

**DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME	NOHONA KAI AT MAUNA LANI
Project Address	68-1312 North Pauoa Road, Kamuela, Hawaii 96743
Registration Number	6248
Effective Date of Report	March 9, 2007
Developer(s)	SCD MLB, LLC

Preparation of this Report

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. The law defines "material facts" to mean "any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale."

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts or all pertinent changes, or both, about the project have been fully or adequately disclosed; and (3) is not the Commission's judgment of the value or merits of the project.

This report may be used by the Developer for promotional purposes only if it is used in its entirety. No person shall advertise or represent that the Commission has approved or recommended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developer's Public Report, clearly reflecting the changes, including any omitted material facts, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

Purchasers are encouraged to read this report carefully and to seek professional advice before signing a sales contract for the purchase of a unit in the project.

Signing a sales contract may legally bind a purchaser to purchase a unit in the project, though a purchaser may have rights to cancel or rescind a sales contract under particular circumstances that may arise.

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

SPECIAL ATTENTION

[Use this page for special or significant matters which should be brought to the purchaser's attention and that are not covered elsewhere in this report.]

None.

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General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. 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 and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

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

You will be entitled to exclusive ownership and possession of your unit. Subject to the documents governing them, condominium units may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

Your unit will, however, be part of the group of units that comprise the condominium project. Study the project's Declaration of Condominium Property Regime, Bylaws of the Association of Unit Owners, Condominium Map and House Rules, if any, which are being concurrently delivered to you with this report. These documents contain important information on the use and occupancy of the units and the common elements of the project, as well as the rules and regulations of conduct for unit owners, tenants and guests.

Operation of the Condominium Project

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit 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 a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there is a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first 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 purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple	<input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	N/A	
Address of Project	68-1312 North Pauoa Road, Kamuela, Hawaii 96743	
Address of Project is expected to change because	N/A	
Tax Map Key (TMK)	(3) 6-8-022-014	
Tax Map Key is expected to change because	N/A	
Land Area	12.708 acres, more or less	
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	N/A	

1.2 Buildings and Other Improvements

Number of Buildings	39
Floors Per Building	1
Number of New Building(s)	39
Number of Converted Building(s)	0
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Estate Units - Concrete, wood, glass and stucco. Cottage Units - Concrete, wood, and glass.

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc.)	Total Area
See Exhibit A .						

39	Total Number of Units
----	------------------------------

Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.

1.4 Parking Stalls

Total Parking Stalls in the Project:	86 (includes stalls in each Unit's 2-car garage)
Number of Guest Stalls in the Project:	8
Number of Parking Stalls Assigned to Each Unit:	78 (i.e. 2-car garage)
Attach Exhibit ____ specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	
See Exhibit _H_	

1.5 Boundaries of the Units

Boundaries of the unit:
See Exhibit B.

1.6 Permitted Alterations to the Units

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project):
See Exhibit C.

1.7 Common Interest

<u>Common Interest:</u> Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit'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 unit owners. The common interest for each unit in this project, as described in Declaration, is:
Described in Exhibit <u>A</u> .
As follows:

1.8 Recreational and Other Common Facilities (Check if applicable):

<input type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input type="checkbox"/>	Recreation Area
<input type="checkbox"/>	Trash Chute/Enclosure(s)
<input type="checkbox"/>	Exercise Room
<input type="checkbox"/>	Security Gate
<input type="checkbox"/>	Playground
<input checked="" type="checkbox"/>	Other (describe): group mailbox structure

1.9 Common Elements

<p>Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.</p>	
<p>Described in Exhibit <u> D </u>.</p>	
<p>Described as follows:</p>	
Common Element	Number
Elevators	0
Stairways	0
Trash Chutes	0

1.10 Limited Common Elements

<p>Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.</p>
<p>Described in Exhibit <u> E </u>.</p>
<p>Described as follows:</p>

1.11 Special Use Restrictions

<p>The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.</p>	
<input checked="" type="checkbox"/>	Pets: Certain pets allowed, subject to the House Rules. See para. G, Exhibit F
<input type="checkbox"/>	Number of Occupants: N/A
<input checked="" type="checkbox"/>	Other: See Exhibit F.
<input type="checkbox"/>	There are no special use restrictions.

1.12 Encumbrances Against Title

<p>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 a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).</p>
<p>Exhibit <u> G </u> describes the encumbrances against title contained in the title report described below.</p>
<p>Date of the title report: February 8, 2007</p>
<p>Company that issued the title report: Island Title Corporation</p>

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning						
	Type of Use	No. of Units	Use Permitted by Zoning			Zoning
<input checked="" type="checkbox"/>	Residential	39	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		RM-3
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Mix Residential/Commercial		<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(specify)		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
Variances to zoning code have been granted.			<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
Describe any variances that have been granted to zoning code.						

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots	
<p>In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.</p> <p>If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.</p> <p>A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.</p>	

	Conforming	Non-Conforming	Illegal
Uses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lot	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:</p>
--

1.15 Conversions

<p>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</p>	<p><input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable</p>
<p>Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units:</p>	
<p>Developer's statement of the expected useful life of each item reported above:</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations:</p>	
<p>Estimated cost of curing any violations described above:</p>	

<p>Verified Statement from a County Official</p>
<p>Regarding any converted structures in the project, attached as Exhibit ____ is a verified statement signed by an appropriate county official which states that either:</p> <p>(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:</p> <ul style="list-style-type: none"> (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance; <p>or</p> <p>(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.</p>
<p>Other disclosures and information:</p>

1.16 Project In Agricultural District

<p>Is the project in an agricultural district as designated by the land use laws of the State of Hawaii? If answer is "Yes", provide information below.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation.</p>	
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.</p>	
<p>Other disclosures and information:</p>	

1.17 Project with Assisted Living Facility

<p>Does the project contain any assisted living facility units subject to Section 321-11(10), HRS? If answer is "Yes", complete information below.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Licensing requirements and the impact of the requirements on the costs, operations, management and governance of the project.</p>	
<p>The nature and the scope of services to be provided.</p>	
<p>Additional costs, directly attributable to the services, to be included in the association's common expenses.</p>	
<p>The duration of the provision of the services.</p>	
<p>Other possible impacts on the project resulting from the provision of the services.</p>	
<p>Other disclosures and information.</p>	

2. PERSONS CONNECTED WITH THE PROJECT

<p>2.1 Developer(s)</p>	<p>Name: SCD MLB, LLC</p> <p>Business Address: 1100 Alakea St., Fl. 27, Honolulu, HI 96813</p> <p>Business Phone Number: (808) 537-5220 E-mail Address: N/A</p>
<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	<p>SCD MLB, LLC Member: Stanford Carr Development, LLC Manager: Stanford Carr Development, LLC</p> <p>Stanford Carr Development, LLC Members: Stanford Shigeo Carr Kathy Siu Pung Carr Managers: Stanford S. Carr Gary R. Phillips</p>
<p>2.2 Real Estate Broker</p>	<p>Name: Pacific Island Realty, LLC Business Address: 1100 Alakea St., Fl. 27 Honolulu, HI 96813</p> <p>Business Phone Number: (808) 521-4009 E-mail Address: laurie@pirealty.net</p>
<p>2.3 Escrow Depository</p>	<p>Name: Island Title Corporation Business Address: 1132 Bishop St., Suite 400 Honolulu, HI 96813</p> <p>Business Phone Number: (808) 531-0261</p>
<p>2.4 General Contractor</p>	<p>Name: Inter Island Home Builders Business Address: 1100 Alakea St., Suite 1680 Honolulu, HI 96813</p> <p>Business Phone Number: (808) 547-2290</p>
<p>2.5 Condominium Managing Agent</p>	<p>Name: Classic Resorts Limited Business Address: 68-1050 Mauna Lani Point Dr. Kohala Coast, HI 96743</p> <p>Business Phone Number: (808) 885-5022</p>
<p>2.6 Attorney for Developer</p>	<p>Name: Char Sakamoto Ishii Lum & Ching Business Address: 841 Bishop St., Suite 850 Honolulu, HI 96813</p> <p>Business Phone Number: (808) 522-5133 (Carolyn M. Oshiro)</p>

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

3.1 Declaration of Condominium Property Regime

The Declaration of Condominium Property Regime contains a description of the land, buildings, units, common interests, common elements, limited common elements, and other information relating to the condominium project.		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	February 7, 2007	2007-024588

Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number

3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit 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 that affect how the condominium project will be governed.		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	February 7, 2007	2007-024589

Amendments to Bylaws of the Association of Unit Owners		
Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.	
Land Court Map Number	
Bureau of Conveyances Map Number	4382
Dates of Recordation of Amendments to the Condominium Map:	

3.4 House Rules

The Board of Directors may adopt rules and regulations (commonly called "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. Changes to House Rules do not need to be recorded to be effective.

The House Rules for this project:

Are Proposed		
Have Been Adopted and Date of Adoption		✓
Developer does not plan to adopt House Rules		

3.5 Changes to the Condominium Documents

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.

Document	Minimum Set by Law	This Condominium
Declaration	67%	67
Bylaws	67%	67

3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents

<input type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input checked="" type="checkbox"/>	<p>Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows:</p> <p>See Exhibit H.</p>

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

<p><u>Management of the Common Elements:</u> The Association of Unit Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.</p>	
<p>The Initial Condominium Managing Agent for this project is (check one):</p>	
<input checked="" type="checkbox"/>	Not affiliated with the Developer
<input type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

<p><u>Estimate of the Initial Maintenance Fees:</u> The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.</p>
<p>Exhibit <u>1</u> contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.</p>

4.3 Utility Charges to be Included in the Maintenance Fee *

<p>If checked, the following utilities are included in the maintenance fee:</p>	
<input checked="" type="checkbox"/>	Electricity for the common elements
<input type="checkbox"/>	Gas for the common elements
<input checked="" type="checkbox"/>	Water for the common elements
<input checked="" type="checkbox"/>	Sewer for the common elements
<input type="checkbox"/>	TV cable
<input checked="" type="checkbox"/>	Other (specify) refuse for the common elements

4.4 Utilities to be Separately Billed to Unit Owner *

<p>If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:</p>	
<input checked="" type="checkbox"/>	Electricity for the Unit only
<input checked="" type="checkbox"/>	Gas for the Unit only
<input checked="" type="checkbox"/>	Water for the Unit only
<input checked="" type="checkbox"/>	Sewer for the Unit only
<input checked="" type="checkbox"/>	TV cable for the Unit only
<input checked="" type="checkbox"/>	Other (specify) refuse for the Unit only

***Association will pay expenses for electricity, gas, water and sewer (if any) for the Cottage Pools. These expenses will be assessed to the Owners of the Cottage Units.**

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

Sales Documents on file with the Commission include, but are not limited to, the following:	
<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u> J </u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: Name of Escrow Company: Exhibit <u> K </u> contains a summary of the pertinent provisions of the escrow agreement.
<input checked="" type="checkbox"/>	Other Exhibit L contains a summary of the Unit Deed Exhibit M contains a summary of the Resort Declaration.

5.2 Sales to Owner-Occupants

If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sale to Owner-Occupants.

<input checked="" type="checkbox"/>	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
<input type="checkbox"/>	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit _____.
<input checked="" type="checkbox"/>	Developer has or will designate the units for sale to Owner-Occupants by publication.

5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.

<input type="checkbox"/>	There are <u>no blanket liens</u> affecting title to the individual units.
<input checked="" type="checkbox"/>	There are <u>blanket liens</u> that may affect title to the individual units.

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	Buyer's interest will be terminated and Buyer may be entitled to a refund of the deposit, less escrow cancellation fees.

5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:

Building and Other Improvements: See Exhibit N
Appliances: Developer will pass on manufacturer warranties made to it on appliances included in the sale of Unit.

5.5 Status of Construction, Date of Completion or Estimated Date of Completion

Status of Construction: Commenced on or around June 2005.
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract: Each Unit will be completed within 2 years from the date that a binding sales contract exists for that specific Unit, subject to extension for Force Majeure.
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: N/A

5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance

The Developer is required to deposit all moneys paid by purchasers in trust under a written escrow agreement with a Hawaii licensed escrow depository. Escrow shall not disburse purchaser deposits to the Developer or on behalf of the Developer prior to closing, except if a sales contract is canceled or if Developer has met certain requirements, which are described below.

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

<input checked="" type="checkbox"/>	The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project. If the box to the left is checked, Sections 5.6.2 and 5.7, which follow below, will not be applicable to the project.
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5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):	
<input type="checkbox"/>	For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or
<input type="checkbox"/>	For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.

In connection with the use of purchaser deposits (check Box A or Box B):

<p>Box A <input type="checkbox"/></p>	<p>The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>If Box A is checked, you should read and carefully consider the following notice, which is required by law:</p> <p><u>Important Notice Regarding Your Deposits: Deposits that you make under your sales contract for the purchase of the unit may be disbursed before closing of your purchase to pay for project costs, construction costs, project architectural, engineering, finance, and legal fees, and other incidental expenses of the project. While the developer has submitted satisfactory evidence that the project should be completed, it is possible that the project may not be completed. If your deposits are disbursed to pay project costs and the project is not completed, there is a risk that your deposits will not be refunded to you. You should carefully consider this risk in deciding whether to proceed with your purchase.</u></p>
<p>Box B <input type="checkbox"/></p>	<p>The Developer has <u>not</u> submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits.</p> <p>If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract. At such time, the <u>Important Notice Regarding Your Deposits</u> set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, <u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u> (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>You should understand that, although the <u>Important Notice Regarding Your Deposits</u> set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.</p>

Material House Bond. If the Developer has submitted to the Commission a completion or performance bond issued by a material house instead of a surety as part of the information provided prior to the use of purchaser deposits prior to closing or conveyance of a unit, the Developer shall disclose the same below and disclose the impact of any restrictions on the Developer's use of purchaser deposits.

5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.

1.	Developer's Public Report
2.	Declaration of Condominium Property Regime (and any amendments)
3.	Bylaws of the Association of Unit Owners (and any amendments)
4.	Condominium Map (and any amendments)
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other: Declaration of Merger and Resort Documents (available for inspection on request to the Developer). See page 18 and Exhibit H, para. J, for more information regarding the Merger.

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 514B, HRS) and the Administrative Rules (Chapter 107, HAR), are available online. Please refer to the following sites:

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

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

5.8 Purchaser's Right to Cancel or Rescind a Sales Contract

A purchaser's right to cancel a sales contract or to rescind a sales contract may arise under varying circumstances. In the sections below, some circumstances that will give rise to a purchaser's right to cancel or rescind are described, together with what a purchaser must do if the purchaser wishes to exercise any of the rights.

5.8.1 When a Sales Contract becomes Binding and Purchaser's 30-Day Right to Cancel a Sales Contract

A sales contract signed by a purchaser and the developer will not become binding on a purchaser or the Developer until the following events have taken place:

(1) The purchaser has signed the sales contract.

(2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.

(3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.

(4) The purchaser does at least one of the following:

(a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

- (b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or
- (c) Closes the purchase of the unit before the 30-day cancellation period expires.

The purchaser or the Developer may cancel the sales contract at any time during the 30-day cancellation period, and the sales contract will be canceled and the purchaser's deposits returned to the purchaser, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.

5.8.2 Right to Cancel a Sales Contract if Completion Deadline Is Missed

In addition to the purchaser's 30-day cancellation right described in Section 5.8.1 above, when a sales contract is signed before completion of construction of a project, the purchaser will have the right to cancel if the unit is not completed by certain deadlines. In conversion projects, there must be a deadline for completion of any required repairs. Every sales contract shall contain an agreement of the Developer that the completion of construction shall occur on or before the completion deadline, and that completion deadline is set forth in this report in Section 5.5. The sales contract shall provide that the purchaser may cancel the sales contract at any time after the specified completion deadline, if completion of construction does not occur on or before the completion deadline, as the same may have been extended. Upon a cancellation, the purchaser's deposits shall be refunded, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.00.

5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change

If a "material change" in a project occurs after a purchaser has signed a sales contract that has become binding, the purchaser will have a 30-day right to rescind after notification and description of the material change. A material change is defined in the Condominium Property Act to be any change that "directly, substantially and adversely affects the use or value of (1) a purchaser's unit or appurtenant limited common elements; or (2) those amenities of the project available for the purchaser's use."

The purchaser will be informed of the material change by the developer on a form prescribed by the Commission containing a description of the material change.

After notice of the material change, the purchaser may waive the right to rescind by:

- (1) Checking the waiver box on the rescission form; or
- (2) Letting the 30-day rescission period expire, without taking any action to rescind; or
- (3) Closing the purchase of the unit before the 30-day rescission period expires.

The rescission form must be signed by all purchasers of the affected unit and delivered to the developer no later than midnight of the 30th calendar day after the purchasers received the rescission form from the developer. Purchasers who validly exercise the right of rescission shall be entitled to a prompt and full refund of any moneys paid.

A rescission right shall not apply in the event of any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of a project, made pursuant to the terms of the project's Declaration.

These provisions shall not preclude a purchaser from exercising any rescission rights pursuant to a contract for the sale of a unit or any applicable common law remedies.

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

MAUNA LANI RESORT ASSOCIATION - Through the homeowners association, Purchasers are responsible for their share of assessments by the Mauna Lani Resort Association. The estimated assessments, levied monthly (and is included in the estimated maintenance fees in Exhibit I), are approximately \$102 per Unit.

DEVELOPER AFFILIATES - Stanford Carr Development, LLC, the Developer's sole member and manager, has an ownership interest in the Real Estate Broker, the General Contractor and the Project Lender (Inter-Island Home Loans) for this Project.

PHASES/MERGER - The Project is subject to that certain Declaration of Merger which, along with the Declaration for the Project, permits, amongst other things, the Developer to develop the Project in phases and to merge, if so desired, the phases or other condominium projects together. The structure of the Merged Project can take different forms and it is recommended to Purchaser that Purchaser review the Declaration of Merger and Project Declaration for details.

SALES MERGER - To facilitate the marketing and sales of the Project, or for such other reasons as determined by Declarant in its sole discretion, Developer has the right for two (2) years after the latest date of completion of construction and certification of available for occupancy of all Units in the Merged Project to obtain one or more separate Public Reports for this Project with each Public Report covering a portion of the Units in this Project, provided that Declarant shall, on or before the aforementioned two (2) years deadline, obtain Public Reports covering all of the Units in this Project. Each Public Report shall be referred to as a "Sales Phase". Notwithstanding that the Project may have one or more separate Public Reports, all of the Units and Common Elements covered by these Public Reports shall comprise a single condominium project governed by the Project Documents. Each Sales Phase and the Units covered thereunder do not constitute separate and distinct condominium projects and shall not be construed as creating a phased condominium development similar to that described in the Declaration of Merger.

ESTIMATE OF MAINTENANCE FEES - The amounts set forth in this Exhibit I are estimates only. Such estimates are not intended to be and do not constitute any representation or warranty by the Developer, including but not limited to any representation or warranty as to the accuracy of the estimates. The estimated initial maintenance fees for each Unit does not include assessments for capital reserves. Reasonable efforts to consider current information were used to determine these estimates. However, these estimates may change for any number of reasons, including but not limited to changes in the economy amounts charged by service providers or Acts of God.

PETS - As stated in the Bylaws and House Rules, certain pets are allowed to be kept in a Unit and may be on the Project. However, pets may be prohibited in certain areas governed by the Mauna Lani Resort Association outside of the Project, which may change from time to time. Owners who have pets and have questions as to the location of these prohibited areas should contact the Mauna Lani Resort Association at 68-1310 Mauna Lani Drive, Suite 101, Kohala Coast, Hawaii 96743-9704, telephone (808) 885-6677 and review the Associations documents concerning the subject.

The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a)(13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

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 purchasers 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. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

SCD MLB, LLC
BY: STANFORD CARR DEVELOPMENT, LLC
ITS: MANAGER

Printed Name of Developer

By:  _____ 3/5/07
Duly Authorized Signatory* Date

STANFORD S. CARR, Manager

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; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

EXHIBIT A

NOHONA KAI AT MAUNA LANI UNIT IDENTIFICATION (Numbers, Locations, Layout1 and Area2)

Capitalized terms shall have the same meaning ascribed to such terms in the Declaration.

1	2	3	4	5	6	7	8
Unit No.	Plan Type	Bedrooms/ Bathrooms	Approx. Net Living Area (Sq. Ft.)	Approx. Area Lanai Garage (Sq. Ft.)	Approx. Other Area Porch and/or Arcade (Sq. Ft.)	Common Interest (%)	Total Area (Sq. Ft.) Columns 4+5+6
1	5R	2/2.5	1,719	305/441	89	2.0532	2,554
2	4R	3/2.5	1,899	223/441	146	2.2686	2,709
3	3R	3/3	2,046	336/441	69	2.4442	2,892
4	5R	2/2.5	1,719	305/441	89	2.0535	2,554
5	4	3/2.5	1,899	223/441	146	2.2686	2,709
6	3	3/3	2,046	336/441	69	2.4442	2,892
7	4R	3/2.5	1,899	223/441	146	2.2686	2,709
8	3R	3/3	2,046	336/441	69	2.4442	2,892
9	3R	3/3	2,046	336/441	69	2.4442	2,892
10	4	3/2.5	1,899	223/441	146	2.2686	2,709
11	5	2/2.5	1,719	305/441	89	2.0535	2,554
12	1BR	3/3.5	3,084	851/540	140	3.6842	4,615
13	2AR	3/3.5	2,904	740/551	176	3.4692	4,371
14	1B	3/3.5	3,084	851/540	140	3.6842	4,615
15	2BR	3/3.5	2,904	740/551	176	3.4692	4,371
16	1AR	3/3.5	3,084	851/540	140	3.6842	4,615
17	2A	3/3.5	2,904	740/551	176	3.4692	4,371
18	1BR	3/3.5	3,084	851/540	140	3.6842	4,615
19	2B	3.3.5	2,904	740/551	176	3.4692	4,371
20	1M	3/3.5	3,084	851/540	140	3.6842	4,615

21	4	3/2.5	1,899	223/441	146	2.2686	2,709
22	3	3/3	2,046	336/441	69	2.4442	2,892
23	5	2/2.5	1,719	305/441	89	2.0535	2,554
24	4R	3/2.5	1,899	223/441	146	2.2686	2,709
25	5	2/2.5	1,719	305/441	89	2.0535	2,554
26	4R	3/2.5	1,899	223/441	146	2.2686	2,709
27	3R	3/3	2,046	336/441	69	2.4442	2,892
28	5	2/2.5	1,719	305/441	89	2.0535	2,554
29	4	3/2.5	1,899	223/441	146	2.2686	2,709
30	5	2/2.5	1,719	305/441	89	2.0535	2,554
31	4R	3/2.5	1,899	223/441	146	2.2686	2,709
32	3R	3/3	2,046	336/441	69	2.4442	2,892
33	5	2/2.5	1,719	305/441	89	2.0535	2,554
34	4	3/2.5	1,899	223/441	146	2.2686	2,709
35	3R	3/3	2,046	336/441	69	2.4442	2,892
36	4R	3/2.5	1,899	223/441	146	2.2686	2,709
37	3R	3/3	2,046	336/441	69	2.4442	2,892
38	5	2/2.5	1,719	305/441	89	2.0535	2,554
39	4	3/2.5	1,899	223/441	146	2.2686	2,709

1 Layout of Units. All Units of the Project have the number of bedrooms and bathrooms indicated in the table above, one kitchen and either: (a) one living room and one dining room, or (b) a combined living room/dining room (also known as the Great Room). Also included as part of the floor plan for each Unit of the Project is the lanai and porch. Plan Types 1 and 2, and its variations, also include an arcade (pathway between the garage and the house..

2 Area of Units. The approximate net square footage of each Unit was determined by measuring the area between the interior of the perimeter walls of each Unit (excluding the non-load-bearing and load-bearing walls located between said perimeter.

EXHIBIT B

BOUNDARIES OF THE UNITS

Capitalized terms shall have the same meaning ascribed to such terms in the Declaration.

There are thirty-nine (39) freehold estates, 9 Estate Units and 30 Cottage Units.

Each Estate Unit shall be deemed to include the entire standalone residential building identified as the Estate Unit on the Condominium Map, including (1) the building's foundation and all supporting members, perimeter walls, interior walls and partitions, roof and space within the building, and the decorated or finished surfaces thereof (2) the perimeter doors, sliding doors, door frames, windows and window frames, and the decorated or finished surfaces thereof, and all cranks, window screens, and other window and door hardware, (3) the floors and the ceilings of that Unit and the decorated or finished surfaces thereof, (4) any pipes, shafts, vents, ducts, pumps, wires, conduits, other utility or service lines, utility meters and air conditioning units which are used for and serve only that Unit (including any such pipes, wires, conduits or other utility or service lines, meters or air conditioning units located within, under, or upon the Common Element of the Project which serve only that Unit), (5) all appliances and fixtures installed in or for only that Unit, and any replacements thereof, (6) the enclosed two-car garage designated for that Unit (including the parking stalls, garage door and space within the garage), and (7) the lanai, arcade or porch area of that Unit and any appliances, barbecue or fixtures installed thereon.

Each Cottage Unit shall be deemed to include the entire standalone residential building identified as the Cottage Unit on the Condominium Map, including (1) the building's foundation and all supporting members, perimeter walls, interior walls and partitions, roof and space within the building, and the decorated or finished surfaces thereof (2) the perimeter doors, sliding doors, door frames, windows and window frames, and the decorated or finished surfaces thereof, and all cranks, window screens, and other window and door hardware, (3) the floors and the ceilings of that Unit and the decorated or finished surfaces thereof, (4) any pipes, shafts, vents, ducts, pumps, wires, conduits, other utility or service lines, utility meters and air conditioning units which are used for and serve only that Unit (including any such pipes, wires, conduits or other utility or service lines, meters or air conditioning units located within, under, or upon the Common Element of the Project which serve only that Unit), (5) all appliances and fixtures installed in or for only that Unit, and any replacements thereof, (6) the entire structure of the enclosed two-car garage designated for that Unit (including the parking stalls, garage door and space within the garage) and (7) the lanai or porch area of that Unit and any appliances, barbecue or fixtures installed thereon.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE DESCRIPTION OF THE BOUNDARIES OF THE UNIT. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL DESCRIPTION OF THE BOUNDARIES OF THE UNIT, PURCHASER SHOULD REFER TO THE DECLARATION TO DETERMINE THE BOUNDARIES OF THE UNIT AND PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE DECLARATION, THE DECLARATION WILL CONTROL.

EXHIBIT C

PERMITTED ALTERATIONS TO THE UNITS

Capitalized terms shall have the same meaning ascribed to such terms in the Declaration.

A. GENERAL PROVISIONS. Except as otherwise expressly provided in the Declaration, the Resort Documents, the Bylaws, the House Rules or the Act, restoration or replacement of the Project or any portion thereof or construction of any additional improvement or structural alteration or addition to any improvement, different in any material respect from the Condominium Map of the Project, shall be undertaken by the Association or any Unit Owner only pursuant to the written consent of the Owners of Units to which are appurtenant at least sixty-seven percent (67%) of the Common Interest, the consent of all Owners whose Units or appurtenant Limited Common Elements are directly affected, the approval of the Board (which approval shall not be unreasonably withheld) and the amendment of the Declaration in accordance with Article XIII of the Declaration, duly executed pursuant to the provisions thereof, accompanied by the written consent of the holders of all mortgage liens affecting any of the Units involved. Promptly upon completion of such restoration, replacement or construction the Association or Owner, as the case shall be, shall duly file such amendment, together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer.

B. ADDITIONS OR ALTERATIONS SOLELY WITHIN A UNIT. Notwithstanding anything to the contrary contained herein, each Owner of a Unit shall have the right at any time and from time to time at such Owner's sole cost and expense, and without the necessity of the consent or joinder of any other Unit Owner or the Association, to make any of the following alterations solely within the Unit: to paint, paper, panel, plaster, tile, carpet, re-carpet, finish, and do or cause to be done such other work on the interior surfaces of the ceilings, floors and walls within any such Unit and to finish, alter or substitute any plumbing, electrical or other fixtures attached to the ceilings, floors and walls as may be appropriate for the utilization of such Unit by such Owner or the tenants or lessees thereof, provided, however, that nothing contained in this paragraph shall authorize any work or alteration which would jeopardize the soundness or safety of the Unit or any other part of the Project, reduce the value thereof, adversely affect any other Unit, affect or impair any easement or rights of any of the other Unit Owners, or interfere with or deprive any Owner of the use or enjoyment of any part of the Common Elements or directly affect any Owner or alter the external appearance of the Project.

C. UNIT OWNERS TO EXECUTE AMENDMENT DOCUMENTS CERTAIN CASES. In the event that any change or alteration of a Unit shall alter the depiction of the particular Unit on the Condominium Map or the description thereof in the Declaration, then the Owner of such Unit shall amend the Declaration and/or the Condominium Map to set forth such approved change or alteration, which amendment(s) may be executed by the Owner of the affected Unit or Units and by no other party, and such shall become effective upon recording of the same at the Bureau. The provisions of Article XIII of the Declaration notwithstanding, such amendment shall not require the consent or joinder of the Owner of any other Unit or any other person or entity, other than any mortgagee of such Unit or Units which are changed or altered. Every Unit Owner and all holders of liens affecting any of the Units of the Project and each and every other party acquiring an interest in the Project or any part thereof, by acquiring such Unit, lien or other interest, consents to and agrees that he shall, if required by law or by any such Owner who shall have changed or altered an Unit as aforesaid, join in, consent to, execute and deliver all instruments and documents necessary or desirable to affect the amendment of the Declaration and/or the Condominium Map; and appoints such Owner and his assigns his attorney-in-fact with full power of substitution to execute, deliver and record such documents and to do such things on his behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights and shall not be affected by the disability of any such party.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE DESCRIPTION OR EXPLANATION OF THE PERMITTED ALTERATIONS TO THE UNITS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE PERMITTED ALTERATIONS TO THE UNIT, PURCHASER SHOULD REFER TO THE PROJECT DOCUMENTS AND THE RESORT DECLARATION TO DETERMINE THE PERMITTED ALTERATIONS TO THE UNITS AND PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE PROJECT DOCUMENTS OR THE RESORT DECLARATION, THE PROJECT DOCUMENT OR THE RESORT DECLARATION, AS APPLICABLE, WILL CONTROL.

EXHIBIT D

COMMON ELEMENTS

Capitalized terms shall have the same meaning ascribed to such terms in the Declaration.

One freehold estate is hereby designated in all of the remaining portions of the Project, which do not constitute Units, hereinafter called the "Common Elements," including specifically, but not limited to:

- a. The Land in fee simple;
- b. Any and all other apparatus and installations existing for common use, such as tanks, motors, fans, compressors and other such installations and apparatus;
- c. The landscaping and planters along the sidewalks and roadways of the Project;
- d. All roadways, access lanes, ramps, loading areas, sidewalks and walkways of the ProjectUnit;
- e. All floodlights and other similar lighting devices attached to the exterior of any building within the Project, if any;
- f. All lampposts within the Project, if any;
- g. Unimproved areas, maintenance and storage areas, mailbox areas and other similar areas which are not part of a Unit;
- h. Any and all pool areas, and other facilities operated to serve the residents of the Project;
- i. All other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use; and
- j. All other areas of the Project which are not described as a Unit or a part thereof.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE DESCRIPTION OF THE PROJECT'S COMMON ELEMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL DESCRIPTION OF THE PROJECT'S COMMON ELEMENTS, PURCHASER SHOULD REFER TO THE DECLARATION TO DETERMINE THE PROJECT'S COMMON ELEMENTS AND PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE DECLARATION, THE DECLARATION WILL CONTROL.

EXHIBIT E

LIMITED COMMON ELEMENTS

Capitalized terms shall have the same meaning ascribed to such terms in the Declaration.

Certain parts of the Common Elements, hereinafter called the "Limited Common Elements," are hereby designated, set aside and reserved for the exclusive use of one or more certain Units and such Units shall have appurtenant thereto an exclusive easement for the use of such Limited Common Elements as set forth herein. The responsibility to maintain, repair, replace, alter, improve and/or add to the Limited Common Elements shall be borne solely by the Owner(s) of the Unit(s) to which the Limited Common Element is appurtenant, subject to the terms and restrictions set forth in the Declaration, the Bylaws, the House Rules, the Resort Documents and the Act. The costs and expenses of every description pertaining to any Limited Common Element, including but not limited to the cost of maintenance, repair, and replacement of and any alterations, improvements or additions to a Limited Common Element and the cost of all utility services related to such Limited Common Element (collectively "Costs"), shall be assessed to the Unit to which the Limited Common Element is appurtenant; provided that if the Limited Common Element is appurtenant to multiple Units, the Costs for the appurtenant Limited Common Element shall be assessed in equal shares to the owners of all Units to which said Limited Common Elements are appurtenant. The Costs associated with the Limited Common Elements appurtenant to multiple Units shall be referred to hereinafter as "Product Fees". Such assessment(s) shall be secured by a lien on the Unit and may be foreclosed in a like manner to a common expense lien.

a. Estate Units.

(1) Each Estate Unit shall have appurtenant thereto as a Limited Common Element: (a) that certain area of land which underlies and surrounds said Estate Unit as described in Exhibits B-1 through B-9, respectively (for each Estate Unit, this area shall be referred to as its respective "LCE-Land"), attached to the Declaration and incorporated therein by reference and any improvements located thereon (excluding said Estate Unit), including but not limited to a private pool and spa (if any) located at the rear of said Estate Unit, (b) any and all pipes, pumps, wires, utility or service lines, utility meters, or other structure or infrastructure, or portion thereof, which are used for or serve only said Estate Unit's private pool and spa (if any) (for each Estate Unit, these items shall be collectively referred to as its respective "Pool Infrastructure"), regardless of whether said Estate Unit's Pool Infrastructure is located within, under, or upon said Estate Unit, said Estate Unit's Limited Common Element, or the Common Element of the Project, (c) the wall located at the rear of said Estate Unit and running along and/or straddling the rear boundary line of said Estate Unit's LCE-Land (for each Estate Unit, this rear wall shall be referred to as its respective "Rear Boundary Wall"), and (d) the walls located on each side of said Estate Unit and running along and/or straddling the side boundary lines of said Estate Unit's LCE-Land (for each Estate Unit, these side walls shall be referred to as its respective "Side Boundary Walls"), provided however that if a Side Boundary Wall for said Estate Unit separates said Estate Unit from another Estate Unit, that Side Boundary Wall shall be deemed a Limited Common Element appurtenant to both said Estate Unit and the adjacent Estate Unit sharing said wall. The LCE-Land, Pool Infrastructure, Rear Boundary Wall and Side Boundary Walls for each Estate Unit shall be collectively referred to as the "Limited Common Elements" for said Estate Unit. Additional provisions related to the side boundary walls are set forth below in Section B.3.a.(10) of the Declaration.

If the Owner of an Estate Unit needs to repair or replace an Estate Unit Limited Common Element appurtenant to said Estate Unit, the repaired or replaced the Limited Common Element appurtenant to said Estate Unit shall be in substantially the same location, shall be in substantially the same form and style, and shall use substantially the same type and quality of construction materials, all as existed prior to the need for the repair or replacement. Such repair and replacement must follow the procedures and obtain approvals as necessary as set forth in the Association's Bylaws or other governing documents and as reasonably determined by the Association. With respect to the Estate Unit Limited Common Elements for each of the Estate Units, the Association reserves the right, but not the obligation,

upon 30 days prior written notice to the Owner of an Estate Unit to maintain, repair and replace any or all of the landscaping and plants within an Estate Unit's LCE-Land boundaries. The Association also reserves the right, but not the obligation, upon 30 days prior written notice to the Owner of an Estate Unit to maintain, repair and replace, as necessary (i) said Estate Unit's private pool and spa (if any), including its Pool Infrastructure, (ii) said Estate Unit's Rear Boundary Wall and/or (iii) said Unit's Side Boundary Walls. Any Costs or Product Fees related to the Association's maintenance, repair, replacement of any or all of said Estate Unit's Limited Common Elements may be assessed to said Estate Unit, as applicable.

(2) With respect to the Rear Boundary Wall and Side Boundary Walls appurtenant to each Estate Unit, each and every party acquiring an interest in an Estate Unit, by such acquisition, consents and agrees that, in addition to any other terms, covenants, conditions, or obligations stated in the Declaration or in the Bylaws, the Estate Unit's Owner shall not construct upon, enlarge, reduce, improve or otherwise modify their respective walls, except to the extent necessary to maintain, repair and replace the walls as provided for in the Declaration.

If an Estate Unit is sharing a Side Boundary wall which is also a Limited Common Element appurtenant to both that Estate Unit and to the adjacent Estate Unit (a "Shared Side Boundary Wall"), each and every party acquiring an interest in both such Estate Units, by such acquisition, also consents and agrees to the following, in addition to any other terms, covenants, conditions, or obligations stated in the Declaration or in the Bylaws:

(a) each Owner of an Estate Unit with a Shared Side Boundary Wall hereby grants the Owner of the Estate Unit sharing the same Shared Side Boundary Wall the right of ingress and egress over its property for the limited purpose of maintaining, repairing and replacing the wall as provided for in the Declaration.

(b) the Owners of the Estate Units who share a Shared Side Boundary Wall shall have a right of contribution against each other with respect to any costs, expenses or other monies incurred by one with respect to the maintenance, repair and replacement of said Shared Side Boundary Wall, and shall have such other rights and remedies as permitted by the Declaration, the Bylaws and the law. Such rights and remedies are cumulative.

(c) The rights of each Owner of an Estate Unit with a Shared Side Boundary Wall as stated in the Declaration do not and shall not affect or limit any rights of the Association as permitted by the Declaration, the Bylaws or the law, including the Association's right to cause or complete such maintenance, repair, replacement or other upkeep of said wall or any other rights the Association may have under the Declaration and the Bylaws, to assess any related Costs or Product Fees to the respective Estate Units as set forth in the Declaration.

b. With respect to the Cottage Units only:

(1) Entrance, Exit and Steps. Any entrance, exit, or steps which would normally be used only for the purposes of ingress to and egress from a specific Cottage Unit shall be a Limited Common Element appurtenant to and reserved for the exclusive use of such Cottage Unit.

(2) Air Conditioner. That portion of the Common Element upon which an air conditioner unit which serves only a specific Cottage Unit is located shall be a Limited Common Element appurtenant to such Cottage Unit, along with said air conditioner unit.

(3) Cottage Pools. The Project has five pools located throughout the Common Element of the Project (the "Cottage Pools"). Each Cottage Unit shall have appurtenant thereto as a joint Limited Common Element with all other Cottage Units: (i) the Cottage Pools, and any pipes, shafts, vents, ducts, pumps, wires, conduits, other utility or service lines, utility meters, air conditioning units or other facility, structure or infrastructure, or any portion thereof, which are used for or serve only the Cottage

Pools (the "Cottage Pools Infrastructure"), regardless of whether the Cottage Pools Infrastructure is located within, under, or upon the Cottage Pools or the Common Element of the Project and (ii) any other improvements related solely to the Cottage Pools and/or the Cottage Pools Infrastructure (collectively the "Cottage Pools Limited Common Elements").

The Association shall be responsible for the maintenance, repair and replacement of the Cottage Pools Limited Common Elements and shall obtain, maintain, repair and replace any personal property (e.g. equipment and supplies) related primarily to the Cottage Pools Limited Common Element; provided that any costs related thereto and any utility or other such expenses related to the Cottage Pools Limited Common Element shall be assessed to the Cottage Units in equal shares as Product Fees.

c. With respect to all Units:

(1) The driveway to the garage which is a part of and which serves only a specific Unit shall be a Limited Common Element appurtenant to such Unit. If more than one Unit shares a common driveway, such driveway shall be a joint Limited Common Element appurtenant to each such Unit.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE DESCRIPTION OF THE LIMITED COMMON ELEMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL DESCRIPTION OF THE LIMITED COMMON ELEMENTS, PURCHASER SHOULD REFER TO THE DECLARATION TO DETERMINE THE LIMITED COMMON ELEMENTS AND PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE DECLARATION, THE DECLARATION WILL CONTROL.

EXHIBIT F

SPECIAL USE RESTRICTIONS

Capitalized terms shall have the same meaning ascribed to such terms in the Declaration.

A. UNITS. THE UNITS SHALL BE OCCUPIED AND USED ONLY FOR RESIDENTIAL PURPOSES. SUBJECT TO THE ABOVE, THE OWNERS OF SUCH UNITS SHALL HAVE THE ABSOLUTE RIGHT TO SELL, RENT, LEASE, MORTGAGE, OR OTHERWISE TRANSFER THEIR RESPECTIVE UNITS IN CONNECTION WITH ANY SUCH OCCUPANCY OR USE FOR ANY LENGTH OF TIME AS MAY BE PERMITTED BY APPLICABLE ZONING, RESORT DOCUMENTS, DECLARATION, BYLAWS AND HOUSE RULES. THE UNIT'S OWNER SHALL AT ALL TIME REMAIN PRIMARILY, JOINTLY AND SEVERALLY LIABLE TO ALL OTHER UNIT OWNERS AND TO THE ASSOCIATION FOR ANY FAILURE ON THE PART OF SUCH OWNER'S TENANT(S) TO OBSERVE AND COMPLY WITH ALL OF THE PROVISIONS OF THE DECLARATION, THE BYLAWS, THE HOUSE RULES, THE RESORT DOCUMENTS, AND ALL OTHER APPLICABLE LAWS.

B. PROHIBITION ON ACTIVITIES WHICH JEOPARDIZE THE PROJECT.
No Unit Owner shall do or suffer or permit to be done anything on any Unit or appurtenant Limited Common Element or elsewhere on the Project which will: (1) injure the reputation of the Project, (2) jeopardize the safety or soundness of the Project, (3) create a nuisance or interfere with or unreasonably disturb the rights of other Owners and occupants, (4) reduce the value of the Project, (5) result in the cancellation of insurance applicable to the Project, or adversely affect the right of recovery thereunder or result in reputable companies refusing to provide insurance as required or permitted by the Bylaws, or (6) increase the rate of insurance applicable to the Units or the contents thereof, or to the Project.

C. PROHIBITION ON UNAUTHORIZED CHANGES TO THE EXTERIOR OF CERTAIN UNITS. Except as otherwise permitted in the Declaration or the Bylaws, no Owner shall, without the written approval and consent of the Association, make any structural alterations in or additions to the Unit, make any interior alterations in or additions to the Unit visible from the exterior of the Unit, or make any alterations in or additions to the exterior of the Unit or to any other portion or portions of the Common Elements or Limited Common Elements, including but not limited to the landscaping. Such structural alterations in or additions to the exterior of the Unit shall include but not be limited to changes in design or color.

D. OWNERS TO MAINTAIN UNITS AND APPURTENANT LIMITED COMMON ELEMENTS IN GOOD ORDER. The Owner of an Unit shall keep the Unit and all plumbing, electrical and other fixtures and appurtenances constituting a part of the Unit in good order and repair, and shall be responsible for any damage or loss caused by his or her failure to do so. Also, Owners shall also keep the Limited Common Elements appurtenant to said Owner's Unit in good order and repair, and shall be responsible for any damage or loss caused by his or her failure to do so.

E. USE OF COMMON ELEMENTS. Each Unit Owner may use the Common Elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Unit Owners, subject always to:

1. The right of the Board, upon the approval of the Owners of sixty-seven percent (67%) of the Common Interest, to change the use of the Common Elements;

2. The right of the Board, on behalf of the Association, to lease or otherwise use for the benefit of the Association those Common Elements which are not actually used by any of the Unit Owners for any purpose, including commercial uses, which is authorized by applicable law; provided that unless the approval of the Owners of sixty-seven percent (67%) of the Common Interest is obtained, any such lease shall not have a term exceeding five (5) years and shall contain a provision that the lease or agreement for use may be terminated by either party thereto on not more than sixty (60) days written

notice;

3. The right of the Board, on behalf of the Association, to lease or otherwise use for the benefit of the Association those Common Elements not falling within sections V.E.1. and 2, upon obtaining: (a) the approval of the Owners of sixty-seven percent (67%) of the Common Interest, including all directly affected Owners Units to which such Common Elements are appurtenant in the case of Limited Common Elements, and (b) the approval of all mortgagees of record which hold mortgages on Units with respect to which owner approval is required by (a) above; and

4. The exclusive or joint use of the Limited Common Elements as provided in the Declaration.

F. PROHIBITION AGAINST INCREASING ENCLOSED LIVING AREA. Except as otherwise permitted in the Declaration, the enclosed living area of a Unit of the Project (as such living area is depicted on the Condominium Map on the date the Unit is conveyed to an Owner by the Declarant) may not be increased.

G. PETS. Certain pets are allowed to be kept in each Unit and shall be allowed on the Project. As set forth in the Bylaws, dogs, cats, birds, fish and other household pets of a reasonable size and in a reasonable number (as determined by the Board in their discretion and provided that the total number of pets per Unit, excluding fish, shall not exceed (2) may be kept in the Unit and are allowed on the Project, subject to the House Rules and any additional rules promulgated by the Association regarding the keeping of such pets. No pets may be kept outside of the Unit. Notwithstanding any other provision therein, visually impaired persons, hearing impaired persons and physically impaired persons shall be allowed to keep certified seeing-eye dogs, certified signal dogs, and certified service dogs, respectively, in their Units. Furthermore, nothing in the Declaration or in the House Rules shall hinder full access to the Units and the Common Elements by persons with disabilities.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE DESCRIPTION OF THE SPECIAL USE RESTRICTIONS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL DESCRIPTION OF THE SPECIAL USE RESTRICTIONS, PURCHASER SHOULD REFER TO THE PROJECT DOCUMENTS AND RESORT DECLARATION TO DETERMINE THE SPECIAL USE RESTRICTIONS AND PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE PROJECT DOCUMENTS OR THE RESORT DECLARATION, THE PROJECT DOCUMENT OR THE DECLARATION, AS APPLICABLE, WILL CONTROL.

EXHIBIT G

ENCUMBRANCES AGAINST TITLE

1. Tax Map Key No. (3) 6-8-022-003. Check with the County Tax Assessor for additional information.
2. Title to all mineral and metallic mines reserved to the State of Hawaii.
3. Right or claims of persons or entities other than the insured involving or arising out of: Mineral or metallic mines; geothermal resources; water; fishing; navigation; wetlands; creation or loss of the land or any portion thereof by accretion, avulsion or artificial means; persons residing on or otherwise in possession of the land or any portion thereof; trails, roadways, or other rights of way, including without limitation any rights or claims under Chapter 264, Hawaii Revised Statutes; claims arising out of customary or traditional Hawaiian rights including but not limited to those for access or gathering purposes protected by the Constitution of the State of Hawaii or the laws of Hawaii.
4. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the:

DECLARATION

Dated: June 3, 1982
Recorded: Book 16425, Page 203
to which reference is hereby made, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c) or Section 515-6, HRS, as amended

The foregoing Declaration was amended by the following instruments:

DATED:	BOOK:	PAGE:
June 3, 1982	16428	456
August 13, 1982	16545	345
June 23, 1986	19613	236
January 8, 1987	20284	384
October 28, 1987	21287	398
June 22, 1988	22084	131

DATED:	DOCUMENT NO.:
June 25, 1991	91-089395
December 24, 1993	94-009533
November 7, 1995	95-168247
October 16, 1998	98-155464
April 30, 1999	99-070732
August 23, 1999	99-204463
May 22, 2002	2002-101491
April 18, 2003	2003-090769
February 24, 2004	2004-044458
February 2, 2005	2005-026122
March 10, 2005	2005-053150

5. Encroachments or any other matters as shown on survey map prepared by Ryan M. Suzuki, Land Surveyor with R. M. Towill Corporation, dated August 4, 2003.
6. Reservation in favor of the State of Hawaii of all surface and ground waters, and prehistoric and historic remains, as set forth in Quitclaim Deed dated September 8, 1982, recorded in Book 16695, Page 96.

7. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the:

DEED

Dated: October 31, 2003
Recorded: Document No. 2003-239564
to which reference is hereby made, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c) or Section 515-6, HRS, as amended

8. Any unrecorded leases, subleases, and/or tenancy agreements demising a portion of the land herein described, and any encumbrances affecting the same.
9. Any lien or claim of lien for services, labor or material arising from an improvement or work related to the land described above.
10. MORTGAGE (Loan No. ---)

Dated: October 29, 2004
Recorded: Document No. 2004-222994
Principal Amount: \$ 10,000,000.00
Mortgagor: SCD MLB, LLC, a Hawaii limited liability company
Mortgagee: SCD Kona 149, L.L.C., a Nevada limited liability company, and PCCP LB Lava Rock Associates, LLC, a Delaware limited liability company

MODIFICATION OF MORTGAGE WITH ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING

Dated: September 29, 2006
Recorded: Document No. 2006-180299
Purpose: Principal amount revised to \$14,000,000.00

11. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in:

DECLARATION OF MERGER OF CONDOMINIUM PHASES FOR NOHONA KAI AT MAUNA LANI

Dated: February 7, 2007
Recorded: 2007-024587
to which reference is hereby made, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c) or Section 515-6, HRS, as amended

12. Regular System Condominium Map No. 4382.
13. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in:

DECLARATION OF CONDOMINIUM PROPERTY REGIME OF NOHONA KAI AT MAUNA LANI

Dated: February 7, 2007
Recorded: 2007-024588
to which reference is hereby made, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c) or Section 515-6, HRS, as amended

14. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in:

BY-LAWS OF THE ASSOCIATION OF UNIT OWNERS OF NOHONA KAI AT MAUNA LANI

Dated: February 7, 2007

Recorded: 2007-024589

to which reference is hereby made, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c) or Section 515-6, HRS, as amended

15. Any and all covenants, conditions, restrictions and easements encumbering the apartment herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in the Declaration of Condominium Property Regime of Nohona Kai at Mauna Lani, and/or in the Unit Deed, and/or as delineated on the Condominium Map identified in said Declaration.

EXHIBIT H

RIGHTS RESERVED BY THE DEVELOPER TO MAKE CHANGES TO THE CONDOMINIUM PROJECT OR PROJECT DOCUMENTS

Capitalized terms shall have the same meaning ascribed to such terms in the Declaration.

Among other rights, the Developer will have the following rights with respect to the Project which are more particularly set forth in the Project Documents.

DECLARATION

A. RESERVED RIGHT TO GRANT EASEMENTS

Notwithstanding anything herein provided to the contrary, Declarant has the reserved right unto itself, its successors and assigns, to and until two (2) years after the latest date of completion of construction and certification of available for occupancy of all Units in the Merged Project (as defined in the Declaration of Merger) , to delete, cancel, relocate, realign, reserve, designate, grant and receive any and all easements and rights of way over, under, through, across and upon the Common Elements (including the Limited Common Elements) and the Property deemed necessary or desirable in Declarant's sole discretion for the Project or adjacent Projects, including but not limited to, easements and/or rights of way for utilities, cesspools, sanitary and storm sewers, cable television, telecommunications systems, refuse disposal, driveways, parking areas and roadways, provided that such easements and/or rights of way shall not be located on or within any existing structure of the Project and shall not be exercised as to unreasonably disturb, impair or interfere with the normal use and enjoyment of the Project by the Unit Owners.

B. DECLARANT'S RESERVED RIGHT TO ALTER, SUBDIVIDE AND CONSOLIDATE UNITS

Notwithstanding anything provided to the contrary, and except as otherwise provided by law:

1. Declarant has the reserved right at any time or times prior to two (2) years after the latest date of completion of construction and certification of available for occupancy of all Units in the Merged Project , without obtaining the approval of any party with an interest in the Project, including any other Owner and/or mortgagee to: (1) alter the floor plan of any Unit which it owns at any time provided that the Common Interest appurtenant to the Unit shall not change; (2) cause the subdivision of any Unit which it owns at any time to create two (2) or more Units provided that the total Common Interest appurtenant to the newly created Units shall equal the Common Interest appurtenant to the original Unit; and (3) convert certain portions of any existing Unit to Common Element status to facilitate any subdivision provided that the total Common Interest appurtenant to the newly created Unit(s) shall equal the Common Interest appurtenant to the original Unit.

2. If Declarant is the owner of any two Units separated by a party wall, floor or ceiling, Declarant has the right at any time or times prior to two (2) years after the latest date of completion of construction and certification of available for occupancy of all Units in the Merged Project , without obtaining the approval of any party with an interest in the Project, including any other Owner and/or mortgagee, to consolidate two or more Units and to alter or remove all or portions of the intervening wall, floor or ceiling at Declarant's expense provided that: (i) the structural integrity of the Project is not thereby affected, (ii) the finish of the Common Element then remaining is restored to a condition substantially compatible with that of the Common Element prior to such alteration, and (iii) all construction activity necessary to any such alteration or removal shall be completed within a reasonable period of time after

the commencement thereof, subject to delays beyond the control of the Declarant or its contractors, whether caused by strikes, the unavailability of construction materials or otherwise, in which case any such construction activity shall be completed in such additional time as may be reasonably necessary in the exercise of due diligence.

3. The Declarant, in the process of consolidating Units, has the right to convert that area between Units to an Unit (as opposed to the same remaining a Common Element) for so long as such Units shall remain consolidated or shall continue to be commonly used or owned.

Any such alteration, subdivision or consolidation of Unit(s) as provided above shall be effective provided that:

a. Declarant shall record or cause to be recorded an amendment to the Declaration describing the Unit(s) in question and setting forth at least: (a) a description of the newly-formed Unit(s); (b) in the case of the consolidation of Units by Declarant, the undivided percentage interest appurtenant to the newly-formed Unit, which shall be calculated by adding together the undivided percentage interests for the Units to be consolidated; or (c) in the case of the subdivision of an Unit by Declarant, the undivided percentage interest appurtenant to each of the newly-formed Units, which shall equal the total of the undivided interest appurtenant to the original Unit.

b. Declarant shall record or cause to be recorded an amendment to the Condominium Map for the Unit(s) being altered, subdivided or consolidated to show an amended floor plan, as necessary, together with a verified statement of registered architect or professional engineer, in the manner required by the Act, that said Condominium Map, as so amended, is an accurate copy of portions of the plans of the altered Unit(s) as filed with and approved by the county officer having jurisdiction over the issuance of permits for the completion of buildings, and that the plans fully and accurately depict the layout, location, Unit numbers, and dimensions of the Units as built; and

c. Any such alteration shall comply in all respects with all applicable governmental codes, statutes, ordinances and rules and regulations, or with all variances granted therefrom.

The Declarant has the right to amend the Declaration and Condominium Map to effect any subdivision or consolidation of Units or alterations to floor plans at any time or times prior to two (2) years after the latest date of completion of construction and certification of available for occupancy of all Units in the Merged Project, and Declarant may, without being required to obtain the consent or joinder of any Owner, lienholder or other persons, execute and record amendments to the Declaration and Condominium Map and any and all other instruments necessary or appropriate for the purpose of carrying out the provisions or exercising the rights, powers or privileges herein reserved to Declarant.

C. RESERVED RIGHT TO RECONFIGURE, RECHARACTERIZE AND REDESIGNATE LIMITED COMMON ELEMENTS

The Declarant has the reserved right, but not the obligation, to amend the Declaration at any time or times prior to two (2) years after the latest date of completion of construction and certification of available for occupancy of all Units in the Merged Project, to reconfigure, recharacterize, and redesignate all or any portion of Limited Common Elements as may be appurtenant to an Unit owned by the Declarant as being Common Elements of the Project, and Declarant may, without being required to obtain the consent or joinder of any Owner, lienholder or other persons, execute and record amendments to the Declaration and any and all other instruments necessary or appropriate for the purpose of carrying out the provisions or exercising the rights, powers or privileges herein reserved to Declarant.

D. RESERVED RIGHT TO RECONFIGURE, RECHARACTERIZE AND REDESIGNATE COMMON ELEMENTS

The Declarant has the reserved right, but not the obligation, to amend the Declaration at any time or times prior to two (2) years after the latest date of completion of construction and certification of available for occupancy of all Units in the Merged Project , to reconfigure, recharacterize, and redesignate all or any portion of Common Elements as being a Limited Common Element appurtenant to an Unit or Units, and Declarant may, without being required to obtain the consent or joinder of any Owner, lienholder or other persons, execute and record amendments to the Declaration and any and all other instruments necessary or appropriate for the purpose of carrying out the provisions or exercising the rights, powers or privileges herein reserved to Declarant.

E. RESERVED RIGHT TO CONVERT OR REDESIGNATE LIMITED COMMON ELEMENTS AS APPURTENANT TO OTHER UNITS

The Declarant has the reserved right, but not the obligation, to amend the Declaration at any time or times prior to two (2) years after the latest date of completion of construction and certification of available for occupancy of all Units in the Merged Project , to convert or redesignate all or any portion of certain Limited Common Elements as may be appurtenant to any Unit owned by Declarant, to another Unit or Units, and Declarant may, without being required to obtain the consent or joinder of any Owner, lienholder or other persons, execute and record amendments to the Declaration and any and all other instruments necessary or appropriate for the purpose of carrying out the provisions or exercising the rights, powers or privileges herein reserved to Declarant.

F. RESERVED RIGHT TO CONVERT AND REDESIGNATE COMMON ELEMENTS PARKING STALLS

The Declarant has the reserved right, but not the obligation, to amend the Declaration at any time or times prior to two (2) years after the latest date of completion of construction and certification of available for occupancy of all Units in the Merged Project to convert and redesignate all or a portion of the parking stalls (regular size uncovered and/or handicap size uncovered) which are designated as Common Elements of the Project (if any), from Common Elements to being a Limited Common Element appurtenant to an Unit or Units and Declarant may, without being required to obtain the consent or joinder of any Owner, lienholder or other persons, execute and record amendments to the Declaration and any and all other instruments necessary or appropriate for the purpose of carrying out the provisions or exercising the rights, powers or privileges herein reserved to Declarant. Declarant shall also have the reserved right, but not the obligation, to record an instrument ("Parking Stall Assignment Summary Amendment"), which lists all parking stalls that have been assigned and which identifies the Unit to which each such parking stall was assigned or reassigned. Any such Parking Stall Assignment Summary Amendment shall be for informational purposes only, and shall not have the effect of assigning or reassigned the parking stalls of the Project.

G. RESERVED RIGHT TO CONVERT AND REDESIGNATE LIMITED COMMON ELEMENTS PARKING STALLS

The Declarant has the reserved right, but not the obligation, to amend the Declaration at any time or times prior to two (2) years after the latest date of completion of construction and certification of available for occupancy of all Units in the Merged Project to convert and redesignate all or a portion of the parking stalls that are appurtenant to any of the Units that it owns (if any) from Limited Common Elements to Common Elements of the Project, and Declarant may, without being required to obtain the consent or joinder of any Owner, lienholder or other persons, execute and record amendments to the Declaration and any and all other instruments necessary or appropriate for the purpose of carrying out the provisions or exercising the rights, powers or privileges herein reserved to Declarant. Declarant shall also have the reserved right, but not the obligation, to record an instrument ("Parking Stall Assignment Summary Amendment"), which lists all parking stalls that have been assigned and which identifies the Unit to which each such parking stall was assigned or reassigned. Any such Parking Stall Assignment

Summary Amendment shall be for informational purposes only, and shall not have the effect of assigning or reassigning the parking stalls of the Project.

H. RESERVED RIGHT TO MODIFY PROJECT; SALES PHASES

Declarant has the reserved right, to and until two (2) years after the latest date of completion of construction and certification of available for occupancy of all Units in the Merged Project to effect such modifications to Units and Common Elements in the Project and/or to execute, record and deliver any amendments to the Declaration, the Condominium Map as well as the Bylaws and House Rules promulgated hereunder, as may be necessary or required by Declarant in its sole discretion, or to effect compliance by the Project, the Association or by the Declarant, with laws which apply to the Project, including, without limitation, the Act and the Fair Housing Act, as amended, 42 U.S.C. §§3601 et seq., including any and all rules and regulations promulgated thereunder.

To facilitate the marketing and sales of the Project, or for such other reasons as determined by Declarant in its sole discretion, Declarant has the reserved right to and until two (2) years after the latest date of completion of construction and certification of available for occupancy of all Units in the Merged Project to obtain one or more separate Public Reports for the Project with each Public Report covering a portion of the Units in the Project, provided that Declarant shall, on or before two (2) years after the latest date of completion of construction and certification of available for occupancy of all Units in the Merged Project, obtain Public Reports covering all of the Units in the Project. Each Public Report shall be referred to as a "Sales Phase". Notwithstanding that the Project may have one or more separate Public Reports, all of the Units and Common Elements covered by these Public Reports shall comprise a single condominium project governed by the Project Documents. Each Sales Phase and the Units covered thereunder do not constitute separate and distinct condominium projects and shall not be construed as creating a phased condominium development similar to that described in the Declaration of Merger and Section XXXI of the Declaration.

I. RESERVED RIGHT TO CONDUCT SALES ACTIVITIES

Declarant has the reserved right unto itself, its brokers, sales agents, affiliates and other related persons, to and until two (2) years after the latest date of completion of construction and certification of available for occupancy of all Units in the Merged Project to conduct extensive sales activities at the Project and from any Unit owned by Declarant, which right shall include, without limitation, showing the Project to potential buyers, the use of model Units, sales and management offices, permitting potential buyers to stay in Units owned by Declarant and the use of banners, signs or other extensive sales displays and activities at the Project, and/or to similarly market any other condominium projects being developed by Declarant or Stanford Carr Development, LLC, a Hawaii limited liability company ("SCD") or any entity related to or affiliated with Declarant or SCD. Such sales activities may include the initial sale and resale of Units. In the event that Declarant's mortgage lender, if any, or any successor to or assignee of Declarant's mortgage lender shall acquire any portion of the Project in the course of any foreclosure or other legal proceeding or in the exercise of the mortgage remedies or by a deed or an assignment in lieu of foreclosure, such mortgage lender, its successor and assigns, shall have the same rights as the Declarant to conduct such extensive sales activities on the Project. Each and every party acquiring an interest in the Project, by such acquisition, acknowledges that the sales activities may result in noise, and nuisances, and consents to such activity by Declarant, and further waives, releases and discharges any rights, claims or actions such party may acquire against Declarant, its brokers, sales agents, employees and lenders, and their respective successors and assigns as a result of any such activity or activities.

J. MERGER

1. Declarant has the reserved right to merge this Project with other condominium projects, pursuant to and in accordance with the Declaration of Merger.

2. Declarant has the reserved right, for itself, its contractors, subcontractors, licensees, mortgagees and assigns, and their respective employees and agents, and an easement in favor of Declarant and its successors and assigns to enter upon, use, remove, replace, add to, or otherwise alter the common elements and the limited common elements of the Project and to do all things reasonably necessary, desirable or useful for designing, developing, constructing or completing any Additional Phase (as defined in the Declaration of Merger) to the Project, connecting any such Additional Phase to the roads and utility installations of the Project, and selling the units contained within any such Additional Phase, including, but not limited to, the right to consolidate any parcel(s) of land covered by the Declaration with any other parcel(s) of land in connection with the merger of phases for ownership purposes, as provided in the Declaration of Merger; provided that the exercise of the rights granted herein shall not cause any permanent or avoidable interruption in the service of utilities to the Project, and provided further that any person exercising such rights shall use reasonable efforts, without additional cost to Declarant and consistent with maintaining the progress of the design, development, construction, completion and sale of the additional phase to minimize interference with the Unit Owners' use and enjoyment of the Project. Declarant further reserves the right to grant, for the benefit of the unit owner or owners from time to time of all or any portion of each of the Additional Phases, and without the consent or joinder of any party having any interest in the Project, easements over, under, across, along, upon and through the common elements of the Project for ingress and egress purposes, access purposes, electrical, gas, communications and other utility purposes, sanitary sewer, drainage and drainline, waterline and flowage purposes, and all other purposes, to the State of Hawaii, the County of Hawaii, any other appropriate governmental agency and/or any public or private utility or other corporation, partnership, individual or entity, provided that such easements and rights-of-way do not materially impair or interfere with the use of any Unit in the Project or the Common Elements of the Project. The rights reserved in this Section shall continue until the date two (2) years following the latest date of completion of construction and certification of availability for occupancy of all Apartments in the Merged Community.

3. Declarant has the reserved right, itself, its brokers, sales agents and other related persons and shall have an easement, to and until two (2) years after the latest date of completion of construction and certification of available for occupancy of all Units in the Merged Project, to conduct extensive sales activities at the Project and from any Unit owned by Declarant as it relates to the sale of any Unit located in any Additional Phase or the Merged Project (as defined in the Declaration of Merger), which right shall include, without limitation, showing the Project to potential buyers, the use of model Units, sales and management offices, permitting potential buyers to stay in Units owned by Declarant and the use of banners, signs or other extensive sales displays and activities at the Project. Such sales activities may include the initial sale and resale of such Units. In the event that Declarant's mortgage lender, if any, or any successor to or assignee of Declarant's mortgage lender shall acquire any portion of the Project, an Additional Phase or the Merged Project in the course of any foreclosure or other legal proceeding or in the exercise of the mortgage remedies or by a deed or an assignment in lieu of foreclosure, such mortgage lender, its successor and assigns, shall have the same rights as the Declarant to conduct such extensive sales activities on the Project. Each and every party acquiring an interest in the Project, by such acquisition, acknowledges that the sales activities may result in noise, and nuisances, and consents to such activity by Declarant, and further waives, releases and discharges any rights, claims or actions such party may acquire against Declarant, its brokers, sales agents, employees and lenders, and their respective successors and assigns as a result of any such activity or activities.

K. Each and every party acquiring an interest in the Project, by such acquisition, agrees and consents to all actions taken by Declarant with respect to its reserved rights as set forth in paragraphs A through J above, including but not limited to the recording of any and all documents necessary to effect the same in the Bureau or at such other location as appropriate, including any amendment or amendments of the Declaration, the Condominium Map, the Bylaws, and the House Rules, as appropriate; agrees to execute, deliver and record such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints the Developer and its assigns its attorney-in-fact with full power of substitution to execute, deliver and record such documents and instruments and to do such things on his behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights, and shall not be affected by the disability of such party or parties; which grant of such power shall be binding upon any assign of, or successor-in-interest to, any such party and

shall be deemed to be automatically granted anew by any assign or successor-in-interest upon any transfer of any Unit or any interest therein, whether by deed, mortgage, or any other instrument of conveyance.

BYLAWS

A. AMENDMENT OF BYLAWS. Developer has the reserved right to unilaterally amend the Bylaws for the purpose of complying with any applicable State, Federal or County law, or for the purpose of incorporating requirements imposed by any institutional mortgage lender or by the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, U.S. Department of Housing and Urban Development or Veterans Administration. Each and every party acquiring an interest in the Project, by such acquisition, consents to such amendments as described in the preceding sentence and agrees to execute and deliver such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints the Developer and its assigns his attorney-in-fact with full power of substitution to execute, deliver and record such documents and instruments and to do such things on his behalf, that grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights, and shall not be effected by the disability of such party or parties. Further, no amendment to the Declaration or the bylaws that affects the Developer's reserved rights contained within the Declaration shall be valid, unless consented to by the Developer in writing.

B. AMENDMENT OF HOUSE RULES. Developer has the reserved right to adopte and amend the House Rules until such time that the initial Board of Directors is elected.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE DESCRIPTION OF THE DEVELOPER'S RESERVED RIGHTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL DESCRIPTION OF THE DEVELOPER'S RESERVED RIGHTS, PURCHASER SHOULD REFER TO THE PROJECT DOCUMENTS AND RESORT DECLARATION TO DETERMINE THE DEVELOPER'S RESERVED RIGHTS AND PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE PROJECT DOCUMENTS, THE PROJECT DOCUMENTS WILL CONTROL.

EXHIBIT I

Estimate of Initial Maintenance Fees AND Estimate of Maintenance Fee Disbursements

Estimate of Initial Maintenance Fees By Unit Type (not aggregate):

<u>Unit</u>	<u>Monthly Fee x 12 months = Yearly Total</u>	
Plan 1	\$2,229	\$26,749*
Plan 2	2,099	25,188*
Plan 3	2,411	28,932
Plan 4	2,305	27,660
Plan 5	2,174	26,088

Maintenance fees are intended to cover the Common Expenses of the Project (i.e., the expenses attributable to the maintenance and operation of the "general" Common Elements of the Project). Maintenance fees shall be charged to each Unit Owner based upon said Owner's Common Interest, except for those expenses which constitute Project Fees which are assessed equally to the applicable Units.** The amounts set forth in this Exhibit "I" are estimates only. Such estimates are not intended to be and do not constitute any representation or warranty by the Developer, including but not limited to any representation or warranty as to the accuracy of the estimates. The estimated initial maintenance fees for each Unit by Unit type does not include assessments for capital reserves. Reasonable efforts to consider current information were used to determine these estimates. However, as is typical, these estimates may change for any number of reasons, including but not limited to changes in the economy, amounts charged by service providers or Acts of God (such as the affect Hurricane Katrina which has resulted in an increase in insurance premiums).

* The estimated maintenance fees for Plans 1 and 2 (the Estate Units) do not include pool expenses. These Units have private pools. Electricity, gas, and water for the private pools in Plans 1 and 2 are billed directly to the Unit. If the Association decides to handle the maintenance of these private pools, an estimate on pool labor would be approximately \$468/month/Estate Unit or \$5616/year/Estate Unit based on an annual labor estimated expense of \$50,544 allocated between all 9 Estate Units.

** Except for those maintenance fees paid as part of the closing costs, the Unit owner shall not be obligated for the payment of his respective share of the common expenses until such time the developer delivers to the Unit owners, the Association and the Managing Agent, if any, written notice that, after a specified date, Unit Owners shall be obligated to pay their portions of the common expenses allocated to the Unit. The notice must be mailed at least 30 days prior to the specified date.

Reserve Assessment:

The Developer has not completed an independent, third party reserve study as contemplated by §514B-148, HRS (the "Reserves Law") at this time.

"Start-up fees" in an amount equal to two (2) months of the estimated maintenance fees will be collected from each purchaser at closing to start funding the maintenance fees and one (1) month of maintenance fees will be collected from each purchaser at closing to start funding the reserves for the project. This one-time reserves payment is to be made by each purchaser and will be supplemented by an assessment to be determined by the Association in accordance with the Reserves Law.

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency

Estimate of Maintenance Fee Disbursements

**NOHONA KAI AT MAUNA LANI
ESTIMATE OF COMMON AREA EXPENSES**

TOTAL REVENUE	<u>MONTHLY FEE x 12 months =</u>	<u>YEARLY TOTAL</u>
Maintenance Fees	\$88,462	\$1,061,544
EXPENSES (all Units)	<u>MONTHLY EXPENSE</u>	<u>YEARLY TOTAL</u>
Utilities		
Electricity	\$ 2,917	\$ 35,000
Water/Sewer	12,500	150,000
Refuse	<u>1,800</u>	<u>21,600</u>
Subtotal Utilities	\$17,217	\$206,600
Repairs & Maintenance		
Landscaping	\$12,000	\$144,000
Gate Maintenance	500	6,000
Road & Street Lights	<u>1,250</u>	<u>15,000</u>
Subtotal Repairs and Maintenance	\$13,750	\$165,000
General and Administrative		
Audit & Tax	\$ 417	\$ 5,000
Insurance	18,000	216,000
Legal Fees	167	2,000
Management Fee	783	9,400
Accounting Fee	392	4,700
Resort Maintenance Fees	3,983	47,800
Office Supplies	167	2,000
Payroll and Benefits	<u>5,625</u>	<u>67,500</u>
Subtotal General and Administrative	\$29,534	\$354,400
Total Expenses (all Units)	\$60,500	\$726,000

[Continued on Next Page]

EXPENSES (Cottages only - Pools)

Electricity	\$ 7,500	\$ 90,000
Gas	\$ 8,333	\$100,000
Water	\$ 6,250	\$ 75,000
Pool Labor	\$ 4,212	\$ 50,544
Pool Chemicals	\$ <u>1,667</u>	\$ <u>20,000</u>

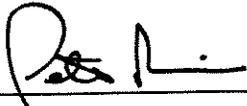
Total Expenses

(Cottages only - Pools)

\$27,962

\$335,544

I, Peter Rice, as agent for and employed by Classic Resorts Limited, the condominium managing agent for the Nohona Kai at Mauna Lani condominium project, hereby certify that the above estimates of initial maintenance fee assessments and Common Area expenses were prepared in accordance with generally accepted accounting principles.



PETER RICE

December 1, 2006

DATE

Pursuant to 514B-148(b), HRS, a new association created under 514B, HRS need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

EXHIBIT J

SUMMARY OF PURCHASE AGREEMENT

The specimen Purchase Agreement for Nohona Kai at Mauna Lani ("Agreement") contains, among other things, the following terms and conditions (which may be modified or otherwise limited by provisions which are not summarized hereinbelow):

A. The Seller (Developer) has engaged Island Title Corporation ("Escrow") to handle Purchaser's funds and to close the transaction in accordance with the terms of the Agreement. All payments to be made under the Agreement shall be paid by Purchaser to Escrow pursuant to the Escrow Agreement.

B. The Purchaser specifically acknowledges and agrees that the Declaration contains reservations of certain rights in favor of Seller, the Association and other owners, and contains certain other provisions to which the Purchaser consents.

C. The "Closing Date" shall be that date (following the completion of the structure in which the Unit is located) upon which the Seller certifies to the Purchaser in writing that the Unit is ready for occupancy. On the Closing Date, Seller and Purchaser shall be required to perform their respective obligations to purchase and sell the Unit under the Agreement; provided, however, that the Seller may extend the Closing Date in the event that Purchaser's Unit is not ready for occupancy to Purchaser due to any delay caused by the factors set forth in Section C.19. in the Agreement. Except as set forth in the preceding sentence, the Closing Date may be extended only by the mutual agreement of the parties. All payments shall be due and payable in full on the Closing Date, and, if not paid on said date due to Purchaser's failure to act in a diligent manner in order for said payment to be made on said date, then such nonpayment shall result in a default under the Agreement. In the event of failure of Purchaser to actually close on the Closing Date scheduled by Seller, and in the event Seller waives its right to claim a default as provided in Section C.8 and in Section C.1.d, Purchaser agrees to pay, in addition to all other amounts due, a late charge of one and one-half percent (1-1/2%) per month (based on the amount of the total Purchase Price) for each month or portion thereof on a 30-day month prorated basis, until the date on which the actual closing date occurs. Seller's failure to exercise any right or remedy under the Agreement shall not constitute a waiver of any of such defaults or of any of such rights, including without limitation, the right to cancel the Agreement, and will not constitute a modification of the Agreement. Escrow shall not record Purchaser's Unit Deed until Escrow has received a certificate from a title company authorized to do business in Hawaii and approved by Seller, stating that, upon filing of such Unit Deed, the Unit and appurtenant common interest thereby conveyed are free and clear of all liens, encumbrances and assessments whatsoever other than those permitted by law and the Agreement. Real property taxes, maintenance costs, and other prorations shall be made, and risk of loss shall transfer from Seller to Purchaser on the Closing Date. Purchaser expressly acknowledges that on the Closing Date, the construction of the other Units and portions of the common elements of the Project may not be fully completed and that such circumstances shall not in any way affect Purchaser's obligations to make the required payments and close the sale.

D. The Purchase Price does not include closing costs which include, among other things, the escrow fee, cost of a preliminary title report, cost of preparation of the Unit Deed, cost of preparing an amendment to the Declaration in the event that Purchaser wishes to buy an additional parking stall, real property tax and other prorations, all acknowledgment fees, conveyance taxes, title insurance, if requested by Purchaser, cost of any lender's title insurance, appraisal fees, costs for drafting of any notes and mortgages, all recording costs or fees, loan fees, credit report costs and all other applicable mortgage costs, all of which the Purchaser shall be responsible to pay at Closing. Purchaser shall also pay a start-up fee equal to two (2) months of estimated maintenance fees in advance and an additional fee equal to one (1) month estimated maintenance fees for the reserves assessment at Closing.

E. Purchaser agrees that it will not assign the Agreement to anyone. Seller may, without any consent of Purchaser, freely assign Seller's interests therein.

F. Purchaser shall not be entitled to possession of the Unit as the owner thereof until Purchaser has completed all required payments and has executed all documents relating to the purchase, and Purchaser has performed the remaining terms and conditions of the Agreement which are to be performed as of the Closing.

G. Notices to either party may be delivered personally or mailed.

H. The Purchaser acknowledges that Purchaser has entered into the Agreement without any reference or representation by Seller or any salesperson that the Seller, or any managing agent of the Project or

anyone else affiliated with the Seller will provide, directly or indirectly, any services relating to the rental or sale or management of the Unit purchased.

I. The laws of the State of Hawaii shall govern all matters with respect to the Agreement.

J. Purchaser has examined and approved the estimate of monthly maintenance charges for the Property as shown in the Public Report. Purchaser is aware that such amounts are only estimates and may change for reasons beyond the control of Seller, and Purchaser hereby specifically accepts and approves any such changes.

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 PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF PURCHASER'S RIGHTS AND OBLIGATIONS UNDER THE PURCHASE AGREEMENT, PURCHASER MUST REFER TO THE PURCHASE AGREEMENT TO DETERMINE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE PURCHASE AGREEMENT, THE PURCHASE AGREEMENT WILL CONTROL.

EXHIBIT K

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement for the Project dated January 14, 2005, as amended ("Agreement") contains the following provisions (which may be modified or otherwise limited by provisions which are not summarized hereinbelow):

A. When Seller (Developer) enters into a purchase agreement for the sale of a Unit or other interest in the Project ("Purchase Agreement"), Seller shall deliver an executed copy of the Purchase Agreement to Escrow together with the address of the Purchaser and pay over to Escrow all monies (including checks) received by Seller from or on behalf of the Purchaser, including those received relating to up-grades to the Unit and all payments made on loan commitments from lending institutions on account of any Units in said Project, other than funds received from interim financing.

B. Escrow shall receive, deposit and hold in separate escrow accounts and disburse as set forth in the Agreement: (a) all payments received by it under Purchase Agreements, (b) such sums received by it under the Agreement from or for the account of Seller, and (c) all sums received by it from any other source with respect to the Project, including sums received by Seller for up-grades to the Unit. Escrow shall not at any time commingle or permit the commingling of any Purchaser's funds with funds belonging to or held for the benefit of Seller.

All funds and instruments received from Purchasers or prospective Purchasers shall be held by Escrow in accordance with the provisions contained in Chapter 514A of the Hawaii Revised Statutes. All monies received by Escrow hereunder shall be deposited, within a reasonable time of the receipt by Escrow, in an interest bearing account with a federally insured financial institution authorized to do business in the State of Hawaii under an escrow arrangement, and shall be held in immediately available funds in accordance with the terms of the Agreement. All income therefrom and interest paid thereon shall be credited to the account of Seller.

C. Escrow shall make no disbursements of Purchaser's funds or proceeds from the sale of Units in the Project (including any payments made on loan commitments from lending institutions), except by way of refunds thereof as provided in the Agreement, until Escrow has been instructed by Seller. In addition, no disbursements of Purchaser's funds shall be made from the balance of the escrow fund until Escrow receives satisfactory evidence that all mechanics' and materialmen's liens have been cleared, unless sufficient funds are set aside for any bona fide dispute.

D. Each Purchaser shall be entitled to a return of his or her funds, without interest, and Escrow shall pay such funds to such Purchaser, promptly after request for return by the Purchaser if one of the following has occurred:

(1) Escrow receives a written request from Seller to return to the Purchaser the funds of the Purchaser then being held pursuant to the Agreement by Escrow; or

(2) Seller notifies Escrow in writing of Seller's exercise of the option to rescind the Purchase Agreement pursuant to any right of rescission stated therein or otherwise available to Seller.

Upon the cancellation of the Purchase Agreement as specified above, Escrow may be entitled to a cancellation fee. Notwithstanding anything in the Agreement or the Purchase Agreement to the contrary, said compensation to Escrow shall be the sole expense of the individual purchaser and shall not in any way be the obligation of the Seller.

E. If the Purchaser fails to make any payment on or before the due date thereof or if the Purchaser does or fails to do any act, which would constitute an event of default under the Purchase Agreement, Seller shall promptly give to such Purchaser and to Escrow, written notice of default. If Purchaser has failed to cure the default after the delivery of notice by Escrow and such default continues

after the expiration of any grace period, Escrow shall so advise Seller. If Seller shall thereafter certify in writing to Escrow: (1) that Seller has elected to terminate the Purchase Agreement and has notified the Purchaser, or (2) that Purchaser is otherwise in default, then, and in either event, Escrow, subject to the provisions relating to dispute and conflicting demands set forth in paragraph 16 of the Agreement, shall thereafter treat all funds of the Purchaser paid under such Purchase Agreement, or any portion thereof as may be allowed by said Purchase Agreement, less Escrow's cancellation fee, as funds of Seller and not of the Purchaser. Thereafter, such funds shall be held free of the escrow established by the Agreement and shall be held by Escrow for the account of Seller. Upon written request by Seller, Escrow shall pay such funds to Seller or order and shall return to Seller the Purchase Agreement of such Purchaser and any other documents theretofore delivered to Escrow in connection with the purchase of the Unit specified in such Purchase Agreement shall be returned to the person from whom or entity from which such documents were received.

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

EXHIBIT L

SUMMARY OF SPECIMEN DEED

Capitalized terms shall have the same meaning ascribed to such terms in the Deed.

The specimen Unit Deed, Encumbrances and Reservations of Rights for Nohona Kai at Mauna Lani ("Deed" or "Unit Deed") contains, among others, the following provisions (which may be modified or otherwise limited by provisions which are not summarized hereinbelow):

A. The premises conveyed comprises a portion of the Nohona Kai at Mauna Lani condominium property regime situate at Kalahuipuaa and Waikoloa, South Kohala, Island and County of Hawaii, State of Hawaii.

B. The Grantor is the lawful owner of the fee simple interest in the real property and the rights to be transferred to the Purchaser; the same are free and clear of and from all encumbrances except as identified in the Deed and except for the lien of real property taxes not yet by law required to be paid; that the Grantor has good right and title to sell and convey said real property in the manner set forth in the Deed; and the Grantor will WARRANT AND DEFEND the same unto the Purchaser forever against the lawful claims and demands of all persons, except as mentioned in the Deed.

C. Purchaser agrees and consents to the exercise by Grantor of any of its reserved rights set forth in the Declaration, and Purchaser agrees to sign such documents and do such things as may be required to permit Grantor to exercise those reserved rights, including signing, delivery and recording of all documents which may be necessary, and Purchaser appoints Grantor as Purchaser's "attorney-in-fact" which means that Grantor can act for Purchaser or on Purchaser's behalf, with "full power of substitution," which means that someone else may take Grantor's place to sign, deliver and record all documents and to do all things on Purchaser's behalf, which grant of authority, being coupled with an interest, which means that the Grantor has an interest beyond just in the power Purchaser is giving, cannot be revoked by Purchaser for the term of the reserved rights, and will not be affected by Purchaser's disability.

D. Purchaser agrees, for the benefit of all other owners of the other Units in the Project, to at all times observe, perform, comply with and abide by all of the covenants, agreements, obligations, conditions and other provisions set forth in the Declaration, the Bylaws, the House Rules and the Resort Documents, as any of the same exist or may hereafter be amended in accordance with law, and does accept and approve of the Declaration, Bylaws, House Rules and the Resort Documents.

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

EXHIBIT M

SUMMARY OF RESORT DECLARATION

Capitalized terms shall have the same meaning ascribed to such terms in the Mauna Lani Resort Association Declaration of Covenants and Restrictions.

The Mauna Lani Resort Association Declaration of Covenants and Restrictions dated June 3, 1982, as amended and restated ("Resort Declaration") contains, among others, the following provisions (which may be modified or otherwise limited by provisions which are not summarized hereinbelow):

- A. A portion of the Kohala Coast of the Island of Hawaii, State of Hawaii, including the land underlying the Condominium Project (all of which is the "Covered Property") and thus each Unit, is subject to the certain Resort Declaration. The Resort Declaration was created to keep the Covered Property desirable, attractive, beneficial and suitable in architectural design, materials, and appearance, and to enhance the natural beauty and protection of owners within the Covered Property. Under the Resort Declaration, an organization called the Mauna Lani Resort Association ("Resort Association") was established to develop to promote these and other objectives.
- B. The Resort Association is a nonprofit corporation. Every Owner, which includes the record owner, whether one or more persons or entities, of fee simple title to the real property or real property improvements which is part of the Covered Property, is a member of the Resort Association. Each Condominium Unit shall have one (1) vote in a vote of the membership. The voting rights of other classes of Owners are set forth in the Bylaws of the Mauna Lani Resort Association.
- C. Each member is responsible for a portion of the Resort Association's expenses. Each Condominium Unit Owner shall be responsible for its proportionate share of these expenses. In the case of the Condominium Project, the general assessments due from the Condominium Project's Owners shall be levied by the Resort Association to the Condominium Association in equal quarterly or monthly installments (or in such other reasonable manner) which shall then assess and collect such amounts from the Owners. With respect to Residential Owners, the annual assessment may not, without the vote or written assent of a majority of the voting power of the Association residing in the Residential Owners, impose a general annual assessment which is more than ten percent (10%) greater than the general assessment for the immediately preceding fiscal year. There may be additional assessments (e.g. additional general assessments, supplemental general assessments, and/or special assessments) as determined by the Resort Association. Each member's interest in or rights to its respective portion of the Covered Property may be subject to a lien in order to secure the member's payment of its share of the Resort Association's assessments.
- D. The Restrictive Covenants regarding the use of the Covered Property is set forth in Article V. of the Resort Declaration.
- E. Generally, the Resort Association's Declaration may be amended as follows:
 1. By the Declarant, Mauna Lani Resort, Inc., designated Declarant Mauna Lani Service, Inc., and designated Co-Declarant Mauna Lani Resort (Operation), Inc. (or such other person or entity to the extent it is designated as Declarant or Co-Declarant by Mauna Lani Resort, Inc. and it accepts the rights and obligations of Declarant under the Resort Declaration in a recorded document), to effect changes or amendments required by an administrative agency of any state, territory, possession or foreign country or other foreign jurisdiction as a condition precedent to marketing any portion of the Mauna Lani Resort; or
 2. By a majority vote of the Board of the Resort Association, 2/3 vote of all Voting Rights of the Association, and a majority vote of the Residential Owners.

F. The Resort Declaration is effective through June 3, 2057.

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

EXHIBIT N

CONSTRUCTION WARRANTIES

A. Developer does not make any warranties for the Project, but intends to merely pass on any warranties made to it by the general contractor (or any other contractor, subcontractor or parties) for the Project to correct work found to be defective within the applicable period. Typically, a general contractor will provide a warranty for work to be found defective within one year after the date of substantial completion.

B. A transferable ten-year limited warranty ("Ten-Year Limited Warranty") covering certain construction defects (as defined by the 10-Year Warranty) is being provided. The Ten-Year Limited Warranty includes provisions limiting the responsibility and conditions under which it is valid or applicable. None of Seller's employees, salesmen or other agents are authorized to make any warranty other than the Ten-Year Limited Warranty, nor can they extend or in any way alter the Ten-Year Limited Warranty. Purchaser is strongly urged to read the sample Ten-Year Limited Warranty which contains, amongst other things, the coverages, limits, claims process and dispute process of or for this warranty.

Prior to Closing, Purchaser shall deliver to Escrow a fully executed document(s) acknowledging that Purchaser has received, read and understands the Ten-Year Limited Warranty and enrolling in the Ten-Year Limited Warranty program. The Escrow Agent shall thereafter deliver notice that Escrow has closed and that the Unit is enrolled in the Ten-Year Limited Warranty program.

The Ten-Year Limited Warranty, in part, requires that all disputes between Seller and Purchaser concerning the Ten-Year Limited Warranty be resolved by binding arbitration as set forth in the Ten-Year Limited Warranty.

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