents have been properly executed and that any written certification or instrument from Developer is true and accurate. In the event of any dispute, difference, or conflicting demand upon Escrow Agent, Escrow Agent shall not be required to determine the same or take any action in the premises, but may await settlement of the controversy by appropriate legal proceedings or otherwise, including the resolution of an interpleader action initiated by Escrow Agent. Developer and each purchaser shall pay to Escrow Agent on demand, and indemnify and hold harmless Escrow Agent against, all costs and damages arising out of the Escrow Agreement, except for any act or omission of Escrow Agent that is not generally accepted as a reasonable business practice. Escrow Agent shall not be required to mail any notice or keep any records required under the owner/occupant provisions of H.R.S. Chapter 514A.

11. Miscellaneous. The Escrow Agreement is binding upon and inures to the benefit of the parties hereto and their successors and assigns. The Escrow Agreement may be terminated on fifteen (15) days' written notice to either party. In the event of any conflict between the Escrow Agreement and H.R.S. Chapter 514A, the statutory provisions shall control. Escrow Agent shall furnish Developer with semi-monthly reports that cover the status of each sales contract in escrow.

12. Compensation. For each sale of an Apartment closed by Escrow Agent, Escrow Agent shall be paid an escrow fee in the amount of \$1,000.00 plus the applicable Hawaii general excise tax thereon. The premium for the standard owner's title insurance policy and ALTA lender's title insurance policy issued with respect to each Apartment shall be \$1,200.00. An additional fee of \$250.00

shall be charged to the purchaser for each mortgage loan obtained by the purchaser from a lender not designated by Developer. Should the purchaser obtain a mortgage loan from any out-of-state lender, a fee of \$500.00 shall be charged to the purchaser for such mortgage. Developer shall pay an additional charge for any changes to any closing statement or other document that are necessary after the commencement of preclosing or closing proceedings, unless said changes are necessary due to the fault of Escrow Agent.

The compensation to Escrow Agent with respect to the closing of the sale of any apartment shall be due and payable upon the earlier of : (i) transfer to a purchaser of legal title to such apartment; and (ii) final disbursement of the purchase price of such apartment and other sums held by Escrow Agent with respect hereto. Developer shall pay an additional charge for any changes to any closing statement or other document that are necessary after the commencement of preclosing or closing proceedings, unless said changes are necessary due to the fault of Escrow Agent.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE ESCROW AGREEMENT. WHILE ONE CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE ESCROW AGREEMENT, ONE MUST REFER TO THE ACTUAL ESCROW AGREEMENT TO DETERMINE THE RIGHTS AND OBLIGATIONS OF THE PARTIES. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE ESCROW AGREEMENT, THE ESCROW AGREEMENT WILL CONTROL AND NOT THIS SUMMARY.

EXHIBIT L

INFORMATION REGARDING PARTIES AFFILIATED WITH THE DEVELOPER

1. The Developer is a Hawaii limited liability company whose members are A& B MLR LLC and Brookfield MLR LLC.
 - A. Brookfield MLR LLC is a Delaware limited liability company whose member is BH/JP Hawaii Holdings LLC.
 - B. BH/JP Hawaii Holdings LLC is a Delaware limited liability company whose member is Brookfield Homes Holdings Inc.
2. Brookfield Homes Hawaii Inc., which is both the Real Estate Broker and the General Contractor for the Project, is a California corporation.
 - A. The Hawaii licensed principal broker for Brookfield Homes Hawaii Inc., as Real Estate Broker for the Project, is Elarka Yuen.
 - B. The Hawaii licensed Responsible Managing Employee for Brookfield Homes Hawaii Inc., as General Contractor for the Project, is David Murphy (Hawaii Contractor's License #25380).
3. Both Brookfield MLR LLC and Brookfield Homes Hawaii Inc. are subsidiaries of BH/JP Hawaii Holdings LLC.
4. A table showing the directors and officers of BH/JP Hawaii Holdings LLC, Brookfield MLR LLC and Brookfield Homes Hawaii Inc. is attached hereto.

**BROOKFIELD HOMES COMPANIES
DIRECTORS & OFFICERS
EFFECTIVE 4/1/05**

	BH/JP HAWAII HOLDINGS LLC	BROOKFIELD MLR LLC	BROOKFIELD HOMES HAWAII INC.
DIRECTORS:	Prostor, Jeffrey J. Whitney, Richard T. Cockwell, Ian G.	Prostor, Jeffrey J. Whitney, Richard T. Cockwell, Ian G.	Prostor, Jeffrey J. Whitney, Richard T. Cockwell, Ian G.
OFFICERS:			
President	Prostor, Jeffrey J.	Prostor, Jeffrey J.	Prostor, Jeffrey J.
CFO & VP	Crowder, Christine	Crowder, Christine	Crowder, Christine
VP		Murphy, David F.	
Secretary	Zepeda, Elizabeth	Zepeda, Elizabeth	Zepeda, Elizabeth
Asst Secretary			Seith, William B.
Asst Secretary			Whitney, Richard T.
Asst Secretary			Schnoor, R. Casey
Asst Secretary			Yuen, Elarka S.H.
Asst Secretary			Murphy, David F.