CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:
Developer MILO COURT AT KEHALANI LLC
Business Address 220 S. King Street, Suite 2170, Honolulu, Hawaii 96813

Project Name(*): Milo Court at Kehalani
Address: Off Honoapiilani Highway and Kehalani Mauka Parkway (under construction), Wailuku, Maui, Hawaii 96793

Registration No. 6404

Effective date: August 21, 2007
Expiration date: May 21, 2008

Preparation of this Report:

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

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

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

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

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

Type of Report:

____ **PRELIMINARY: (yellow)** The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

_X_ **CONTINGENT FINAL: (green)** The developer has legally created a condominium and has filed information with the Commission for this report which EXPIRES NINE (9) MONTHS after the above effective date. Contingent Final public reports may not be extended or renewed.
[X] No prior reports have been issued.
[ ] This report supersedes all prior public reports.

____ **FINAL: (white)** The developer has legally created a condominium and has filed complete information with the Commission.
[ ] No prior reports have been issued.
[ ] This report supersedes all prior public reports.
[ ] This report must be read together with _____

____ **SUPPLEMENTARY: (pink)** This report updates information contained in the:
[ ] Preliminary Public Report dated: _____
[ ] Final Public Report dated: _____
[ ] Supplementary Public Report dated: _____

And
[ ] Supersedes all prior public reports.
[ ] Must be read together with _____
[ ] This report reactivates the _____ public report(s) which expired on _____

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

FORM: RECO-30 1297 / 0298 / 0800 / 0203 / 0104 /0107 / 0507

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[x] Required and attached to this report [ ] Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

[ ] No prior reports have been issued by the developer.

[ ] Changes made are as follows:

SPECIAL ATTENTION

The Project is a condominium project, not a subdivision. The land area appurtenant to each unit is a limited common element and does not represent a legally subdivided lot. The lines on the Condominium Map showing the boundaries of the land areas are for illustration purposes only and are not intended as and should not be construed as formal subdivision lines.

This Public Report does not constitute an approval of the project by the Real Estate Commission or any other governmental agency, nor does it ensure that all county codes, ordinances and subdivision requirements have necessarily been complied with.

SPECIAL ATTENTION

This Contingent Final Public Report has been prepared by the Developer pursuant to §514A-39.5, HRS. The Real Estate Commission issued this report before the developer submitted certain documents and information as more fully set forth in the statutory notice below. Sales contract executed pursuant to this report **are binding on the buyer under those conditions specified immediately below** and in Part V. B. of this report found on pages 18 & 19 of this report. This report expires nine (9) months after the effective date of the report and may not be extended or renewed.

STATUTORY NOTICE

"The effective date for the Developer's Contingent Final Public Report was issued before the Developer submitted to the Real Estate Commission: the executed and recorded deed or master lease for the project site; the executed construction contract for the project; the building permit; satisfactory evidence of sufficient funds to cover the total project cost; or satisfactory evidence of a performance bond issued by a surety licensed in the State of not less than one hundred per cent of the cost of construction, or such other substantially equivalent or similar instrument or security approved by the Commission. Until the Developer submits each of the foregoing items to the Commission, all Purchaser deposits will be held by the escrow agent in a federally-insured, interest-bearing account at a bank, savings and loan association, or trust company authorized to do business in the State. If the Developer does not submit each of the foregoing items to the Commission and the Commission does not issue an effective date for the Final Public Report before the expiration of the Contingent Final Public Report, then:
(1) The Developer will notify the Purchaser thereof by certified mail; and
(2) Either the Developer or the Purchaser shall thereafter have the right under Hawaii law to rescind the Purchaser's sales contract. In the event of a rescission, the Developer shall return all of the Purchaser's deposits together with all interest earned thereon, reimbursement of any required escrow fees, and, if the Developer required the Purchaser to secure a financing commitment, reimburse any fees the Purchaser incurred to secure that financing commitment." (§514A-64.5, HRS)

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General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Milo Court at Kehalani LLC
Name*
220 S. King Street, Suite 2170
Business Address
Honolulu, Hawaii 96813
Phone: (808) 537-5976 (Business)

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):
Towne Development of Hawaii, Inc. (Manager) - see attached page 5A for names of officers and directors

Real Estate Broker*: Towne Island Homes, Ltd.
Name
220 S. King Street, Suite 2170
Business Address
Honolulu, Hawaii 96813
Phone: (808) 537-5976 (Business)

Escrow: Title Guaranty Escrow Services, Inc.
Name
235 Queen Street
Business Address
Honolulu, Hawaii 96813
Phone: (808) 521-0211 (Business)

General Contractor*: Towne Realty of Hawaii, Inc.
Name
220 S. King Street, Suite 2170
Business Address
Honolulu, Hawaii 96813
Phone: (808) 537-5976 (Business)

Condominium Managing Agent*: IPM, Inc. dba Certified Management of Maui
Name
3179 Koapaka Street, 2nd Floor
Business Address
Honolulu, Hawaii 96819
Phone: (808) 836-0911 (Business)

Attorney for Developer: Rush Moore LLP
A Limited Liability Law Partnership
Name
Attention: Earl T. Sato/Irene A. Anzai
737 Bishop Street, Suite 2400
Business Address
Honolulu, Hawaii 96813
Phone: (808) 521-0400 (Business)

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

Towne Development of Hawaii, Inc. (Manager) - Officers and Directors

Name	Title
John K. Tsui	Chairman
Christopher L. Lau	President
Gerald Stein	Executive Vice President
Arthur W. Wigchers, Jr.	Executive Vice President
James F. Janz	Senior Vice President
Alison Vasconcellos	Senior Vice President
James B. Young	Vice President and Secretary
Stephan J. Chevalier	Vice President and Treasurer
Robert Danley	Vice President and Director
Robert E. Braun	Vice President
Takeshi Matsukata	Vice President
Mark S. Madigan	Assistant Secretary
Sandra J. Delisle	Assistant Secretary
Joseph J. Zilber	Director

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is:

[ ] Proposed
[x] Recorded - Bureau of Conveyances: Document No. 2006-120561
Book _____ Page _____
[ ] Filed - Land Court: Document No. _____

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

First Amendment of Declaration of Condominium Property Regime of Milo Court at Kehalani and Condominium Map No. 4284 dated December 5, 2006, recorded as Document No. 2006-223068.

Amendment and Restatement of Declaration of Condominium Property Regime of Milo Court at Kehalani dated August 1, 2007, recorded as Document No. 2007-137469.

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

The Condominium Map for this condominium project is:

[ ] Proposed
[x] Recorded - Bureau of Conveyances Condo Map No. 4284
[ ] Filed - Land Court Condo Map No. _____

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

First Amendment of Declaration of Condominium Property Regime of Milo Court at Kehalani and Condominium Map No. 4284 dated December 5, 2006, recorded as Document No. 2006-223068.

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

The Bylaws for this condominium are:

[ ] Proposed
[x] Recorded - Bureau of Conveyances: Document No. 2005-120562
Book _____ Page _____
[ ] Filed - Land Court: Document No. _____

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

Amendment and Restatement of Bylaws of the Association of Unit Owners of Milo Court at Kehalani dated August 1, 2007, recorded as Document No. 2007-137470.

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

The House Rules for this condominium are:

[x] Proposed [ ] Adopted [ ] Developer does not plan to adopt House Rules

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

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

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	65%
House Rules	---	By majority of the Board

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

2. Developer:

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

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

See Exhibit "A"

III. THE CONDOMINIUM PROJECT

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

[x] Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.

[ ] Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

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

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: [ ] Month [ ] Year

For Sub-leaseholds:

[ ] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is: [ ] Canceled [ ] Foreclosed

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

[ ] Individual Apartments in Fee Simple: Common Interest in the Underlying Land in Leasehold or Sub-leasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: [ ] Month [ ] Year

[ ] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: Off Honoapiilani Highway and Kehalani Mauka Parkway (under construction) Wailuku, Maui, Hawaii

Tax Map Key (TMK): (2) 3-5-001-081

[x] Address [x] TMK is expected to change because the project is a new development and the land is part of a larger tax parcel. A street address and separate tax map key will be assigned to the project. Individual CPR numbers may be assigned to each apartment as part of the tax map key.

Land Area: 11.144 [ ] square feet [x] acre (s) Zoning Apartment District (A-1)

Fee Owner: Milo Court at Kehalani LLC
Name

Lessor: N/A
Name

Business Address

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 47 Floors Per Building 2

[ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[x] Concrete [ ] Hollow Tile [x] Wood

[x] Other Glass

4. Uses Permitted by Zoning

	No. of Apts.	Use Permitted By Zoning	
[x] Residential	94	[x] Yes	[ ] No
[ ] Commercial		[ ] Yes	[ ] No
[ ] Mix Res/Comm		[ ] Yes	[ ] No
[ ] Hotel		[ ] Yes	[ ] No
[ ] Timeshare		[ ] Yes	[ ] No
[ ] Ohana		[ ] Yes	[ ] No
[ ] Industrial		[ ] Yes	[ ] No
[ ] Agricultural		[ ] Yes	[ ] No
[ ] Recreational		[ ] Yes	[ ] No
[ ] Other:		[ ] Yes	[ ] No

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

5. Special Use Restrictions:

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

[x] Pets: Permitted with restrictions, among other things, a reasonable number

[ ] Number of Occupants: _____

[x] Other: See Declaration and By-Laws, generally

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: None Stairways: None Trash Chutes: None

Apt. Type	Quantity	BR/Bath.	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
X	28	3 / 2	1,507	521	garage
				144	lanai (2nd floor)
				28	covered entry
Y	24	3 / 2-1/2	1,567	376	garage
				82	lanai (1st floor)
				82	lanai (2nd floor)
				60	covered entry
Z	42	3 / 2-1/2	1,543	413	garage
				108	lanai (1st floor)
				42	covered entry

Total Number of Apartments: 94 (see Exhibit "B")

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

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

Boundaries of Each Apartment:
See Exhibit "B"

Permitted Alterations to Apartments:
See Exhibit "C"

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

7. Parking Stalls:

Total Parking Stalls: 198

	Regular Covered	Regular Open	Compact Covered	Compact Open	Tandem Covered	Tandem Open	TOTAL
Assigned (for each unit)	2						188
	a two-car garage is a part of each unit						
Guest		10					10
Unassigned							
Extra for Purchase							
Other: _____							
Total Covered & Open	198						198

Each apartment will have the exclusive use of at least two (2) parking stall(s). Buyers are encouraged to find out which stall(s) will be available for their use.

[ ] Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

[x] There are no recreational or common facilities.

[ ] Swimming pool [ ] Storage Area [ ] Recreation Area

[ ] Laundry Area [ ] Tennis Court [ ] Trash Chute/Enclosure(s)

[ ] Other: _____

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

[x] There are no violations [ ] Violations will not be cured.

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

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

Not applicable

11. Conformance to Present Zoning Code

a. [x] No variances to zoning code have been granted.

[ ] Variance(s) to zoning code was/were granted as follows:

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

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

	Conforming	Non-Conforming	Illegal
Uses	x		
Structures	x		
Lot	x		

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

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

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

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

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

[x] described in Exhibit "D" .

[ ] as follows:

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

[ ] There are no limited common elements in this project.

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

[x] described in Exhibit "E".

[ ] as follows:

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

[ ] described in Exhibit _____.

[x] as follows:

Each apartment shall have an undivided 1/94 fractional interest (being equal to an undivided 1.0638+ percentage interest).

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

Exhibit "F" describes the encumbrances against the title contained in the title report dated July 13, 2007 and issued by Title Guaranty of Hawaii, Incorporated.

See also Section V.C., pages 20 and 20A, for information regarding the Declaration of Covenants, Conditions, and Restrictions for Kehalani dated March 17, 1995, recorded in the Bureau of Conveyances as Document No. 95-040251, as it has been or may be amended or supplemented, that also encumbers the Project.

Blanket Liens:

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

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

[x] There are blanket liens which may affect title to the individual apartments.

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

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed **Prior to Conveyance**
Mortgage	Buyer's contract will be cancelled and Buyer's deposit will be returned, less Escrow cancellation fee. Buyer may lose all rights to acquire the apartment.

F. **Construction Warranties:**

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

1. Building and Other Improvements:

The Developer will convey each apartment by an Apartment Deed with a warranty of title. The Developer will provide a Home Builder's Limited Warranty, which is set forth on PWC Form No. 117 Rev. 05/02, a copy of which will be furnished to each purchaser of an apartment, which will cover construction defects (as defined in the Home Builder's Limited Warranty) for the following periods: (a) for each apartment, a period of ten (10) years from the date title to the apartment is transferred to the initial purchaser, and (b) for common elements in a building, a period of ten (10) years from the date the first apartment in the building is transferred to the initial purchaser. Other than the Home Builder's Limited Warranty, the Developer will make no warranties, expressed or implied, about any apartment, the project or anything installed or contained in them. This includes, but is not limited to, warranties of merchantability, habitability, workmanlike construction, fitness for a particular use or purpose or for sufficiency of design.

2. Appliances:

See Section F.1 above.

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

Construction of the Project is expected to commence in February 2007, and is estimated to be completed by March 31, 2009.

H. **Project Phases:**

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

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

Not applicable

IV. CONDOMINIUM MANAGEMENT

A. **Management of the Common Elements:** The Association of Apartment 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.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

[x] not affiliated with the Developer
[ ] self-managed by the Association of Apartment Owners
[ ] the Developer or the Developer's affiliate
[ ] Other _____

B. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment 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 apartment and the apartment may be sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fee may vary depending on the services provided.

> The Disclosure Abstract contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. **Utility Charges for Apartments:**

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

[ ] None [x] Electricity (_x_ Common Elements only ___ Common Elements & Apartments)

[ ] Gas (___ Common Elements only ___ Common Elements & Apartments)

[x] Water (common elements only) [ ] Sewer [x] Television Cable

[ ] Other _____

V. MISCELLANEOUS

A. **Sales Documents Filed With the Real Estate Commission:**

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

[x] Notice to Owner Occupants

[x] Specimen Sales Contract
Exhibit "G" contains a summary of the pertinent provisions of the sales contract.

[x] Escrow Agreement dated June 29, 2006.
Exhibit "H" contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other _____

B. **Buyer's Right to Cancel Sales Contract:**

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

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

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

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

A) The Developer delivers to the buyer a copy of:
   1) Either the Contingent Final Public Report **OR** the Supplementary Public Report which has superseded the Contingent Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
   2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); **AND**

C) One of the following has occurred:
   1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
   2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
   3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

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

A) The Developer delivers to the buyer a copy of:
   1) Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
   2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); **AND**

C) One of the following has occurred:
   1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
   2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
   3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

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

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

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

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

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

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

Website to access official copy of laws: www.capitol.hawaii.gov
Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs
Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 6404 filed with the Real Estate Commission on August 2, 2007.

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

[ ] YELLOW paper stock [ ] WHITE paper stock [ ] PINK paper stock [x] GREEN paper stock

C. **Additional Information Not Covered Above**

Kehalani Community Association

Each unit in the Project will be annexed to and will be subject to the terms, provisions, conditions and restrictions of that certain Declaration of Covenants, Conditions and Restrictions for Kehalani dated March 17, 1995, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 95-040251, as it has been or may be amended and supplemented (the "Kehalani Declaration"). All unit owners, their tenants, families, servants and guests, and any other persons who may in any manner use the Project, shall be bound by and comply strictly with the Kehalani Declaration and the Articles of Incorporation, By-Laws and any duly adopted rules and regulations of the Kehalani Community Association. See Exhibit "I" for a summary of the pertinent provisions of the Kehalani Declaration.

Any charges assessed by the Kehalani Community Association pursuant to the Kehalani Declaration shall be separate from the fees assessed by the Association of Unit Owners of the Project and shall be payable directly by the unit owners to the Kehalani Community Association. The charges assessed by the Kehalani Community Association are currently estimated to be $16.00 per month for each unit.

Water Meter and Charges

There is one water meter for the Project. Each unit will have a submeter to measure the amount of water usage by the unit. Each unit owner will be billed monthly by the Association of Unit Owners for water usage and must pay to the Association the water and sewer charges together with the unit's share of common expenses. Water used by the common elements are included in the monthly maintenance fees.

Maintenance Fees

Pursuant to Section 514A-15(b), Hawaii Revised Statutes, Developer will initially pay the actual common expenses, but not maintenance reserves, for the Project. Buyers will become obligated for the payment of their respective share of the common expenses only after receiving a copy of a disclosure statement filed by Developer with the Real Estate Commission giving the date on which the unit owners shall be obligated to commence paying their respective shares of the common expenses.

Mold and Mildew

Microorganisms, including, but not limited to, mold, mildew, spores, or any other form of fungi or bacteria ("Microorganisms"), occur naturally in the environment and may be present, during or after construction, in the indoor air and/or on the interior surfaces of the units, including, without limitation to, cavities, attics, windows, foundations, floor slabs, and/or on the exterior surfaces of the units, or any part thereof. Concentration of moisture in the units may result from cooking, showering or similar activities inside the units, the outside atmosphere, and/or the design, construction means and methods, and/or the building materials used in the construction of the units. This moisture may cause the growth, release, discharge, dispersal or presence of Microorganisms which, at certain levels, can cause deterioration of building materials, damage to property, health hazards, personal injuries and/or other irritant effects, such as, without limitation to, skin irritation, respiratory problems and/or allergic reactions. Likewise, concentrations of chemicals released from household furnishings, appliances, mechanical equipment, personal possessions or building materials may, at certain levels, create health hazards and/or other irritant effects, such as, without limitation to, skin irritation, respiratory problems and allergic reactions. Because Microorganisms occur naturally in the environment, Developer cannot eliminate the possibility that Microorganisms may grow in, on or about the units. Buyers may minimize these effects by proper utilization and of heating, cooling, dehumidification or ventilation equipment, interior and cleaning and exterior maintenance, such as, but not limited to, proper grading, landscaping, painting and caulking. Each buyer will acknowledge that the buyer has been informed of the effects of Microorganisms and chemicals, and each buyer will assume all risk of damage, personal injury or destruction of or injury to property that may arise as a result of or be in any way connected with the indoor air quality or the presence of Microorganisms or chemicals in, on or about the units.

Each buyer will also release and discharge, and agree to indemnify and defend, Developer and its successors and assigns, contractors, subcontractors, material suppliers and the officers, employees, agents of

each of them, from and against any and all claims, obligations, demands, damages, causes of action, liabilities, losses and expenses, including reasonable attorneys' and expert fees, whether now known or hereafter known, foreseen or unforeseen, that the buyer or any occupant of the unit had, has, or may have in the future, in law or in equity (the "claim"), that are attributable to (1) bodily injury, sickness, emotional distress, disease, death or any other personal injury or adverse health effects, or (2) injury to or destruction of tangible personal property, including loss of the use thereof arising out of or relating to, or in any way connected with, indoor air quality, moisture, or the growth, release, discharge, dispersal or presence of any Microorganisms or chemicals in the air or on the interior surfaces of the unit including, without limitation to, wall cavities, the attic, windows and the basement, or on the exterior surfaces of the unit or on any part thereof, whether or not the claim is caused by, in whole or in part, any act or omission of Developer, its contractors, subcontractors or material suppliers, in the construction of the Project, including, but not limited to, Developer's or its contractors', subcontractors' or material suppliers' construction means and methods, material selection and installation, and/or design services, if any. Developer makes no express or implied warranty of habitability, merchantability, fitness for a particular purpose or good workmanship as to building materials and/or construction means and methods with regard to indoor air quality or the presence of Microorganisms or chemicals in, on or about the units.

Handicap Accessible Parking Spaces

If required by law, the Association may alter the guest parking spaces to create handicap accessible parking spaces, even if the alteration shall reduce the total number of guest parking spaces in the Project; provided that the total number of parking spaces shall not be reduced below the number of parking spaces required by the zoning, land use or building laws applicable to the Project.

Hawaii Contractor Repair Act

The Hawaii Contractor Repair Act, Hawaii Revised Statutes Chapter 672E contains important requirements a buyer must follow before a buyer may file a lawsuit or other action (including but not limited to arbitration) for defective construction against the contractor (defined in the Hawaii Contractor Repair Act to mean any person, firm, partnership, corporation, association or other organization that is engaged in the business of designing, manufacturing, supplying products, developing, constructing or selling a dwelling) who designed, repaired, or constructed the unit, the Project or the common elements of the Project. Ninety days before a buyer files a lawsuit or other action, the buyer must serve on the contractor a written notice of any construction conditions the buyer alleges are defective. Under the Hawaii Contractor Repair Act, a contractor has the opportunity to make an offer to repair and/or pay for the defects. The Buyer is not obligated to accept any offer made by a contractor. There are strict deadlines and procedures under the Hawaii Contractor Repair Act, and failure to follow them may negatively affect the buyer's ability to initiate any arbitration pursuant to the Home Builder's Limited Warranty provided by the Developer.

Affiliations

Towne Realty of Hawaii, Inc. (the general contractor) and Towne Island Homes, Ltd. (the real estate broker) are wholly owned subsidiaries of Towne Development of Hawaii, Inc., the manager of Milo Court at Kehalani LLC (the developer).

Towne Island Mortgage LLC (a mortgage broker) is an affiliate of Milo Court at Kehalani LLC (the developer).

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

Milo Court at Kehalani LLC
Printed Name of Developer

By: _____ August 1, 2007
Duly Authorized Signatory* Date

Takeshi Matsukata, Vice President of Towne Development of Hawaii, Inc. (Manager)
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Maui

Planning Department, County of Maui

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

EXHIBIT "A"

DEVELOPER'S RESERVED RIGHTS

1. The Developer reserves an easement over and upon the Project as may be reasonably necessary for the completion of the development and construction of the Project and the correction of defects in the Project. (See Section 4.11 of the Declaration.)

2. The Developer reserves the right to conduct extensive sales activities on the Project for the sale of units in the Project, and for the sale of units in other projects developed by Developer on property located near or adjacent to the Project, including without limitation, the use of model units, sales and management offices, and extensive sales displays and activities until the date of the closing of the sale of the last unsold unit in the Project or in such other projects (see Section 4.12 of the Declaration).

3. The Developer reserves the right, for itself and its successors and assigns, at any time prior to December 31, 2012, to designate and to grant to any public or governmental authority or other entity rights-of-way and other easements which are for the sole benefit of the Project, for the benefit of lands located near or adjacent to the Project, or which do not materially and adversely interfere with the use, nor materially and adversely impair the value of the Project or any unit in it, over, across, under and through the common elements for lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, drainage, and other public services and utilities, and rights to enter for the purpose of installing, repairing, altering and removing such lines and facilities and of trimming any trees in the way thereof; provided that in connection with the installation, maintenance, repair, alteration or removal of any such lines and facilities pursuant to rights-of-way and other easements granted hereunder, the Developer or its successors or assigns, as applicable, must require that the common elements be restored promptly at the expense of the party owning and exercising such easement right; provided, further, that the Association, through its Board of Directors, and with the consent and agreement of the holders of any then existing easements affected thereby, is authorized to grant, convey, transfer, cancel, relocate and otherwise deal with any and all such public services and utilities easements now or hereafter located on or affecting the Project without requiring any consideration therefor. To the extent that joinder of any unit owner and lien holder or other person who may have any interest in the Project, any unit or the land of the Project may be required in order to validate any act or thing done pursuant to the foregoing reservation, such joinder shall be accomplished by a power of attorney from each of the owners, lien holders or other such parties. The acquiring or acceptance of ownership in a unit or of a lien covering a unit or any other interest in the Project or the land of the Project shall constitute a grant of such power of attorney and the grant, being coupled with an interest, shall be irrevocable and shall not be affected by the disability of the party granting such power. (See Section 4.13 of the Declaration.)

4. The Developer reserves the right to amend the Declaration (see Section 21 of the Declaration), without the consent or joinder of the Association or the persons then owning or leasing the units or their mortgagees, to satisfy any requirement of the Department of Veterans' Affairs ("VA") or the Federal Housing Administration ("FHA") which the Developer deems necessary or convenient. and to such extent and with such language as may be requested by the FHA, VA, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or by any federally chartered lending institution as a condition precedent to lending funds upon the security of a unit in the Project.

5. The Developer reserves the right to amend the Declaration (see Section 22 of the Declaration), without the consent or joinder of the Association or the persons then owning or leasing the units or their mortgagees, as follows:

a. From time to time, after completion of construction of the buildings of the Project, pursuant to the provisions of Section 514A-12, Hawaii Revised Statutes or Section 514B-34, Hawaii Revised Statutes, as applicable, to record verified statements of a registered architect or professional engineer certifying that the final plans of the buildings theretofore filed or being filed simultaneously with

such amendments fully and accurately depict the layout, location, unit numbers and dimensions of the units as built.

b. To make changes to the Project and to amend the Declaration and the Condominium Map in any manner, as long as the Developer owns all of the units in the Project.

c. To change the number of each type of unit in the Project; provided, however, that this right shall apply only to units that are not yet built or are owned by the Developer.

d. To make changes to the Project and the Project drawings and/or specifications; provided that such changes do not violate applicable laws and codes and do not constitute a material change to any unit not owned by the Developer.

EXHIBIT "B"

UNITS

Unit Types

Type X	Type Y	Type Z
Unit Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 31, 32, 61, 62, 63, 64, 65 and 66	Unit Nos. 53, 54, 55, 56, 67, 68, 69, 70, 71, 72, 73, 74, 85, 86, 87, 88, 89, 90, 91, 92, 93 and 94	Unit Nos. 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 57, 58, 59, 60, 75, 76, 77, 78, 79, 80, 81, 82, 83 and 84

Boundaries of Units

Each unit is a duplex unit and shall not be deemed to include any pipes, wires, cables, conduits or other utility or service lines running through either unit in a building which are utilized for or serve the other unit in the building, the same being deemed common elements as provided below. Each unit shall be deemed to include the portion of the common wall between the two units in a building that is a part of the unit, the exterior surfaces of the perimeter walls (other than the common wall) of the unit, all doors and door frames, all windows and window frames, all floors, ceilings, walls and partitions within its perimeter walls, the portion of the roof of the building covering the unit, the bottom surface of the portion of the foundation of the building under the unit and/or the footings of the unit, as applicable, and any lanais, entry areas, eaves, gutters, downspouts and railings attached to and a part of the unit. The portion of the common wall between the two units in each building from the interior decorated or finished surface of the common wall to the centerline on the horizontal of the common wall shall be a part of each unit.

EXHIBIT "C"

PERMITTED ALTERATIONS TO UNITS

Section 15 of the Declaration provides as follows:

Section 15.1. Alteration of Buildings. Except as otherwise provided by applicable law or this Declaration, restoration or replacement of any of the Improvements different in any material respect from the Condominium Map, or the construction of any additional building, or any material addition to or alteration of the Project, or the excavation of any basement or cellar shall be undertaken by the Association or any Owner only pursuant to an amendment of this Declaration, duly executed by or pursuant to a vote or the written consent of the percentage of Owners required by the Act and in accordance with complete plans and specifications therefor first approved in writing by the Board, and promptly upon completion of such restoration, replacement, construction, alteration or addition the Association shall record such amendment in the Recording Office together with a complete set of floor plans and elevations, as applicable, of the Project as so altered, certified as built by a registered architect or professional engineer; PROVIDED, HOWEVER, that the Owner(s) of the two Units in a building, at their expense, may remove or alter the common wall between the two Units with the written approval by the institutional holders of mortgages covering such Units (if the mortgagees require such approval), provided that the structural integrity of the building is not affected by such removal or alteration and the Owner(s) provide written notice to the Board of such removal or alteration. If, subsequent to such removal or alteration, ownership of one or both of the Units is transferred, then the Owner(s) of the Units, at their expense, shall restore the common wall to its original condition prior to the transfer of ownership unless the new Owner(s) accept the common wall in its altered condition. The Owner(s) of the Units shall provide written notice to the Board if the common wall is restored to its original condition.

Section 15.2. Nonmaterial Alterations. Subject to the provisions of this Declaration, nonmaterial additions to or alterations of the common elements or Units, including, without limitation, the installation of solar energy devices, or additions to or alterations of a Unit made within the Unit or within a limited common element appurtenant to and for the exclusive use of the Unit, shall require the approval only by the Board, which shall not unreasonably withhold such approval, and all other Owners thereby directly affected (as determined by said Board).

The phrase "nonmaterial additions and alterations" shall mean an addition to or alteration of the common elements or a Unit that does not jeopardize the soundness or safety of the Project, reduce the value thereof, impair any easement, detract from the appearance of the Project, interfere with or deprive any nonconsenting Owner of the use or enjoyment of any part of the Project, or directly affect any nonconsenting Owner.

The phrase "solar energy device" shall mean any new identifiable facility, equipment, apparatus, or the like which makes use of solar energy for heating, cooling, or reducing the use of other types of energy dependent upon fossil fuel for its generation; provided that if the equipment sold cannot be used as a solar device without its incorporation with other equipment, it shall be installed in place and be ready to be made operational in order to qualify as a "solar energy device".

Section 15.3. Building Permits. The Association or Owner(s), as applicable, shall obtain any required building permits and governmental approvals for any construction, restoration or replacement, and shall observe all applicable laws and building setback lines.

EXHIBIT "D"

COMMON ELEMENTS

1. The land of the project in fee simple.

2. All yards, grounds, landscaping, planters, fences and walls, if any.

3. All roads, parking areas, sidewalks, walkways and portions of driveways that are not part of a Private Yard under and surrounding a unit.

4. All mailboxes.

5. All air conditioning equipment located on the grounds or in the walls of the buildings of the project.

6. All solar panels located on the roofs of the buildings.

7. All pipes, wires, cables, ditches, conduits, ducts, water meters, electrical equipment, and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one unit for services such as power, light, gas, water, sewer, storm drainage, telephone and television signal distribution, if any.

8. Any and all other apparatus and installations of common use and all other parts of the project necessary or convenient to its existence, maintenance and safety, or normally in common use.

EXHIBIT "E"

LIMITED COMMON ELEMENTS

1. The lanai(s) adjoining each unit, as shown on the Condominium Map, shall be appurtenant to and for the exclusive use of such unit.

2. The entry area adjoining each unit, as shown on the Condominium Map, shall be appurtenant to and for the exclusive use of such unit.

3. The Private Yards under and surrounding each of the units, including without limitation any walkways, uncovered concrete slabs, walkways and driveways, as shown on the Condominium Map, and any trees, shall be appurtenant to the respective units, but excluding any water line, sewer line or drain line and ditches located on, in or under such Private Yards that serves more than one unit or the common elements. The Private Yards are not legally subdivided lots and the boundary lines between adjoining Private Yards and a Private Yard and the common elements are not intended and should not be construed to be property lines of legally subdivided lots.

4. The water lines, sewer lines or drain lines located in or under the Private Yard of a unit which serve only that unit shall be appurtenant to such unit.

5. Any wall and/or fence or any portion of any wall and/or fence located within a Private Yard shall be appurtenant to and for the exclusive use of the unit to which the Private Yard is appurtenant; excluding, however, any wall and/or fence located on or along the boundary between two adjoining Private Yards as described in paragraph 6 below.

6. Any wall and/or fence located on or along the boundary between two adjoining Private Yards shall be appurtenant to and for the exclusive use of the units to which the Private Yards are appurtenant, notwithstanding that the wall and/or fence, or any portion of such wall and/or fence, may be located within one of the Private Yards.

7. Any wall and/or fence or any portion of any wall and/or fence located on or along the boundary between a Private Yard and a common element shall be appurtenant to and for the exclusive use of the unit to which the Private Yard is appurtenant, notwithstanding that the wall and/or fence, or any portion of such wall and/or fence, may be located within the common element.

8. One (1) mailbox shall be appurtenant to and for the exclusive use of each unit.

9. Any air conditioning equipment serving a unit but located on or in the common elements shall be appurtenant to and for the exclusive use of such unit.

10. Any solar panel that is a part of a solar water heater and is located on the roof of a building shall be appurtenant to and for the exclusive use of the unit served by such solar panel.

EXHIBIT "F"

ENCUMBRANCES AGAINST TITLE

The following are the encumbrances against title to the land of the Project, identified as Tax Map Key No. (2) 3-5-001-081.

1. For Real Property taxes that may be due and owing reference is made to the Office of the Tax Assessor, County of Maui.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. Rights of native tenants as reserved in Royal Patent Grants 172.

4. Ditches as indicated on the tax map.

5. The terms and provisions contained in Deed dated June 23, 1924, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 740 at Page 134.

6. Grant of easement (10 feet wide) for waterline purposes, dated October 4, 1954, effective November 1, 1954, to County of Maui, recorded in said Bureau of Conveyances in Liber 2882 at Page 113.

7. Unrecorded Grant of nonexclusive easement for waterline purposes, dated December 6, 1978, to Board of Water Supply of the County of Maui, as referenced in instrument dated December 6, 1978, recorded in said Bureau of Conveyances in Liber 13464 at Page 463.

8. The terms and provisions contained in Declaration of Conditions dated July 25, 1990, recorded in said Bureau of Conveyances as Document No. 90-117006.

9. The terms and provisions contained in Unilateral Agreement and Declaration for Conditional Zoning dated August 29, 1991, recorded in said Bureau of Conveyances as Document No. 91-124296, Second Supplemental Unilateral Agreement dated ---(acknowledged May 2, 2003), recorded in said Bureau of Conveyances as Document No. 2003-091382, and Supplemental Unilateral Agreement dated ---(acknowledged April 15, 2003), recorded in said Bureau of Conveyances as Document No. 2003-091383.

10. The terms and provisions contained in Deed dated December 15, 1993, recorded in said Bureau of Conveyances as Document No. 93-208058, as affected by Assignment of In Gross Reservations dated October 1, 2005, recorded in said Bureau of Conveyances as Document No. 2005-229077, re: assigning all "in gross" reservations and grants.

11. The terms and provisions contained in Right of Entry and Operating Agreement dated February 18, 1997, recorded in said Bureau of Conveyances as Document No. 97-029978.

12. The terms and provisions contained in Subdivision Agreement (Large Lots) dated October 2, 2002, recorded in said Bureau of Conveyances as Document No. 2002-198458.

13. The terms and provisions contained in Deferral of Subdivision Requirements Agreement dated October 31, 2002, recorded in said Bureau of Conveyances as Document No. 2002-218046.

14. The terms and provisions contained in Agreement for Implementation of Water Master Plan for Kehalani (Wailuku Project District 3) dated December 18, 2002, recorded in said Bureau of Conveyances as Document No. 2002-234288.

15. The terms and provisions contained in Agreement for Implementation of Water Master Plan for Kehalani (Wailuku Project District 3) (Transmission Credits) dated December 18, 2002, recorded in said Bureau of Conveyances as Document No. 2002-234289.

16. The terms and provisions, contained in Kehalani-Wailuku Project District 3 Offsite Sewer Improvements dated December 24, 2002, recorded in said Bureau of Conveyances as Document No. 2002-234295.

17. The terms and provisions contained in Agreement to Implement Unilateral Agreement and Declaration for Conditional Zoning (Regarding Incremental Park Dedication) dated December 18, 2002, recorded in said Bureau of Conveyances as Document No. 2002-234296.

18. The terms and provisions contained in Storage Credits and Amended Right of Entry Agreement for 3.0 Mg Concrete Reservoir at Wailuku, Maui, Hawaii dated December 5, 2002, recorded in said Bureau of Conveyances as Document No. 2002-234297.

19. The terms and provisions contained in Deferral of Subdivision Requirements Agreement dated December 12, 2003, recorded in said Bureau of Conveyances as Document No. 2004-052289.

20. The terms and provisions, contained in Subdivision Agreement (Large Lots) dated June 14, 2004, recorded in said Bureau of Conveyances as Document No. 2004-127165.

21. Designation of Easement "1-K-1" for access and utility purposes as shown on subdivision map prepared by Reed M. Ariyoshi, Land Surveyor, with Warren S. Unemori - Engineering, Inc., dated September 21, 2004, approved on October 22, 2004, LUCA File No. 3.2059.

22. Grant dated February 3, 2005, recorded in said Bureau of Conveyances as Document No. 2005-032467, to Maui Electric Company, Limited and Verizon Hawaii Inc. (now known as Hawaiian Telcom, Inc.), granting a perpetual right and easement for utility purposes.

23. The terms and provisions contained in Warranty Deed dated May 20, 2006, recorded in said Bureau of Conveyances as Document No. 2006-113271.

24. Amendment and Restatement of Declaration of Condominium Property Regime of Milo Court at Kehalani dated August 1, 2007, recorded in said Bureau of Conveyances as Document No. 2007-137469, which amends and restates in its entirety the Declaration of Condominium Property Regime for Milo Court at Kehalani dated June 27, 2006, recorded in said Bureau of Conveyances as Document No. 2006-120561, and Condominium Map No. 4284, as amended by First Amendment of Declaration of Condominium Property Regime for Milo Court at Kehalani and Condominium Map No. 4284 dated December 5, 2006, recorded in said Bureau of Conveyances as Document No. 2006-223068.

25. Amendment and Restatement of Bylaws of the Association of Unit Owners of Milo Court at Kehalani dated August 1, 2007, recorded in said Bureau of Conveyances as Document No. 2007-137470, which amends and restates in its entirety the Bylaws of the Association of Unit Owners of Milo Court at Kehalani dated June 27, 2006, recorded in said Bureau of Conveyances as Document No. 2006-120562.

EXHIBIT "G"

SUMMARY OF SALES CONTRACT

A copy of the form of Condominium Reservation Agreement, Deposit Receipt and Sales Agreement ("Sales Contract") has been submitted to the Real Estate Commission and is available for inspection at the Developer's sales office. The following is a summary of some of the provisions of the Sales Contract. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE SALES CONTRACT IN FULL SINCE THIS SUMMARY IS NOT INTENDED TO BE A COMPLETE DESCRIPTION OF THE PROVISIONS OF THE SALES CONTRACT.

1. The Sales Contract does not become a binding contract until the Effective Date occurs. Until the Effective Date, the Sales Contract is only a reservation for the unit and is not legally binding on either Buyer or Developer. The Effective Date of the Sales Contract shall be the date on which all of the following conditions are fulfilled:

(a) A copy of the Contingent Final Public Report or the Final Public Report covering the unit is mailed or otherwise delivered to the Buyer;

(b) Buyer has waived or be deemed to have waived Buyer's right to terminate the Sales Contract pursuant to Hawaii Revised Statutes, Section 514A-62, as amended; and

(c) The Sales Contract has been accepted by Developer through execution of the Sales Contract by Developer's officers or designated agents.

2. If the unit covered by a particular Sales Contract is an Owner-Occupant Designated unit, and Buyer has executed an affidavit stating Buyer's intent to become an owner-occupant of the unit, then Buyer agrees when signing the Sales Contract that Buyer will occupy the unit as Buyer's principal residence. Any such Buyer shall be required to reaffirm his or her intent to be an owner-occupant no earlier than the Buyer's receipt of the Final Public Report and no later than the Closing Date. Failure to sign the reaffirmation upon the reasonable request of Developer shall constitute a default under the Sales Contract by such Buyer and Developer shall have the remedies provided in the Sales Contract.

3. Section G.4of the Sales Contract provides as follows:

4. Home Builder's Limited Warranty. THE TEN YEAR HOME BUILDER'S LIMITED WARRANTY (THE "HOME BUILDER'S LIMITED WARRANTY"), THE FORM OF WHICH IS ATTACHED TO THIS AGREEMENT, IS THE SOLE AND ONLY WARRANTY, EITHER EXPRESS OR IMPLIED, THAT BUYER SHALL RECEIVE FROM SELLER WITH RESPECT TO THE UNIT OR THE PROJECT. THERE ARE NO OTHER EXPRESS OR IMPLIED WARRANTIES BEING GIVEN BY SELLER TO BUYER, AND BUYER SPECIFICALLY WAIVES TO THE FULL EXTENT ALLOWED BY LAW ANY IMPLIED WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO THE UNIT AND BUYER'S INTEREST IN ALL COMMON ELEMENTS OR ANY PERSONAL PROPERTY OR FIXTURES BEING PROVIDED TO BUYER BY SELLER AS PART OF THE UNIT AND BUYER'S INTEREST IN ALL COMMON ELEMENTS. BUYER HAS BEEN GIVEN A COPY OF THE HOME BUILDER'S LIMITED WARRANTY, PWC FORM NO. 117 REV. 05/02. BUYER HAS ALSO BEEN GIVEN THE HOME BUILDER'S LIMITED WARRANTY ACKNOWLEDGMENT OF RECEIPT AND AGREEMENT TO READ AND UNDERSTAND ("ACKNOWLEDGMENT"), WHICH ACKNOWLEDGMENT BUYER HAS EXECUTED CONTEMPORANEOUSLY WITH THIS AGREEMENT. AT CLOSING, BUYER SHALL RECEIVE FROM SELLER A HOMEOWNER'S MANUAL WHICH SHALL FURTHER EXPLAIN THE HOME BUILDER'S LIMITED WARRANTY PROGRAM. IN ADDITION TO SELLER'S OBLIGATION TO CORRECT CONSTRUCTION DEFECTS IN ACCORDANCE WITH THE HOME BUILDER'S LIMITED WARRANTY, THE HOMEOWNER'S MANUAL SHALL CONTAIN SELLER'S

CUSTOMER SERVICE PROGRAM. THIS CUSTOMER SERVICE PROGRAM PROVIDES FOR THE REPAIR, IF APPLICABLE, BY SELLER DURING THE FIRST YEAR OF THE HOME BUILDER'S LIMITED WARRANTY OF MINOR PROBLEMS IN THE UNIT THAT MIGHT NOT RISE TO THE LEVEL OF A CONSTRUCTION DEFECT UNDER THE HOME BUILDER'S LIMITED WARRANTY.

4. Buyer agrees that all payments required by the Sales Contract will be deposited with Escrow and that all checks will be made payable to Escrow. Buyer also agrees that any money that Buyer deposits with Escrow may be deposited together with other buyers' money in a federally insured interest bearing account, and that Escrow may distribute the money in this account according to an Escrow Agreement between Developer and Escrow. Buyer also agrees that all the interest earned from the funds deposited by buyers will be credited to Developer, except as may be provided in the Sales Contract. In case Buyer is late in making payments to Escrow, the late payment will bear interest at the rate of one percent (1%) per month until paid.

5. All taxes, assessments, and charges of any kind assessable against the unit or the land of the Project will be prorated as of the Closing Date. Buyer will be responsible for paying all closing costs in connection with the purchase of the unit, including all costs related to any mortgages, all notary fees, recording fees, escrow fees, title insurance, conveyance taxes and fees, and preparation of the Unit Deed to Buyer.

6. In addition to all other funds due, Buyer must deposit with Escrow at Preclosing a nonrefundable "start-up" fee for the condominium Association. This start-up fee is an initial contribution to the Association common expenses reserve. The minimum amount of the start-up fee will be equal to two (2) months of estimated assessments for common expenses. This amount is separate from the purchase price and closing costs for the unit.

7. Buyer may not assign Buyer's rights under the Sales Contract without the prior written consent of Developer. Under no circumstances may Buyer assign Buyer's rights to the Sales Contract after the Preclosing or the Closing Date. If Buyer attempts to assign the Sales Contract without Developer's written consent, Buyer shall be in default under the Sales Contract.

8. Developer, at its sole discretion, shall determine the Closing Date. Developer or Escrow will notify Buyer of when the Closing Date will take place. Developer may, at its option, preclose the sale of a unit by requiring the Buyer to deliver all documents necessary for closing and certain funds to Escrow up to sixty (60) days prior to the closing date. Buyer will have ten (10) days notice of such preclosing. Buyer must deposit all funds other than the proceeds of Buyer's first mortgage loan or the balance of the purchase price for a cash sale with Escrow, including the advanced payment for a maintenance assessment fund. Buyer must also sign all documents required for closing.

9. Buyer shall not be able to enter or occupy the unit until the Closing Date, except with the prior consent of Developer. Buyer will not be able to take occupancy until all payments required by the Sales Contract have been made. Keys will not be issued for the unit unless all payments due under the Sales Contract have been made. If Buyer attempts to take occupancy of or enter the unit prior to the Closing Date without the consent of Developer, then Buyer will be in default of the Sales Contract, and Developer has the right to remove Buyer from the unit using any lawful means and at Buyer's expense.

10. Buyer agrees to accept the unit as suitable for occupancy even if there are defects or damage to the unit, as long as Developer promises to repair these defects within a reasonable time after Buyer takes occupancy. If Buyer wrongfully refuses to take occupancy of a defective unit, Buyer may have to bear the cost of Developer's costs in any resulting legal action. Prior to closing, Buyer shall have fifteen (15) days after the date of a notice from Developer to inspect the unit. If Buyer does not inspect the unit within that time, Developer may appoint an appropriate person to inspect the unit on Buyer's behalf and decide if it is acceptable.

11. The Developer reserves the right to change the Project and modify the condominium map and any other condominium documents for any reason provided that the changes (a) are not a material change, (b) do not render unenforceable Buyer's mortgage loan commitment, (c) increase Buyer's percentage share of common expenses, or (d) increase the purchase price of the unit.

12. Developer will complete construction so that Buyer may occupy the unit within two (2) years of the Effective Date of the Sales Contract. However, this two (2) year period may be extended if construction is delayed by fire, earthquake, acts of God, the elements, war or civil disturbances, litigation or threat of litigation, strikes or other labor disturbances, or economic controls making it impossible to obtain the necessary labor or material, or other occurrences or conditions that are legally recognized as defenses to contract actions in the State of Hawaii.

13. By signing the Sales Contract, Buyer represents that Buyer is financially capable of paying the purchase price for the unit. Buyer also represents that any financial data Buyer has given Developer is accurate. If Buyer does not notify Developer that Buyer's financial situation has changed as of the Closing Date, Developer will assume that the information Developer has is accurate. If Developer discovers that any important financial data provided to Developer is not accurate and Buyer failed to notify Developer of this inaccuracy, Developer has the right to cancel the Sales Contract.

If Buyer intends to finance the purchase of the unit, then (i) Buyer must obtain from Towne Island Mortgage LLC or any other preferred lender which Developer, in its sole discretion, may designate preliminary approval of Buyer for a loan in the requirement amount within five (5) calendar days from the Effective Date of the Sales Contract, and (ii) Buyer must apply for financing and inform Developer of the name and address of the lending institution and the loan officer handling the loan application within five (5) days from the Effective Date of the Sales Contract. Buyer agrees to do everything possible and/or necessary to successfully obtain the loan. If Buyer makes a bona fide effort to obtain financing but is unsuccessful in doing so, then Buyer may cancel the Sales Contract upon written notice to Seller on or before sixty (60) days from the Effective Date of the Sales Contract. If the Sales Contract is cancelled in this manner, Buyer is entitled to a refund from Escrow of Buyer's money, without interest and minus any costs incurred by Developer, Escrow, or any lending institution in processing the Sales Contract or Buyer's loan application. If Buyer does not cancel the Sales Contract, then within five (5) days from Seller's request, Buyer shall obtain and provide Seller reasonable evidence that Buyer has obtained the necessary financing or Buyer's ability to pay the purchase price in cash. If Buyer does not provide such evidence, at Seller's sole option, Buyer shall be in default under the Sales Contract.

If Buyer chooses to use a lender other than Towne Island Mortgage LLC or any other preferred lender which Developer may designate in its sole discretion, then Buyer shall pay to Developer at closing a processing fee in the amount of $500.00 to cover the increased costs of communicating and coordinating with such other lender. If Buyer chooses to use a lender that does not have an office or other physical presence in the State of Hawaii, then Buyer shall pay to Developer at closing a processing fee in the amount of $1,000.00 to cover the increased costs of communicating and coordinating with such a lender, which $1,000.00 processing fee shall be in addition to the $500.00 processing fee described in the preceding sentence.

If Buyer does not apply for and do everything possible and/or necessary to successfully obtain the loan, then Developer may cancel the Sales Contract upon written notice to Buyer and Developer may keep all money previously paid by Buyer and any interest earned as liquidated damages.

If Buyer is making a cash purchase of a unit, Buyer must provide proof to Developer within ten (10) days after Developer accepts the Sales Contract that Buyer is financially capable of making all payments under the Sales Contract. Developer has the option to terminate the Sales Contract if Developer determines at any time that Buyer is unable to make the required payments. Developer will give Buyer notice of any such cancellation. If the Sales Contract is cancelled, Buyer will be entitled to a refund of any money Buyer has deposited with Escrow, without interest, and less an escrow cancellation fee, the cost of any credit reports and all other costs incurred by Developer.

14. As long as the Sales Contract is only a reservation, it may be terminated for any reason and at any time at the option of either Buyer or Developer, by giving written notice of termination to the other party. In the event of a termination, the Developer will instruct Escrow to refund all payments previously made by Buyer, without interest. Additionally, if the Buyer is terminating the Sales Contract pursuant to Hawaii Revised Statutes, Section 514A-63, as amended, then Escrow shall deduct an escrow cancellation fee and all costs incurred by Developer, escrow, or any lending institution in processing the Sales Contract or loan application.

15. If Buyer defaults, Developer may cancel the Sales Contract and may keep any amounts previously paid by Buyer as liquidated damages to compensate Developer for its damages. Developer may also pursue any other legal remedy for purchaser's default..

If Developer defaults after the Effective Date of the Sales Contract, Buyer's only remedy is to cancel the Sales Contract and have all of Buyer's money refunded, except that if and only if Developer's default is because Developer has not completed construction within the time period set forth in paragraph 12 above, Buyer shall have all remedies allowed by law.

17. If less than twenty (20) units have been sold within one hundred eighty (180) days after the date a buyer signs the first Sales Contract for a unit in the Project, Developer has the option to cancel the Sales Contract. If Developer cancels the Sales Contract, Buyer will be entitled to a refund of any money Buyer has deposited with Escrow, without interest and less an escrow cancellation fee. When Buyer has received this refund, Buyer and Developer will no longer have any obligations under the Sales Contract.

18. Developer has the option to cancel the Sales Contract if unanticipated delays in construction cause the cost of development to increase to the point where the Project is no longer economically feasible for the Developer. In this case, Developer may cancel the Sales Contract and refund Buyer's money in the same way as for a cancellation due to lack of sales described above.

19. By entering into the Sales Contract, Buyer acknowledges that Buyer has never received any information of representations from Developer or any of Developer's agents regarding rental income from the unit or other economic or tax benefits that Buyer may receive from ownership of the unit. The Buyer further agrees that he or she will not participate in any rental pool for the renting of the unit. Buyer may be required to sign documents which satisfy the Developer that no such representations have been made.

20. The Developer may have made one or more construction loans to finance construction of the Project. Any rights which a Buyer may possess under a Sales Contract for one of the units in the Project are subject to and subordinate to the rights of the lender(s) of the construction loan(s).

21. Subject to the requirements of the Hawaii Contractor Repair Act (Hawaii Revised Statutes Chapter 672E), if applicable, any dispute between Developer and Buyer arising out of or relating to the Sales Contract or the unit, or the construction, development or management of the Project or the sale of any unit or the use or occupancy of any unit, or any other aspect of the relationship between Developer and Buyer regarding the Project shall be resolved by mandatory arbitration.

22. Buyer accepts the following conditions as well as any inconvenience or annoyance which Buyer may experience as a result of such conditions and expressly waives any rights, claims or actions which he might otherwise have against Developer or third parties as a result of such circumstances:

(a) Construction activity by Developer or other unit owners may continue at the Project after Buyer has occupied the unit and this activity may result in noise, dust, surface water run off, vapors, odors, vibration, traffic congestion, or other nuisances or annoyances to Buyer and may limit Buyer's access to portions of the Project.

(b) Construction activity by parties unrelated to the Developer may also be ongoing on parcels of land adjacent to or in the vicinity of the Project after Buyer has occupied the unit and this activity may result in noise, dust, surface water run off, vapors, odors, vibration, traffic congestion, or other nuisances or annoyances to Buyer.

(c) Sales activities, including the use of model units, sign and extensive sales displays and other activities for the sale of units developed in the Project, and for the sale of units in projects developed by Developer on property near or adjacent to the Project, will continue in the Project, and the parking spaces in the Project may be used for parking for prospective purchasers and other business invitees of Seller until the earlier to occur of (i) December 31, 2012, or (ii) the sale of the last unsold unit in the Project or in such other projects. If Developer's mortgage lender shall acquire any portion of the Project, the lender may continue such use until all the units have been sold and closed.

(d) Developer reserves the right for itself, its employees, agents, sales representatives, business invitees and prospective purchasers to utilize the common elements for ingress and egress to such model units and parking spaces and in order to show the common elements to prospective purchasers.

23. Buyer acknowledges that it has been informed that microorganisms, including, but not limited to, mold, mildew, spores, or any other form of fungi or bacteria ("Microorganisms"), may be present in the unit and that Microorganisms, at certain levels, can cause deterioration of building materials, damage to property, health hazards, personal injuries and/or other irritant effects, such as, without limitation to, skin irritation, respiratory problems and/or allergic reactions. Concentrations of chemicals released from household furnishings, appliances, mechanical equipment, personal possessions or building materials may, at certain levels, create health hazards and/or other irritant effects, such as, without limitation to, skin irritation, respiratory problems and allergic reactions. Because Microorganisms occur naturally in the environment, Developer cannot eliminate the possibility that Microorganisms may grow in, on or about the unit. Buyer releases and agrees to indemnify and defend Developer and its successors and assigns, construction manager, contractors, subcontractors, material suppliers and the officers, employees, agents of each of them, from and against any and all claims, obligations, demands, damages, causes of action, liabilities, losses and expenses, including reasonable attorneys' and expert fees, whether now known or hereafter known, foreseen or unforeseen, that Buyer or any occupant of the unit had, has, or may have in the future, in law or in equity (the "claim"), that are attributable to (1) bodily injury, sickness, emotional distress, disease, death or any other personal injury or adverse health effects, or (2) injury to or destruction of tangible personal property, including loss of the use thereof arising out of or relating to, or in any way connected with, indoor air quality, moisture, or the growth, release, discharge, dispersal or presence of any Microorganisms or any chemicals in the indoor air or on the interior surfaces of the unit including, without limitation to, wall cavities, the attic, windows and the basement, or on the exterior surfaces of the unit or on any part thereof.

EXHIBIT "H"

SUMMARY OF ESCROW AGREEMENT

A copy of the Condominium Escrow Agreement dated June 29, 2006, between the Developer and Title Guaranty Escrow Services, Inc. ("Escrow"), has been submitted to the Real Estate Commission and is available for inspection at the Developer's office. The following is a summary of some of the provisions of the Escrow Agreement.

NOTE: ALL BUYERS AND PROSPECTIVE BUYERS SHOULD READ THE ESCROW AGREEMENT AND ALL AMENDMENTS, IF ANY, IN FULL AS THIS SUMMARY DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS IN THE ESCROW AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE ESCROW AGREEMENT, AND DOES NOT ALTER OR AMEND THE ESCROW AGREEMENT IN ANY MANNER.

1. A signed copy of each sales contract for a unit in the Project must be given to Escrow.

2. All money received by the Developer from buyers under sales contracts for units in the Project must be given to Escrow. Escrow, in accordance with written instructions from the Developer, shall deposit all money so received in an interest-bearing account at a federally insured bank, savings and loan association or other financial institution. Any interest earned on funds deposited into Escrow will accrue as set forth in the sales contract unless otherwise provided.

3. Escrow may not make any disbursements of funds until certain conditions, including the issuance of an effective date for the Final Public Report for the Project by the Real Estate Commission, have been met.

4. Under certain conditions, a buyer shall be entitled to a refund. Escrow shall pay this refund to the buyer with interest which may have accrued to the credit of the buyer and less a reasonable escrow cancellation fee.

5. If a buyer fails to claim a refund for a cancelled sales contract, Escrow shall deposit the refund in a special account in a bank or other depository selected by Escrow, in the name of the Developer as trustee for the benefit of the buyer. Escrow will then notify the buyer about the refund.

6. If a buyer fails to make a payment to Escrow in a timely manner, Escrow will notify Developer. If the Developer subsequently notifies Escrow in writing that Developer has terminated the sales contract and provides Escrow with copies of all notices of termination sent to the buyer, Escrow will then treat any funds the buyer has already paid as though they belong to the Developer. Upon written request by the Developer, Escrow will pay all such sums to Developer minus any escrow cancellation fee.

7. The Escrow Agreement is subject to the provisions of Hawaii Revised Statutes, Chapter 514A, as it may be amended.

EXHIBIT "I"

SUMMARY OF KEHALANI DECLARATION

The land of the Project will be annexed to and the Project will be subject to the Declaration of Covenants, Conditions and Restrictions for Kehalani dated March 17, 1995, made by C. Brewer Homes, Inc., as Declarant, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 95-040251, as it has been or may be amended and supplemented (the "Kehalani Declaration"), governing the Kehalani development. The Kehalani Declaration imposes mutually beneficial restrictions under a general plan of improvement for the benefit of the owners and establishes a procedure for the overall development, administration, maintenance and preservation of the properties subject to it.

NOTE: ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE KEHALANI DECLARATION IN FULL SINCE THIS SUMMARY IS NOT INTENDED TO BE A COMPLETE DESCRIPTION OF THE PROVISIONS OF THE KEHALANI DECLARATION. CAPITALIZED TERMS USED AND NOT OTHERWISE DEFINED IN THIS SUMMARY SHALL HAVE THE MEANINGS SET FORTH IN THE KEHALANI DECLARATION.

The Kehalani Declaration established the Kehalani Community Association, a Hawaii nonprofit corporation, which is responsible for the management, maintenance, operation and control of the Common Areas and other areas, if any, for which it assumes responsibility pursuant to the Kehalani Declaration (the "Area of Common Responsibility"). The Kehalani Community Association also administers and enforces the architectural standards and controls in the Kehalani Declaration and the Design Guidelines.

Each owner of a unit in the Project will be a Class A member of the Kehalani Community Association. The Declarant will be the sole Class B member until the Class B membership is terminated at which time it will become a Class A member as to the units it owns.

Each unit subject to the Kehalani Declaration shall be located in a Neighborhood. The unit owners may be members of a Neighborhood Association and may be subject to additional covenants of the Neighborhood Association.

The Kehalani Community Association may impose four types of assessments: (a) Bases Assessment, (b) Neighborhood Assessments, (c) Special Assessments, and (d) Special Assessments against a particular unit. If any assessments are not paid, the Kehalani Community Association shall have a lien upon the condominium unit for any unpaid assessments, interest, late charges and costs of collection. The lien may be enforced by suit, judgment and judicial foreclosure. The lien shall be junior to (a) taxes, bonds, assessments and other levies which by law are superior, and (b) any recorded first mortgage made in good faith and for value. If a unit is transferred, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance, except that a first mortgagee or other purchaser who acquires title pursuant to the foreclosure of a first mortgage shall not be personally liable for any assessments due prior to its acquisition of title.

The Kehalani Community Association may impose sanctions for violations of the Kehalani Declaration or the By-Laws rules of the Kehalani Community Association, including the imposition of fines and suspension of voting rights and use of any facilities within the Common Areas.

The Kehalani Declaration contains provisions regarding use of the property that is a part of the Kehalani development. By accepting a deed of any property, each Owner acknowledges and agrees that the use and enjoyment and marketability of the unit can be affected and that the Use Restrictions and Rules may change from time to time. All structures and improvements must comply with the provisions of the Kehalani Declaration and must be approved by the Declarant until it is no longer the Class B Member or it notifies the Board of Directors of the Kehalani Community Association that its responsibility shall be handled by the New Construction Committee and the Modifications Committee. The New Construction

Committee shall consist of at least three, but not more than five, members which shall have jurisdiction over all original construction. Until all of the property has been developed and conveyed to Owners, the Declarant shall appoint all members of the New Construction Committee. The Board of Directors may establish the Modifications Committee consisting of at least three, but not more than five, members which shall have jurisdiction over modifications, additions or alterations made to existing structures on or in units and the adjacent open space. The Modifications Committee may delegate its authority to a particular Neighborhood Association. The New Construction Committee may veto any action taken by the Modifications Committee or a Neighborhood Association which is inconsistent with the guidelines promulgated by the New Construction Committee. Not later than the date on which the Declarant is no longer responsible for the review of all applications for construction and modifications, the Declarant shall prepare design and development guidelines and application and review procedures.

The Declarant (until all the property described in Exhibit "B" to the Kehalani Declaration or 20 years after the recording of the Kehalani Declaration, which is earlier) or the Kehalani Community Association may annex additional property to the Kehalani Declaration and the Declarant may withdraw property from the Kehalani Declaration. The Kehalani Declaration reserve to the Declarant (i) the right to grant easements for utilities, access and other purposes, (ii) the right to subject any portion of the Properties to additional covenants and easements and to create exceptions for any portion of the Properties, (iii) all water and water rights, (iv) the right to engage in farming operations on other lands adjacent or in the vicinity of the Properties, (v) to transfer its rights to other parties, and (vi) to use and improve the Common Areas.

The provisions of the Kehalani Declaration shall be perpetual, except that the Declarant may terminate the Kehalani Declaration within 20 years of the date of recording and if Hawaii law limits the period during which the covenants may run with the land, then the Kehalani Declaration shall be automatically extended for periods of 20 years each unless they are terminated. The Declarant may amend the Kehalani Declaration (i) to bring any provision into compliance with any statute, rule, regulation or judicial determination, (ii) to enable any reputable title company to issue title insurance coverage on the units, (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans to make, purchase, insure or guarantee mortgage loans on the units, (iv) to enable any reputable private insurance company to insure mortgage loans on the nits, or (v) to satisfy the requirements of any local, state or federal governmental agency. The Kehalani Declaration may also be amended by 75% of the Class A votes and the consent of the Declarant, so long as it has an option to subject additional property to the Kehalani Declaration.

EXHIBIT "J"

MILO COURT AT KEHALANI CONDOMINIUM PROJECT
REGISTRATION NO. 6404
DISCLOSURE ABSTRACT AS OF AUGUST 1, 2007

1. Name and Address of Project:

Milo Court at Kehalani
Off Honoapiilani Highway and Kehalani Mauka Parkway (under construction)
Wailuku, Maui, Hawaii

2. Name, Address and Telephone Number of Developer (or Developer's Agent):

Milo Court at Kehalani LLC
220 S. King Street, Suite 2170
Honolulu, Hawaii 96813
(808) 537-5976

3. Name, Address and Telephone Number of Managing Agent:

Certified Management of Maui
3179 Koapaka Street, 2nd Floor
Honolulu, Hawaii 96819
(808) 836-0911

4. Maintenance Fees:

Attached hereto as Exhibit "1" is a breakdown of the estimated annual maintenance fees and the estimated annual costs for the Project, which is hereby certified to be based on generally accepted accounting principles. The Developer advises that the maintenance fees of a condominium project are difficult to estimate prior to actual operation of the Project and even if the maintenance fees have been accurately estimated, the maintenance fees will tend to increase over time because of price increases and aging of the Project. The estimated maintenance fees and estimated costs are based on the latest information available to the Developer [and the Managing Agent] and are subject to revision based on actual costs and new information that may become available. Maintenance fees can vary depending upon the services desired by the apartment owners. Each buyer should review the attached Exhibit "1" to see what services are included.

5. Warranties:

The Developer will convey each apartment by an Apartment Deed with a warranty of title. The Developer will provide each buyer with a ten year Home Builder's Limited Warranty, PWC FORM N0. 117 Rev. 05/02, a copy of which will be provided to each buyer upon the

execution of a sales contract for an apartment in the condominium project. Other than the foregoing , the Developer will make no other warranties, express or implied, about any apartment, the condominium project or anything installed or contained in them. This includes, but is not limited to, warranties of merchantability, habitability, workmanlike construction, fitness for a particular use or purpose or for sufficiency of design.

6. Number of Residential Units:

There are 94 residential units in the Project. Section 6.1 of the Declaration of Condominium Property Regime provides:

> The Units shall be occupied and used only as private dwellings by the respective Owners, their tenants, families, domestic servants and social guests, and for no other purpose. The Units shall not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than one hundred eighty (180) days, or (b) any rental in which the occupants of the Units are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen service, or bellboy service. Except for such transient or hotel purposes, the Owners shall have the absolute right to rent or lease their Units subject to all provisions of this Declaration and the Bylaws; provided, however, that (i) no Owner may rent or lease less than the entire Unit, and (ii) any lease or rental agreement shall be in writing.

Section 6.2 of the Declaration of Condominium Property Regime provides:

> The Units in the Project or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership", or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess a Unit or Units in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise.

7. Commercial or Non-Residential Development:

There are no commercial or commercial or non-residential apartments in the Project.

Dated: Honolulu, Hawaii, August 1, 2007.

MILO COURT AT KEHALANI LLC

By TOWNE DEVELOPMENT OF HAWAII, INC.,
a Hawaii corporation
Its Manager

By _____
Takeshi Matsukata
Its Vice President

EXHIBIT "1"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Units	Monthly Fee	x	12 months	=	Yearly Total
All Units	$140.00	x	12 months	=	$1,680.00

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:

	Monthly Fee		12 months	=	Yearly Total
Utilities and Services					
Electricity					
[x] common elements only	$ 500.00	x	12 months	=	$ 6,000.00
[ ] common elements and apartments	$ 0.00	x	12 months	=	$ 0.00
Refuse Collection	$ 1,000.00	x	12 months	=	$ 12,000.00
Water/Sewer (common elements only)	$ 1,500.00	x	12 months	=	$ 18,000.00
Cable Television	$ 3,000.00	x	12 months	=	$ 36,000.00
Maintenance, Repairs and Supplies					
Grounds	$ 3,000.00	x	12 months	=	$ 36,000.00
Management					
Management Fee	$ 1,500.00	x	12 months	=	$ 18,000.00
Administrative Expenses	$ 500.00	x	12 months	=	$ 6,000.00
Insurance (liability, directors/officers and fidelity bond)	$ 800.00	x	12 months	=	$ 9,600.00
Professional Services – audit, engineer, legal	$ 300.00	x	12 months	=	$ 3,600.00
Reserves	$ 1,000.00	x	12 months	=	$ 12,000.00
TOTAL	$13,100.00	x	12 months	=	$157,200.00

The Developer has not conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

I hereby certify that the estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Takeshi Matsukata, Vice President of Towne Development of Hawaii, Inc., Manager of Milo Court at Kehalani LLC