

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

CONDOMINIUM PROJECT NAME	KA MILO AT MAUNA LANI, PHASE 5
Project Address	68-1122 North Kaniku Drive, Kohala Coast, Hawaii 96743
Registration Number	7223
Effective Date of Report	June 4, 2012
Developer(s)	MLR Golf Partners LLC

Preparation of this Report

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

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

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

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

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

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

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

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

1. Public Report Limited to Phase 5. This Public Report covers only Phase 5 of the Ka Milo at Mauna Lani condominium project which consists of five (5) residential apartments identified as Unit Nos. 18, 19, 20, 21 and 22 in five (5) two-story buildings. Phase 1 (Registration No. 5749) and Phase 5 (now known as Phase 2) (Registration No. 6146) have been previously registered with the Real Estate Commission under Chapter 514A of the Hawaii Revised Statutes. Phase 1 consists of thirty-six (36) residential apartments and one (1) commercial apartment, and Phase 2 consists of two (2) residential apartments.
2. Opt into Chapter 514B, HRS. By Amendment to Declaration of Condominium Property Regime dated April 20, 2011 recorded as Document No. 2011-066359, the Developer as the owner of more than 50% of the common interests in the Project and pursuant to Section 514B-23(b) elected to opt into and to be governed on a going forward basis by Chapter 514B of the Hawaii Revised Statutes. Phase 3 (Registration No. 7114) and Phase 4 (Registration No. 7174) have been previously registered with the Real Estate Commission under Chapter 514B of the Hawaii Revised Statutes. Phase 3 consists of two (2) residential apartments, and Phase 4 consists of four (4) residential apartments.
3. Lapse of Original Phase 2; Remaining Common Interest Allocated to Phase 1 Commercial Apartment. The Developer allowed the Public Report on the contemplated Phase 2 of the Project (Registration No. 5813) to lapse as the Developer did not at any time commence construction of any of the apartments contemplated to be constructed in Phase 2 of the Project as described (the "**original Phase 2**"). As a consequence and pursuant to the Amendment to Declaration of Condominium Property Regime dated April 7, 2011, recorded as Document No. 2011-059526, the Developer deleted the original Phase 2 from the Project in its entirety including without limitation the forty-four (44) residential apartments and associated Improvements previously intended to comprise the original Phase 2 to the Project. The lands underlying the original Phase 2 therefore were returned to their former status as "Undeveloped Land Area" under the Declaration for future development by the Developer. In addition the common interest totaling 30.296% previously intended to be assigned to the residential apartments in the original Phase 2 were reassigned to the commercial apartment in Phase 1 so after allocation of the common interests assigned to the five (5) residential apartments in Phase 5 the commercial apartment in Phase 1 has an appurtenant common interest of 64.297%.
4. Phasing or Incremental Development of Project. The Ka Milo at Mauna Lani Condominium Project (the "**Ka Milo Condominium**") is being developed and constructed by the Developer in multiple phases or increments on the lands submitted to the Ka Milo Declaration dated December 19, 2005, as amended (collectively, the "**Ka Milo Declaration**"). Under the Ka Milo Declaration the Ka Milo Condominium may contain upon full build out up to one hundred thirty-seven (137) residential apartments (each an "**Apartment**" and collectively the "**Apartments**") as will and may be shown from time to time on Condominium Map No. 4139, as amended, filed in the Bureau (collectively, the "**Ka Milo Condominium Map**"). The Ka Milo Declaration and Ka Milo Condominium Map currently depict Phase 1 as being comprised of thirty-six (36) residential Apartments and one (1) commercial Apartment (hereinafter referred to as the "Commercial Apartment"), Phase 2 as being comprised of two (2) residential Apartments, Phase 3 as being comprised of two (2) residential Apartments, and Phase 4 as being comprised of four (4) residential Apartments. The Ninth Amendment to the Ka Milo Declaration and this Public Report cover Phase 5 which is to be comprised of five (5) residential Apartments. Upon completion of the additional residential Apartments in Phase 5 the Ka Milo Condominium will be comprised of forty-nine (49) residential Apartments and the one (1) commercial Apartment. The Developer will still retain the future right and option to develop and construct up to eighty-eight (88) residential Apartment on the areas shown on the Ka Milo Condominium Map as the "Undeveloped Land Area". The Developer has no obligation to build any new Apartments and related Improvements beyond the Apartments contained in Phases 1, 2, 3, 4, and 5 and the Developer may also at any time reconfigure

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and re-divide the future phases or increments and change or reconfigure any future planned new Apartments.

5. Shared Recreation Center with Kulalani Condominium. Pursuant to the Developer's Reserved Rights under the Ka Milo Declaration the Developer has developed in association with the developer of the adjoining Kulalani condominium project the Shared Recreation Center which Shared Recreation Center is established and governed by the terms and provisions contained in (a) the certain Declaration of Protective Covenants, Conditions and Restrictions of the Kulalani – Ka Milo Recreation Complex Association dated April 13, 2009, recorded as Document No. 2009-054528, and (b) the certain Bylaws of the Kulalani – Ka Milo Recreation Complex Association dated April 13, 2009, recorded as Document No. 2009-054529. It is recommended that each prospective Buyer review these documents and familiarize themselves with the terms, conditions and liabilities associated with the Shared Recreation Center. A summary of the documents associated with the Shared Recreation Center is attached to this Public Report as Exhibit O. The current monthly dues for 2012 to be assessed against the residential Apartments in Phase 5 for the Shared Recreation Center are \$53.97 per month.

6. Shared Entry Road with Kulalani Condominium. The Project shares an entry road and entry circle off of North Kaniku Drive with the adjoining Kulalani condominium project such that the owners, lessees, tenants, guests and business invitees of the apartments in both the Project and the Kulalani condominium project have a shared right of access over and across the entry road and entry circle off of North Kaniku Drive. While the costs of maintenance, repair, and improvement of the entry road and entry circle will be shared with the Kulalani condominium project this portion of the entry road system into the Project may encounter additional traffic congestion from time to time and the wear and tear on this portion of the private roadway entry system will be at a more accelerated rate due to the shared use of this private roadway entry system. The shared expenses for maintenance, repair and improvement of the Shared Entry Road are included within each the monthly common expense assessment against the residential Apartment in Phase 5.

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General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. In addition, certain requirements and approvals of the county in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

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

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

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

Operation of the Condominium Project

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

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

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

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	
Address of Project	68-1122 North Kaniku Drive, Kohala Coast, Hawaii 96743
Address of Project is expected to change because	
Tax Map Key (TMK)	(3) 6-8-022: 041
Tax Map Key is expected to change because	
Land Area	30.559 Acres
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	

1.2 Buildings and Other Improvements

Number of Buildings	5
Floors Per Building	2
Number of New Building(s)	5
Number of Converted Building(s)	N/A
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Concrete, wood, aluminum, glass, steel, drywall, flooring material and hollow tile.

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc)	Total Area
3A	2	3/3.0	2491	530	430	3451
3AR	3	3/3.0	2491	530	430	3451
See Exhibit <u> A </u>						

5	Total Number of Units
---	------------------------------

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

1.4 Parking Stalls

Total Parking Stall in the Project:	10 in Phase 5
Number of Guest Stalls in the Project:	0 in Phase 5
Number of Parking Stalls Assigned to Each Unit:	2
Attach Exhibit _____ specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	

1.5 Boundaries of the Units

Boundaries of the unit: See Exhibit B
--

1.6 Permitted Alterations to the Units

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

1.7 Common Interest

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in Declaration, is:
Described in Exhibit _____
As follows: Unit 18 0.758% Unit 22 0.758% Unit 19 0.758% Unit 20 0.758% Unit 21 0.758%

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

<input checked="" type="checkbox"/>	Swimming pool	See Shared Recreation Center described in Paragraph 5 under Special Attention Section of this Public Report.
<input type="checkbox"/>	Laundry Area	
<input type="checkbox"/>	Storage Area	
<input type="checkbox"/>	Tennis Court	
<input checked="" type="checkbox"/>	Recreation Area	See Shared Recreation Center described in Paragraph 5 under Special Attention Section of this Public Report.
<input type="checkbox"/>	Trash Chute/Enclosure(s)	
<input type="checkbox"/>	Exercise Room	
<input type="checkbox"/>	Security Gate	
<input type="checkbox"/>	Playground	
<input checked="" type="checkbox"/>	Other (describe):	Shared Recreation Center - See Paragraph 5 under Special Attention Section of this Public Report.

1.9 Common Elements

Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.

Described in Exhibit D .

Described as follows:

Common Element	Number
Elevators	N/A
Stairways	N/A
Trash Chutes	N/A

1.10 Limited Common Elements

Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.

Described in Exhibit E .

Described as follows:

1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.

<input checked="" type="checkbox"/>	Pets:
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: See Exhibit F
<input type="checkbox"/>	There are no special use restrictions.

1.12 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 a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

Exhibit G describes the encumbrances against title contained in the title report described below.

Date of the title report: April 20, 2012

Company that issued the title report: Title Guaranty of Hawaii, Inc.

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning				
	Type of Use	No. of Units	Use Permitted by Zoning	Zoning
<input checked="" type="checkbox"/>	Residential	5	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	RM-4
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Hotel		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Ohana		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Industrial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Agricultural		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Other (Specify):		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Variances to zoning code have been granted.			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Describe any variances that have been granted to zoning code				

1.14 Other Zoning Compliance Matters

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

1.15 Conversions

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

Verified Statement from a County Official	
Regarding any converted structures in the project, attached as Exhibit ____ is a verified statement signed by an appropriate county official which states that either:	
(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable: (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal non-conforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance;	or
(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.	
Other disclosures and information:	

1.16 Project In Agricultural District

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

1.17 Project with Assisted Living Facility

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

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer(s)	<p>Name: MLR Golf Partners LLC</p> <p>Business Address: 55 Merchant Street, Suite 3000 Honolulu, Hawaii 96813</p> <p>Business Phone Number : (808) 676-3300</p> <p>E-mail Address: dmurphy@brookfieldhawaii.com</p>
<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	<p>See Exhibit H</p>
2.2 Real Estate Broker	<p>Name: Island Paradise Properties, LLC</p> <p>Business Address: 55 Merchant Street, Suite 3000 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 676-3300</p> <p>E-mail Address: jprostor@brookfieldhawaii.com</p>
2.3 Escrow Depository	<p>Name: Title Guaranty Escrow Services, Inc.</p> <p>Business Address: 235 Queen Street, 1st Floor Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 521-0211</p>
2.4 General Contractor	<p>Name: Brookfield Homes Hawaii Inc.</p> <p>Business Address: 55 Merchant Street, Suite 3000 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 676-3300</p>
2.5 Condominium Managing Agent	<p>Name: Certified Management, Inc.</p> <p>Business Address: 3179 Koapaka Street Honolulu, Hawaii 96819</p> <p>Business Phone Number: (808) 836-0911</p>
2.6 Attorney for Developer	<p>Name: McCorrison Miller Mukai MacKinnon LLP</p> <p>Business Address: 5 Waterfront Plaza, Suite 400 500 Ala Moana Boulevard Honolulu, Hawaii 96813 Attention: D. Scott MacKinnon</p> <p>Business Phone Number: (808) 529-7300</p>

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

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

3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	December 19, 2005	2006-001506

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	February 24, 2006	2006-040789
Bureau of Conveyances	September 29, 2006	2006-179658
Bureau of Conveyances	December 19, 2008	2009-000072
(See attached Page 10a)		

3.2 Bylaws of the Association of Unit Owners

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	December 19, 2005	2006-001507

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.

Land Court Map Number	
Bureau of Conveyances Map Number	4139
Dates of Recordation of Amendments to the Condominium Map: March 2, 2006; September 29, 2006; January 2, 2009; April 11, 2011; April 21, 2011; May 3, 2011; November 8, 2011; December 20, 2011; and April 19, 2012	

3.1 Declaration of Condominium Property Regime (continued)

Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	April 7, 2011	2011-059526
Bureau of Conveyances	April 20, 2011	2011-066359
Bureau of Conveyances	April 29, 2011	2011-072076
Bureau of Conveyances	November 7, 2011	2011-185558
Bureau of Conveyances	December 20, 2011	A-43710778
Bureau of Conveyances	April 12, 2012	A-44920928

3.4 House Rules

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

The House Rules for this project:

Are Proposed	<input type="checkbox"/>	
Have Been Adopted and Date of Adoption	<input checked="" type="checkbox"/>	January 4, 2006
Developer does not plan to adopt House Rules	<input type="checkbox"/>	

3.5 Changes to the Condominium Documents

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

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

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

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

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

Management of the Common Elements: The Association of Unit Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

The initial Condominium Managing Agent for this project is (check one):

<input checked="" type="checkbox"/>	Not affiliated with the Developer
<input type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit J contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:	
<input checked="" type="checkbox"/>	Electricity for the common elements
<input type="checkbox"/>	Gas for the common elements
<input checked="" type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer
<input checked="" type="checkbox"/>	TV Cable - Common Elements & Basic Service (single hook-up) for Residential Units
<input type="checkbox"/>	Other (specify)

4.4 Utilities to be Separately Billed to Unit Owner

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

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u> K </u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: July 19, 2005 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit <u> L </u> contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other:

5.2 Sales to Owner-Occupants

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

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

5.3 Blanket Liens

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

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

<u>Type of Lien</u>	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	If the Developer defaults before the unit is conveyed to the Purchaser, the Lender will have the right to decide whether to sell the unit to Purchaser under the Sales Contract. If not, the Purchaser's interest will be terminated and Purchaser's deposit will be refunded, less the escrow cancellation fee.

5.4 Construction Warranties

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

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

<p>Status of Construction: Developer estimates that construction of the five (5) buildings each containing one (1) residential unit in Phase 5 will commence on or about May 1, 2012, and be completed on or about May 1, 2014.</p>
<p>Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.</p>
<p>Completion Deadline for any unit not yet constructed, as set forth in the sales contract: The completion deadline set forth in the Sales Contract shall be the date occurring not more than two (2) years after the Sales Contract becomes binding.</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:</p>

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

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

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

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

Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):

<input checked="" type="checkbox"/>	<p>For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or</p>
<input type="checkbox"/>	<p>For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.</p>

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

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

5.7 Rights Under the Sales Contract

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

1.	Developer's Public Report
2.	Declaration of Condominium Property Regime (and any amendments)
3.	Bylaws of the Association of Unit Owners (and any amendments)
4.	Condominium Map (and any amendments)
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other: Shared Recreation Center documents more particularly described in Paragraph 5 of Section 6 (Miscellaneous Information) of this Public Report. A summary is attached as Exhibit O.

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

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

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

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

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

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

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

- (1) The purchaser has signed the sales contract.
- (2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.
- (3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.
- (4) The purchaser does at least one of the following:
 - (a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

(b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or

(c) Closes the purchase of the unit before the 30-day cancellation period expires.

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

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

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

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

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

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

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

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

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

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

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

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

1. Affiliated Parties. Prospective purchasers are hereby advised that the Real Estate Broker and the General Contractor for the Project are affiliated with the Developer. See Exhibit N.
2. Master Association Declaration. The conditions imposed by the Master Association Declaration shall run with the Land and shall bind and constitute notice to all subsequent lessees, grantees, assignees, mortgagees, lienors, and any other persons who shall claim an interest in the Land, and the Mauna Lani Resort Association (the "**Resort Association**") shall have the right to enforce the Declaration of Covenants by appropriate action at law or suit in equity against all such persons. In accordance with the Master Association Declaration, the Association of Apartment Owners of Ka Milo at Mauna Lani Resort (the "**Association**") shall be jointly and severally obligated with the owners of apartments in the Project for assessments levied against the such apartments under the Master Association Declaration (the "**Resort Association Assessments**") and may be assessed for the cost of improvements made in the vicinity of the Project. Buyer shall be responsible for and shall pay its prorated share of any such Resort Association Assessments based on Buyer's common interest in the Project as a part of the common expenses of the Project and shall be liable for Buyer's pro rata share of any amounts of the Resort Association Assessments not paid by the Association. The current monthly Resort Association Assessments for 2012 against the Phase 5 residential Apartments is \$109.26 per month.
3. Development of Project in Phases or Increments. The Developer intends to develop the Project in stages. Each stage is called a "phase" or "increment". Each phase may include Apartments and other Improvements. Under the Ka Milo Declaration the Ka Milo Condominium may contain upon full build out up to one hundred thirty-seven (137) residential apartments (each an "**Apartment**" and collectively the "**Apartments**") as will be shown from time to time on Condominium Map No. 4139, as amended, filed in the Bureau (collectively, the "**Ka Milo Condominium Map**"). The Ka Milo Declaration and Ka Milo Condominium Map currently depict Phase 1 as being comprised of thirty-six (36) residential Apartments and one (1) commercial Apartment (hereinafter referred to as the "Commercial Apartment"), Phase 2 as being comprised of two (2) residential Apartments, Phase 3 as being comprised of two (2) residential Apartments, and Phase 4 as being comprised of four (4) residential Apartments. The Ninth Amendment to the Ka Milo Declaration and this Public Report both cover Phase 5 which is to be comprised of five (5) residential Apartments. Upon completion of the additional residential Apartments in Phase 5 the Ka Milo Condominium will be comprised of forty-nine (49) residential Apartments and the one (1) commercial Apartment. The Developer will still retain the future right and option to develop and construct up to eighty-eight (88) additional or new residential Apartments on the areas shown on the Ka Milo Condominium Map as the "Undeveloped Land Area". The Developer has no obligation to build any new Apartments and related Improvements beyond the Apartments contained in Phases 1, 2, 3, 4, and 5, and the Developer may also at any time reconfigure and re-divide the future phases or increments and change or reconfigure any future planned new Apartments.
4. Developer's Reserved Rights to Create New Apartments, Create New Improvements, Convert Common Elements, Designate Limited Common Elements, and Participate in Shared Recreation Center. The Developer has reserved the right under the Ka Milo Declaration to develop and construct New Apartments and New Improvements, including, without limitation, a recreation center that may be located on a portion of the Land and a portion of the land underlying the Kulalani at Mauna Lani condominium project ("**Kulalani**") established by that certain Declaration of Condominium Property Regime of Kulalani at Mauna Lani recorded in the Bureau as Document No. 2005-194154 (the "**Shared Recreation Center**") on the Land, including the Undeveloped Land Area, convert the use of Common Elements and designate Limited Common Elements as the Developer deems appropriate and as may be permitted or otherwise approved by any appropriate governmental authorities, all as set forth in Paragraphs 19 and 20 of the Declaration. Pursuant to such Developer's Reserved Rights the Shared Recreation Center has been developed and constructed and is currently available for shared use by the owners of residential Apartments in the Ka Milo Condominium. The development, construction and sale of the New Apartments and New

Improvements, conversion of Common Elements and/or designation of Limited Common Elements may result in the creation of dust, noise, vibrations and other nuisances. The Developer has expressly reserved the right, at its sole option and discretion, at any time and from time to time up to but not later than December 31, 2025, to exercise any of these reserved rights. The Developer has also expressly reserved the right and an easement to enter upon and use the Common Elements of the Project and do all things reasonably necessary, desirable or useful, for the purposes of designing, developing, constructing and completing the New Apartment(s) and New Limited Common Elements, connecting the New Apartments and New Improvements to the Project, providing access for the New Apartments and New Improvements through the Common Elements of the Project to any public roadways, connecting the New Apartments and New Improvements to the utility installations of the Project, and selling the apartments in the New Apartments and New Improvements, and the right in the nature of an easement over and upon the Project to create and cause dust, noise, vibration and other nuisance created by and resulting from any work connected with or incidental to the development, construction and sale of the New Apartments or New Improvements.

5. Shared Recreation Center. Pursuant to the Developer's Reserved Rights it has developed in association with the developer of the adjoining Kulalani condominium project the Shared Recreation Center which Shared Recreation Center is established and governed by the terms and provisions contained in (a) the certain Declaration of Protective Covenants, Conditions and Restrictions of the Kulalani – Ka Milo Recreation Complex Association dated April 13, 2009, recorded as Document No. 2009-054528, and (b) the certain Bylaws of the Kulalani – Ka Milo Recreation Complex Association dated April 13, 2009, recorded as Document No. 2009-054529. It is recommended that each prospective Buyer review these documents and familiarize themselves with the terms, conditions and liabilities associated with the Shared Recreation Center. A summary of the documents associated with the Shared Recreation Center is attached to this Public Report as Exhibit O. The current monthly dues for 2012 to be assessed against the residential Apartments in Phase 5 for the Shared Recreation Center are \$53.97 per month.
6. Developer's Reserved Rights to Execute Documents Governing the Shared Recreation Center. The Developer has reserved the right, on behalf of the Association and at any time or times prior to the earlier of December 31, 2025 or the date when the Developer records a document giving up all of the Developer's reserved rights, to establish, enter into additional and/or amend the existing agreements with the Association of Apartment Owners of Kulalani at Mauna Lani (the "**Kulalani Association**") or the developer of Kulalani, on behalf of the Kulalani Association (the "**Shared Recreation Center Documents**"), governing the use, maintenance and management of the Shared Recreation Center and the association comprised of the members of the Association and the Kulalani Association, which is charged with carrying out the terms and provisions of the Shared Recreation Center Documents, including without limitation the establishment of a budget and collection of assessments in connection with the use, maintenance and management of the Shared Recreation Center.
7. Shared Entry Road with Kulalani. The Project shares an entry road and entry circle off of North Kaniku Drive with the adjoining Kulalani condominium project such that the owners, lessees, tenants, guests and business invitees of the units in both the Project and the Kulalani condominium project have a shared right of access over and across the entry road and entry circle off of North Kaniku Drive. While the costs of maintenance, repair, and improvement of the entry road and entry circle will be shared with the Kulalani condominium project this portion of the entry road system into the Project may encounter additional traffic congestion from time to time and the wear and tear on this portion of the private roadway entry system will be at a more accelerated rate due to the shared use of this private roadway entry system. The shared expenses for maintenance, repair and improvement of the Shared Entry Road are included within each the monthly common expense assessment against the residential Apartment in Phase 5.
8. Developer's Reserved Right to Withdraw Portions of the Land. The Developer has reserved the right to subdivide the Land of the Project, and to withdraw and delete from the Project and from the

condominium property regime all or any part of the areas designated on the Condominium Map from time to time as "Undeveloped Land Area."

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

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

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

supplied by decorative items found in the home, such as fabric, carpet, wallpaper, or even building materials. Moisture sources include spills, leaks, overflows, condensation, excessive landscape watering and high humidity. Although the vast majority of molds are not known to cause health problems, some molds have the potential to cause health effects to individuals whose susceptibility is affected by existing sensitivities to allergies, underlying lung disease, and suppressed immune systems. There are currently no federal, state, or local standards that establish permissible limits for exposure to mold. Since microscopic mold spores exist everywhere naturally in the environment, mold cannot be prevented or removed entirely. The only way to prevent mold growth is to eliminate excessive moisture in the home. Homeowners must therefore take positive steps to eliminate excessive moisture in the home through: (a) regular vacuuming and cleaning; (b) reducing humidity in the home by adequately venting the home; (c) promptly repairing water leaks; (d) regularly maintaining the home; and (e) performing routine visual inspections for mold growth and signs of leaks, moisture or water damage. The Developer cannot ensure that mold and mold spores will not be present in the Project. Accordingly, the Developer shall not be liable for any actual, special, incidental or consequential damages based on any legal theory whatsoever, including, but not limited to, strict liability, breach of express or implied warranty, negligence or any other legal theory, with respect to the presence and/or existence of molds, mildew and/or microscopic spores at the Project unless caused by the sole negligence or willful misconduct of the Developer.

21. Metal Work Disclosure. Exterior metal work finish is severely impacted by salt air conditions. Notwithstanding anything in this Agreement to the contrary, no warranty is given for such finishes and the Developer makes no representations regarding rust prevention maintenance requirements. Aggressive action to prevent rust is required by Buyer or the Association. Metal work includes railings, hinges, gate mechanisms, if any, etc. All metal work may corrode, have pock marks, peel, rust or, in the case of painted metal materials, bubble and peel. Vinyl coated metal work may peel due to salt air conditions, which will require replacement more frequently than normally expected.
22. Volcanic Activity and Earthquakes. The Project is located on the Island of Hawaii, an Island that has been formed as a result of volcanic eruptions and other volcanic activity. The Project's land is within a historic lava flow, and a volcanic rift zone, which makes it subject to potential earthquake activity and future lava flows. In the event of volcanic eruptions on the Kohala side of the Island of Hawaii, the Project may be subject to volcanic haze, unpleasant odors and other inconveniences, including possible destruction of the Project. By acquiring a Unit in the Project, the Purchaser will be agreeing to accept such conditions and to assume all risks associated therewith, and to give up (in legal terms, "waive, release and discharge") any rights, claims or actions the Purchaser may have, now or in the future, against the Developer, and the Developer's representatives successor and assigns, as a result of or in any way related to such conditions.
23. Vog. The long term volcanic activity/eruptions from Kilauea volcano on the Island of Hawaii has resulted in emissions into the air which are commonly called "vog". Vog refers to a type of air pollution or volcanic smog created by the gases emitted into the air from the ongoing volcanic eruption mixing with water vapor and very small particles which are primarily sulfur compounds and sulfur dioxide. Vog is the haze you may see in the air on the Big Island. Vog becomes thicker or lighter depending upon the amount of emissions from Kilauea volcano, the direction and amount of wind, and other weather conditions. People with pre-existing respiratory conditions are more prone to adverse effects from vog which may include: headaches, breathing difficulties, increased susceptibility to respiratory ailments, watery eyes, and sore throat, but the long-term health effects of vog are currently unknown. Since the weather, wind direction and amount of volcanic activity vary from day to day it is not possible to provide specific guidance regarding when the vog will be heavy or light. Purchaser will be provided by the Developer with a copy of the publication from the County of Hawaii entitled "Emissions from Kilauea Volcano (March 2008)" which contains a brief summary of the health hazards and protective measures relating to vog. Having been apprised of the foregoing condition and risk, by acquiring a Unit in the Project each Purchaser will be agreeing to accept such condition and to assume all risks associated therewith, and to give up (in legal terms, "waive, release and discharge") any rights, claims or actions that Purchaser may have, now or in the

future, against Developer and the Developer's representatives, successors and assigns, and arising directly or indirectly out of or from the presence of vog in the air surrounding the Project lands.

24. Tsunami Risk. The Project lands are not currently located in a high risk tsunami inundation area, but nonetheless the Project lands are located in a coastal area of the Big Island where a particularly severe series of tsunami waves could potentially impact the Project and the Units. Having been apprised of the foregoing condition and risk, by acquiring a Unit in the Project each Purchaser will be agreeing to accept such condition and to assume all risks associated therewith, and to give up (in legal terms, "waive, release and discharge") any rights, claims or actions that Purchaser may have, now or in the future, against Developer and the Developer's representatives, successors and assigns, and arising directly or indirectly out of or from the impact or effect of a tsunami on the Project lands and Units.
25. Security. The Developer has the right, but not the duty to take steps designed to make the Project safer than it otherwise might be. The Developer and each of its representatives are not in any way to be considered insurers or guarantors of safety or security within the Project, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate or effective safety or security measures. The Developer makes no representation or warranty that any fire protection, burglar alarm, or other safety or security system or measures, including anything intended to limit access to the Project, (i) will be effective in all cases and cannot be compromised or circumvented; (ii) will prevent all losses; (lii) will limit access to the Project; or (iv) will provide the detection or protection which it is designed or intended to provide. Each person using the Project assumes all risks of personal injury, death, or loss or damage to property resulting from the acts of third parties.
26. Tax and Insurance Estimates. Any sum estimated for taxes or insurance affecting the Apartment or Project may increase or decrease depending upon fluctuation of real property taxes or insurance rates.
27. School Information. The Developer has made no representations, warranties or assurances to Buyer that the Project will be included within any particular school district. Buyer is responsible for determining the availability of schools and the same are subject to change by the applicable school district.
28. Time Share Restrictions. Pursuant to the Amendment to Declaration of Condominium Property Regime of Ka Milo at Mauna Lani Resort dated December 19, 2008, recorded as Document No. 2009-000072, the Developer confirmed its determination that the Developer would not under any circumstance authorize or consent to the use of any Apartment in the Project as a time share unit in a time share plan and therefore Section 9.1.1 of the Declaration was deleted in its entirety. Therefore the Apartments in the Project may not be used as time share units in a time share plan.

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

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

The Developer hereby certifies that all the information contained in this report and the exhibits attached to this report and all documents to be furnished by the Developer to purchasers concerning the project have been reviewed by the Developer and are, to the best of the Developer's knowledge, information and belief, true, correct and complete. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

MLR Golf Partners LLC

Printed Name of Developer

By: (See attached Page 19a)
Duly Authorized Signatory*

April 23, 2012
Date

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Hawaii

Planning Department, County of Hawaii

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

Developer:

MLR GOLF PARTNERS LLC
a Hawaii limited liability company

BY: **BROOKFIELD MLR LLC**
a Delaware limited liability company
Its Administrative Member

By 
Name: David F. Murphy
Title: Assistant Secretary

EXHIBIT A
(Section 1.3)

DESCRIPTION OF UNIT TYPES AND FLOOR PLANS
(Note: These Refer Only to Phase 5)

1. There are two (2) Type 3A apartments. Each apartment is a two-story apartment containing eight (8) rooms. The upper floor contains one (1) bedroom, one (1) bathroom and a great room/kitchen, and has an entry porch, a foyer, a lanai and a two (2) car garage, and is connected by an interior stairway to the lower floor, which contains two (2) bedrooms, two (2) bathrooms and a family room, and has a lanai. Each apartment has a net living area of approximately 2,491 square feet, a net lanai/entry porch area of approximately 530 square feet, and a net garage area of approximately 430 square feet.

2. There are three (3) Type 3AR apartments. Each apartment is a two-story apartment containing eight (8) rooms. The upper floor contains one (1) bedroom, one (1) bathroom and a great room/kitchen, and has an entry porch, a foyer, a lanai and a two (2) car garage, and is connected by an interior stairway to the lower floor, which contains two (2) bedrooms, two (2) bathrooms and a family room, and has a lanai. Each apartment has a net living area of approximately 2,491 square feet, a net lanai/entry porch area of approximately 530 square feet, and a net garage area of approximately 430 square feet.

**EXHIBIT B
(Section 1.5)**

BOUNDARIES OF THE UNITS

Limits or Boundaries of the Units:

Notwithstanding the floor areas set forth in Section 1.3 of the Public Report, and the manner in which such floor areas have been measured, the respective Units shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls or partitions, the foundations, columns, girders, beams, floor slabs, supports, floors and ceilings surrounding each Unit or any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust, or air conditioning running through or otherwise located within such Unit which are utilized for or serve more than one Unit, the same being deemed Common Elements as hereinafter provided. Each Unit shall be deemed to include all of the walls and partitions which are not load-bearing and which are within its perimeter or party walls; all movable lanai doors and their door frames, all windows and window frames, louvers (if any), and shutters (if any); the inner decorated or finished surfaces of all walls, panels, doors (except movable lanai doors) and their door frames, floors and ceilings; the lanais shown on the Condominium Map to the inner decorated or finished surfaces of the exterior perimeter walls of such lanais and the interior edge of the exterior railings or other boundaries of such lanais; all fixtures originally installed therein.

EXHIBIT C
(Section 1.6)

PERMITTED ALTERATIONS TO UNITS

1. Each Owner has the right, subject only to Board approval, to make any of the following changes, additions and Improvements solely within the Owner's Unit or Limited Common Element which such Owner controls:
 - A. To install, maintain, remove and rearrange partitions and other walls from time to time within the Unit or Limited Common Element which do not adversely affect the structural integrity of the Unit or Limited Common Element; provided that the Owner may not enclose any lanai constituting a part of the Owner's Unit;
 - B. To finish, change or substitute any plumbing, electrical or other fixtures attached to the ceilings, floors or walls as appropriate for the use of the Unit or Limited Common Element;
 - C. To decorate, paint, repaint, wallpaper or otherwise change the appearance of the walls, floors and ceilings of the Unit or Limited Common Element which is not readily visible from outside the Unit or Limited Common Element;
 - D. To tile, finish, carpet, re-carpet, and install, change, or remove other flooring in the Unit or Limited Common Element which is not readily visible from outside the Unit or Limited Common Element; or
 - E. To make such changes, additions and improvements to the Unit or Limited Common Elements to facilitate handicapped accessibility within the Unit or Limited Common Element.
2. An Owner may make "nonmaterial structural additions to the Common Elements" as that term is used in §514B-140 of the Condominium Property Act.
3. The Owner of two (2) Units which are separated by a Common Element that is a wall, floor or a ceiling, or whose Limited Common Elements are separated from each other or from such Units by a Common Element that is a wall, floor or ceiling, has the right and an easement, subject only to Board approval, to change or remove all or part of the intervening wall, floor and/or ceiling; provided that it does not adversely effect the structural integrity of the Unit or Limited Common Element of the building in which such Unit is situated. The Owner also has the right, subject only to Board approval, to install doors, stairways and other Improvements in such opening or openings in the intervening Common Element, to seal hallways or other openings, and to make other reasonable changes or additions which do no adversely effect the structural integrity of the Unit or Limited Common Element or the building in which such Unit is situated. Before terminating its common ownership of such Units, the Owner must restore the Common Element wall, floor, ceiling, hallway and/or other openings to substantially the same condition as before the change or removal unless the new Owners agree in writing to accept such change or removal in writing and to assume full responsibility for such restoration upon the termination of the common ownership of the two (2) Units in the future. The rights of an Owner and the Developer under this Section 3 may be exercised only if:
 - A. The structural integrity of the Unit, or Limited Common Element or the building in which the Unit is situated will not be adversely affected;
 - B. The finish of the remaining Common Element improvements are restored to substantially the same condition they were in before the change or removal; and

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

EXHIBIT D
(Section 1.9)

COMMON ELEMENTS

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

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

EXHIBIT E
(Section 1.10)

LIMITED COMMON ELEMENTS

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

1. Each Unit shall have for its exclusive use one (1) mailbox bearing the same number as such Unit;
2. Each Unit shall have for its exclusive use the yards, walls (or portions thereof) and other spaces abutting the Unit designated on the Condominium Map as Limited Common Elements; and
3. The Commercial Unit shall have for its exclusive use all of the undeveloped area of the Land as designated and shown on the Condominium Map from time to time as the "Undeveloped Land Area".

EXHIBIT F
(Section 1.11)

SPECIAL USE RESTRICTIONS

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

- after the Board or the Managing Agent gives notice to the person owning the pet or using the specially trained animal.
10. No Owner of an Apartment may install awnings, shades, blinds, screens, louvers, or other similar objects or any exhaust vents, wind baffles, or drains on the lanai of any apartment, or paint, resurface, enclose or make any structural modifications, changes, additions or alterations to such Owner's lanai, except in strict accordance with such guidelines, rules, regulations, and requirements as the Board may adopt from time to time in the House Rules.
 11. No Owner may enclose any lanai constituting a part of the Owner's Apartment.
 12. Except in connection with (a) the exercise of the Developer's Reserved Rights, or (b) the reversal of a consolidation of Apartments under Section 18.2.4 of the Declaration, no Apartment may be subdivided.
 13. The enclosed garage of each Apartment shall be used primarily for the parking and storing of automobiles.

EXHIBIT G

ENCUMBRANCES AGAINST TITLE

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

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

DATED : June 3, 1982
FILED : Land Court Document No. 1120889
RECORDED : Liber 16425 Page 203

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

- (1) dated June 3, 1982, filed as Land Court Document No. 1121081, recorded in Liber 16428 at Page 456;
- (2) dated August 13, 1982, filed as Land Court Document No. 1129996, recorded in Liber 545 at Page 345;
- (3) dated June 23, 1986, filed as Land Court Document No. 1380755, recorded in Liber 9613 at Page 236;
- (4) dated January 8, 1987, filed as Land Court Document No. 1432988, recorded in Liber 20284 at Page 384;
- (5) dated October 28, 1987, filed as Land Court Document No. 1507024, recorded in Liber 21287 at Page 398;
- (6) dated June 22, 1988, filed as Land Court Document No. 1560401, recorded in Liber 22084 at Page 131;
- (7) dated June 25, 1991, filed as Land Court Document No. 1832379, recorded as Document No. 91-089395;
- (8) acknowledged December 24, 1993, filed as Land Court Document No. 2109682, recorded as Document No. 94-009533;
- (9) dated November 7, 1995, filed as Land Court Document No. 2281205, recorded as Document No. 95-168247;
- (10) dated October 16, 1998, filed as Land Court Document No 2537869, recorded as Document No. 98-155464;
- (11) dated April 30, 1999, filed as Land Court Document No. 2541614, recorded as Document No. 99-070732;
- (12) dated August 23, 1999, filed as Land Court Document No. 2597831, recorded as Document No. 99-204463;
- (13) dated May 22, 2002, recorded as Document No. 2002-101491;

- (14) dated April 18, 2003, recorded as Document No. 2003-090769;
- (15) dated February 24, 2004, recorded as Document No. 2004-044458;
- (16) dated December 23, 2004, recorded as Document No. 2004-262092;
- (17) dated January 7, 2005, recorded as Document No. 2005-006575;
- (18) dated February 2, 2005, filed as Land Court Document No. 3228828, recorded as Document No. 2005-026122;
- (19) dated June 26, 2006, recorded as Document No. 2006-132711;
- (20) dated December 18, 2006, filed as Land Court Document No. 3531826, recorded as Document No. 2006-235862;
- (21) dated December 18, 2006, filed as Land Court Document No. 3531827, recorded as Document No. 2006-235863; and
- (22) dated September 3, 2008, filed as Land Court Document No. 3787689, recorded as Document No. 2008-141676.

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

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

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

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

INSTRUMENT : CERTIFICATE

DATED : April 22, 1986

RECORDED : Liber 19452 Page 724

PARTIES : MAUNA LANI RESORT, INC.

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

- 4. Claims arising out of customary and traditional rights and practices, including without limitation those exercised for subsistence, cultural, religious, access or gathering purposes, as provided for in the Hawaii Constitution or the Hawaii Revised Statutes.

5. Encroachments or any other matters, including archaeological sites identified in the Scientific Consultant Services, Inc. SCS Project 443, Report of Archaeological Sites, dated March 6, 2004, as shown on map prepared by Pedro Y. Guzman, Land Surveyor, with Sam O. Hirota, Inc., dated May 21, 2004, revised June 3, 2004.

6. Encroachments or any other matters which a survey prepared after June 3, 2004 would disclose.

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

INSTRUMENT : LIMITED WARRANTY DEED

DATED : as of May 25, 2004

RECORDED : Document No. 2004-104739

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

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

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

DATED : December 19, 2005

RECORDED : Document No. 2006-001506

MAP : 4139 and any amendments thereto

Said Declaration was amended by instruments dated February 24, 2006, recorded as Document No. 2006-040789, and dated September 29, 2006, recorded as Document No. 2006-179658, and dated December 19, 2008, recorded as Document No. 2009-000072, and dated April 7, 2011, recorded as Document No. 2011-059526, and dated April 20, 2011, recorded as Document No. 2011-066359, and dated April 29, 2011, recorded as Document No. 2011-072076, and dated November 7, 2011, recorded as Document No. 2011-185558, dated December 20, 2011, recorded as Document No. A-43710778, and dated April 12, 2012, recorded as Document No. A-44920928.

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

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT
OWNERS

DATED : December 19, 2005

RECORDED : Document No. 2006-001507

10. Any claim or boundary dispute which may exist or arise by reason of the failure of the instrument dated May 25, 2004, recorded as Document No. 2004-104740, to locate with certainty the boundaries of the cross-hatched area described in said instrument.

11. Designation of Easement "F", for electrical purposes, as shown on map prepared by Dan H. Hirota, Licensed Professional Land Surveyor, dated February 17, 2009.

12. Grant in favor of ASSOCIATION OF APARTMENT OWNERS OF KULALANI AT MAUNA LANI, an unincorporated association, dated April 13, 2009, recorded as Document No. 2009-054525, granting (a) a perpetual nonexclusive right and easement for vehicular ingress and egress purposes over, across and through Easement "B", said easement being more particularly described in Exhibit C attached thereto; (b) a perpetual nonexclusive right and easement for landscaping purposes over, across, through and under Easement "A", said easement being more particularly described in Exhibit D attached thereto.

13. Grant in favor of SCD ML II, LLC, a Hawaii limited liability company, dated April 13, 2009, recorded as Document No. 2009-054526, granting a perpetual nonexclusive right and easement for ingress and egress, over, under, upon, across and through Easement "G", said easement being more particularly described in Exhibit D attached thereto.

14. Grant in favor of ASSOCIATION OF APARTMENT OWNERS OF KULALANI AT MAUNA LANI, an unincorporated association, dated April 13, 2009, recorded as Document No. 2009-054526, granting (a) a perpetual nonexclusive right and easement, appurtenant to Kulalani Land, more particularly defined therein, for maintenance, operation, repair, alteration, modification and replacement of the improvements of the Recreation Center, more particularly defined therein, and other appurtenant equipment and infrastructure as may be necessary for the use and operation of the Recreation Center as located on, over, under, upon, across and through Easement "G", said easement being more particularly described in Exhibit D attached thereto; (b) a perpetual nonexclusive right and easement for ingress and egress and use of Easement "G", said easement being more particularly described in Exhibit D attached thereto; (c) a perpetual nonexclusive right and easement, appurtenant to the Kulalani Land, on, over, under, upon, across and through a portion of the Ka Milo Land, more particularly defined therein, constituting a portion of Easement "H", said easement being more particularly described in Exhibit E attached thereto; (d) a perpetual nonexclusive right and easement appurtenant to the Kulalani Land, on, over, under, upon, across and through Easement "E", said easement being more particularly described in Exhibit G attached thereto.

15. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS OF THE KULALANI-KA MILO RECREATION COMPLEX ASSOCIATION

DATED : April 13, 2009

RECORDED : Document No. 2009-054528

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

16. The terms and provisions contained in the following:

INSTRUMENT : BY-LAWS OF THE KULALANI-KA MILO RECREATION COMPLEX ASSOCIATION

DATED : April 13, 2009

RECORDED : Document No. 2009-054529

17. Notice of Default and Lien in favor of MAUNA LANI RESORT ASSOCIATION dated January 27, 2010, recorded as Document No. 2010-016292.

-Note:- The Developer has been paying and clearing this Notice of Default and Lien by the Mauna Lani Resort Association on a unit by unit basis as it has closed units in the project and the Mauna Lani Resort Association has provided appropriate partial releases to provide for such release. The Developer expects this process to continue but if the Mauna Lani Resort Association changes its position the Developer will take appropriate steps to assure that no unit closes without this Notice of Default and Lien having released as to such unit.

18. Any matters, including but not limited to mortgages, liens or additional encumbrances, affecting those ownership interests already sold to third party purchasers.

19. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the Project lands.

-Note:- Per Section 514B-45 of the Hawaii Revised Statutes the Developer will assure that prior to the closing of any unit in the Project any such mechanics lien shall not affect the unit to be conveyed.

20. Real property taxes due and payable. For more information contact the County of Hawaii, Real Property Tax Division.

EXHIBIT H
(Section 2.1)

LIST OF OFFICERS AND DIRECTORS OF DEVELOPER

MLR GOLF PARTNERS LLC is a Hawaii limited liability company that is managed by its Members:

A&B MLR LLC, a Hawaii limited liability company, and BROOKFIELD MLR LLC, a Delaware limited liability company.

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

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

Officers:	Stanley M. Kuriyama	Chairman of the Board
	Christopher J. Benjamin	President
	Paul W. Hallin	Executive Vice President
	Michael G. Wright	Executive Vice President
	Alan K. Arakawa	Senior Vice President
	David I. Haverly	Senior Vice President
	Richard B. Stack, Jr.	Senior Vice President
	Grant Y. M. Chun	Vice President
	Randall H. Endo	Vice President
	Natalie I. Kiehm	Vice President
	Charles W. Loomis	Vice President and Assistant Secretary
	Lance K. Parker	Vice President
	Tom H. Shigemoto	Vice President
	Diane M. Shigeta	Vice President
	Paul K. Ito	Treasurer
	Alyson J. Nakamura	Secretary
	Chris J. Caddell	Controller
	Wendy M. Ludwig	Assistant Treasurer
Directors:	Stanley M. Kuriyama	
	Meredith J. Ching	
	Nelson N. S. Chun	
	Christopher J. Benjamin	
	Joel M. Wine	

BROOKFIELD MLR LLC is a Delaware limited liability company that is managed by its Member:

BH/JP HAWAII HOLDINGS LLC, a Delaware limited liability company

EXHIBIT I
(Section 3.6)

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

1. The Developer's has the right to change the Condominium Documents:
 - A. In any way and for any purpose before the date when the Developer first records a deed transferring an Apartment to someone other than the Developer or its Lenders;
 - B. To file the "as-built" statement (with plans, if necessary or convenient) required by Section 514A-12 and/or 514B-33 of the Condominium Property Act. The Developer may do this each time a phase or increment of the Project, or any New Improvement is completed. It may also do this at any other time required by law or permitted by this Declaration. The Developer does not need the consent of anyone else who owns an Apartment or any other Interested Person;
 - C. To comply with the real estate laws of any place (for example, the State of Hawaii) or the requirements of any government agency (such as the Hawaii Real Estate Commission or the California Department of Real Estate) in connection with the registration of the Project, or to permit the sale of Apartments or any time share or fractional ownership plan affecting any of the Apartments;
 - D. To satisfy requests for changes made by any institutional lender loaning money to the Developer or by any title company licensed to do business in the State of Hawaii; or
 - E. To correct any misstatements of fact in the Condominium Documents. For example, the Developer can correct a mistake in the legal description of the Land.
2. The Developer has the right to amend the Declaration and/or the Condominium Map to reflect any of the following changes to an Apartment owned by the Developer that materially change the depiction of the Apartment on the Condominium Map or the description of it in the Declaration:
 - A. Change or removal of all or part of the intervening wall, floor and/or ceiling separating two (2) Apartments owned by the Developer or Limited Common Elements appurtenant to two (2) Apartments owned by the Developer; installation of doors, stairways and other Improvements in such opening/s in the intervening Common Element; sealing of hallways or other openings; and other reasonable changes or additions in accordance with Section 18.2.3 of the Declaration.
 - B. Consolidation of any two (2) adjacent Apartments owned by the Developer into a single Apartment; and making any Common Element walls, floors or ceilings between the Apartments part of the Apartment or its Limited Common Elements in accordance with Section 18.2.4 of the Declaration.
 - C. Change of the designation of the Limited Common Elements appurtenant to any two (2) adjacent Apartments owned by the Developer so that one or more Limited Common Elements appurtenant to one Apartment will be appurtenant to the other Apartment or to both of the Apartments in accordance with Section 18.2.5 of the Declaration.
3. The Developer has the right to amend the Declaration and the Condominium Map in order to create one or more New Apartments in the Project and to designate Limited Common Elements appurtenant to any New Apartment in accordance with Section 19 of the Declaration.


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

**EXHIBIT J
(Section 4.2)**

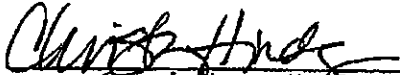
ESTIMATE OF MAINTENANCE FEES AND BUDGET

We hereby certify that the monthly operating budget for the Ka Milo at Mauna Lani condominium project (the "Project") and the estimates of the monthly maintenance fees assessable against the owner(s) of each of the apartments in the Project set forth in this Exhibit J to the Public Report for Phase 5 of the Project were prepared in accordance with generally accepted accounting principles.

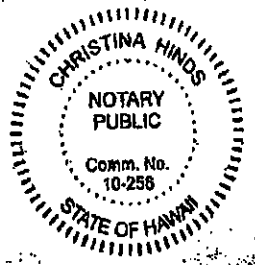
CERTIFIED MANAGEMENT, INC.

By: 
Name: Karen Unger
Title: Account Executive
Date: 4/20, 2012

This ~~X~~ ⁶⁰⁴ page Monthly Budget Analysis and Maintenance Fee Analysis dated 4/20, 2012 was subscribed and sworn to before me by Karen Unger on 4/20, 2012, in the First Circuit of the State of Hawaii.


Name: Christina Hinds
Notary Public, State of Hawaii

My commission expires: 8/15/2014



Project No: _____

SUB-ACCOUNT WORKSHEET for REVENUES/EXPENSES - MONTHLY BUDGET ANALYSIS
(for all budget input)

Approved budget to be effective on: January 1, 2012
(First Month of Fiscal Year)

Prepared By: _____

Revised Date: 04/20/12

2010 Budget	Actual Monthly Average	Proposed 2011 Budget	Approved 2011 Budget
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REVENUES:

FEES, DUES & RECEIPTS

40100-00-401	Maintenance Fees		45,163
40100-00-403	Recreation Center Dues Center		2,542
40100-00-418	Rec Center Dues (Developer)		4,424
TOTAL FEES, DUES & RECEIPTS		-	52,129

TAXABLE INCOME

40100-00-457	Master Association Dues		5,441
40100-00-811	Electricity Reim -Kulalani Entry		101
40100-00-812	Electricity Reim - Rec Center		33
40100-00-813	Water Reim - Kulalani Entry		905
40100-00-814	Water Reim - Rec Center		3,873
40100-00-815	Sewer Reim - Rec Center		247
40100-00-816	Landscape Reim - Kulalani Entry		19
40100-00-817	Sewer MTNC Reim - Rec Center		46
40100-00-829	Water/Sewer Reim -MLR Sales		738
40200-00-424	Interest Income, Operating Reserve		14
40200-00-425	Reserve Account Interest		37
40200-00-426	Operating Account Interest		2
TOTAL TAXABLE INCOME		-	11,456

TOTAL REVENUES	-	-	-	63,585
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Project No: _____

SUB-ACCOUNT WORKSHEET for REVENUES/EXPENSES - MONTHLY BUDGET ANALYSIS
 (for all budget input)

Approved budget to be effective on: January 1, 2012
 (First Month of Fiscal Year)

Prepared By: _____

Revised Date: 04/20/12

2010 Budget	Actual Monthly Average	Proposed 2011 Budget	Approved 2011 Budget
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EXPENSES:

OPERATING EXPENSES:

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ADMINISTRATIVE

70300-00-701	Admin, Res Mgr Supplies			38
70300-00-704	Admin, Education/Subscriptions			52
70300-00-749	Postage & Shipping			35
70300-00-754	Annual Meeting Expense			57
70300-00-771	Admin Services/Supplies			514
TOTAL ADMINISTRATIVE		-	-	696

PROPERTY MANAGEMENT

70800-00-759	Administrative/Fiscal Service			313
TOTAL PROPERTY MANAGEMENT		-	-	313

LEGAL

70900-00-763	Legal Fees - Common Expense			148
TOTAL LEGAL		-	-	148

COVENANTS

TOTAL COVENANTS		-	-	-
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OTHER PROFESSIONAL FEES

71100-00-763	Professional Fees - Common			289
TOTAL OTHER PROFESSIONAL FEES		-	-	289

ELECTRICITY

71200-00-000	Electricity-General			154
71200-00-763	Electricity-Common			457
TOTAL ELECTRICITY		-	-	611

WATER

71300-00-000	Water-General			2,166
71300-00-763	Water-Common			15,481
TOTAL WATER		-	-	17,647

SEWER

Project No: _____

SUB-ACCOUNT WORKSHEET for REVENUES/EXPENSES - MONTHLY BUDGET ANALYSIS
(for all budget input)

Approved budget to be effective on: January 1, 2012
(First Month of Fiscal Year)

Prepared By: _____

Revised Date: 04/20/12

	2010 Budget	Actual Monthly Average	Proposed 2011 Budget	Approved 2011 Budget
71350-00-763 Sewer-Common				2,426
TOTAL SEWER	-	-	-	2,426
TELEPHONE				
71400-00-763 Entry				112
TOTAL TELEPHONE	-	-	-	112
TELEVISION				
71600-00-720 Television, Resident Manager's Office				1,301
TOTAL TELEVISION	-	-	-	1,301
EXTERMINATION				
71700-00-850 Exterminating, Pest Control				2,940
TOTAL EXTERMINATION	-	-	-	2,940
RUBBISH REMOVAL				
71800-00-770 Rubbish Removal Contract				522
TOTAL RUBBISH REMOVAL	-	-	-	522
REPAIRS & MAINTENANCE				
72100-00-000 R&M, General				806
72100-00-804 R&M, Irrigation				532
72100-00-814 R&M, Tree Trimming Contract				589
72100-00-815 R&M, Landscaping Contract				13,475
72100-00-816 R&M, Sewer Maint. Contract				752
TOTAL MAINTENANCE	-	-	-	16,154
TAXES				
72500-00-790 General Excise Tax				2
TOTAL TAXES	-	-	-	2
FIXED EXPENSES				
72600-00-403 Rec. Center Dues				2,542
72600-00-418 Rec Center Dues - Developer				4,424
72600-00-457 Master Assoc Dues Exp - MLRA				5,441
TOTAL FIXED EXPENSES	-	-	-	12,407
INSURANCE				
72700-00-064 Fidelity Bond				3,492

Project No: _____

SUB-ACCOUNT WORKSHEET for REVENUES/EXPENSES - MONTHLY BUDGET ANALYSIS

(for all budget input)

Approved budget to be effective on: January 1, 2012
(First Month of Fiscal Year)

Prepared By: _____

Revised Date: 04/20/12

	2010 Budget	Actual Monthly Average	Proposed 2011 Budget	Approved 2011 Budget
TOTAL INSURANCE	-	-	-	3,492
TOTAL OPERATING EXPENSES	-	-	-	59,060
TOTAL NON-OPERATING EXPENSES	-	-	-	-
TOTAL EXPENSES	-	-	-	59,060

NET INCOME BEFORE RESERVE FUND TRANSFERS	-	-	-	4,525
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OPERATING RESERVE FUND TRANSFERS:

REPLACEMENT RESERVE FUND TRANSFERS:

TRANSFER TO RESERVES

36290-00-900 To Reserve - General Fund				4,525
37290-00-799 TOTAL TRANSFER TO RESERVES	-	-	-	4,525

NET RESERVE FUND TRANSFERS (Replacement and Operating)	-	-	-	(4,525)
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NET INCOME AFTER RESERVE FUND TRANSFERS	-	-	-	-
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PROJECT NUMBER: 0

MAINTENANCE FEE ANALYSIS FOR: 0

Approved budget to be effective on: January 1, 2012

Prepared By: 0

Board Approved Date: _____

Unit Type	PerCent Common Interest	Number Of Units	Maint Fee Per Unit	Total Maint Fee (Unit Type)	Rec Center Dues	Total Rec Ctr Dues	MLRA Dues (Unit Type)	Total Amount Per Unit
1.00	0.697000	1	881.68	881.68	49.63	49.63	109.26	1,040.57
2.00	0.774000	2	979.08	1,958.16	55.11	110.22	109.26	1,143.45
3.00	0.758000	12	958.84	11,506.11	53.97	647.62	109.26	1,122.07
4.00	0.830000	16	1,049.92	16,798.72	59.09	945.52	109.26	1,218.27
5.00	0.571000	12	722.29	8,667.53	40.65	487.85	109.26	872.21
6.00	0.705000	6	891.80	5,350.80	50.19	301.17	109.26	1,051.25
			-	-	-	-	-	-
			-	-	-	-	-	-
TOTALS	35.7030%	49		45,163.00		2,542.01		

ALERT! Total Common Interest must equal 100%

NOTE: Floor Plan Types 3A and 3AR contained in Phase 5 are included within the Type 3.00 Units in the Maintenance Fee Analysis above.

EXHIBIT K
(Section 5.1)

SUMMARY OF THE SALES CONTRACT

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

1. The Purchase Price shall be paid in three (3) payments, the last of which shall be paid to Escrow, subject to other terms, on the Date of Preclosing, except that mortgage proceeds from Purchaser's Permanent Loan may be paid one (1) day prior to the Scheduled Closing Date.
2. The Purchase Price does not include the Project start-up fee, maintenance fees, closing costs, prorations, and additional costs payable by Purchaser under the Purchase Agreement.
3. The Purchase Agreement shall become a legally binding contract upon the Purchaser's actual or deemed execution and return of the receipt for the Public Report, and Purchaser's actual or deemed waiver, or the expiration, of Purchaser's right to cancel as more particularly provided in §514B-86 of the Hawaii Revised Statutes, as amended. Prior to the time the Purchase Agreement becomes a binding sales contract, the Purchase Agreement may be terminated at any time, with or without cause, at the option of either party, by written notice of such termination delivered to the other party.
4. Purchaser has received a copy of the public report(s) for the Project, form of Unit Deed, and Escrow Agreement, and Purchaser acknowledges that Purchaser has received a copy of and had a reasonable opportunity to read the Declaration, Bylaws, House Rules, form of Unit Deed and Escrow Agreement and to examine the Project plans and specifications, and the Declaration of Covenants and Restrictions for the Mauna Lani Resort Association and amendments thereto, and Purchaser accepts such documents and plans with such changes and modifications as the Project architect may deem necessary.
5. Within thirty (30) days after the date Seller accepts the Purchase Agreement, Purchaser must submit to Seller a Qualification Letter in form and content acceptable to Seller from the Qualification Agent, confirming Purchaser's ability to pay the Purchase Price.
6. If Purchaser shall have applied for a Qualification Letter and diligently pursued such application, and Purchaser does not obtain a Qualification Letter in form and content acceptable to Seller (in Seller's sole discretion) within thirty (30) calendar days of Seller's acceptance of the Purchase Agreement, then Seller or Purchaser shall have the right and option to terminate the Purchase Agreement and upon such termination, Escrow shall refund to Purchaser all monies previously paid by Purchaser, with interest to the extent provided in the Purchase Agreement, less Escrow's cancellation fee and any other actual expenses incurred by reason of Purchaser having signed the Purchase Agreement.
7. If Purchaser will be utilizing mortgage financing to pay a portion of the Purchase Price, then Purchaser shall be solely responsible for applying for and obtaining the Purchaser's Permanent Loan from the Qualification Agent or Purchaser's Permanent Lender. All financing and the terms and conditions thereof, shall be a matter of concern solely between Purchaser and the Qualification Agent or Purchaser's Permanent Lender and shall not affect the rights or obligations of Seller or Purchaser. The sale and purchase of the Unit shall not be contingent upon Purchaser's ability to retain the interest rate quoted at the time of approval of the Qualification Letter or Purchaser's Permanent Loan. Purchaser shall be solely responsible for any loan fees or other charges payable to Purchaser's Permanent Lender in processing, issuing or canceling Purchaser's Permanent Loan.

8. If Purchaser will be paying the entire Purchase Price in cash and Seller so requires, then no later than thirty (30) days, and no earlier than ninety (90) days prior to the Scheduled Closing Date, Purchaser must submit to Seller written evidence from Purchaser's bankers or accountants or other persons reconfirming Purchaser's ability to pay the Purchase Price in cash on the Date of Closing. If Seller, in its sole discretion, is not satisfied as to Purchaser's continued ability to make such cash payments, then Purchaser shall be in default under the Purchase Agreement.
9. All payments made by Purchaser under the Purchase Agreement will be deposited with Escrow under the terms of the Escrow Agreement.
10. All interest earned on Purchaser's deposits shall accrue to the credit of and shall be paid to Seller unless Purchaser instructs Escrow in writing to establish a separate interest-bearing account on Purchaser's behalf, pays the processing fee charged by Escrow and complies with all other requirements of Escrow. Except in the event of a default by Purchaser (in which case the default provisions summarized hereinbelow shall govern), all interest earned from such account(s) from the date of Seller's acceptance of the Purchase Agreement shall be credited to Purchaser's account; provided that no interest shall be credited to Purchaser for the period prior to Seller's acceptance of the Purchase Agreement. Any interest earned on funds in escrow which is not required by the terms of the Purchase Agreement to be credited to the account of Purchaser shall be paid to Seller.
11. The Purchase Agreement provides that after the Purchase Agreement has become legally binding between the Buyer and the Seller, and if certain other statutory requirements have been met, then Escrow may disburse to the Seller prior to closing to pay certain Project costs, all of or a portion of the Buyer's funds deposited with Escrow in accordance with and subject to the requirements of the Act, and the Escrow Agreement. The Escrow Agreement provides that no disbursement of the Buyer's funds shall be made to the Seller to pay Project costs prior to closing unless the Seller certifies to Escrow, and to Escrow's satisfaction, that the Seller has complied with all of the requirements of Section 514B-92 or 514B-93 (whichever is applicable) of the Act.

BUYER SHOULD CAREFULLY REVIEW THE DEVELOPER'S PUBLIC REPORT FOR THE PROJECT (AND ALL AMENDMENTS TO THE PUBLIC REPORT) TO DETERMINE WHETHER SELLER HAS MET ALL OF THE REQUIREMENTS OF THE ACT FOR THE USE OF BUYERS' DEPOSITS TO PAY PROJECT COSTS PRIOR TO CLOSING. SECTION 5.6 (AND IN PARTICULAR, SECTION 5.6.2) OF THE PUBLIC REPORT CONTAINS IMPORTANT INFORMATION ABOUT THE USE OF BUYERS' DEPOSITS.

12. Seller has reserved the right to make certain modifications to the Declaration, By-Laws, House Rules, Condominium Map, form of Unit Deed, and other documents as may be required by law, any title insurance company, any institutional mortgagee, or any governmental agency, or as Seller otherwise deems appropriate; provided that no such modification shall (i) materially increase Purchaser's share of common expenses without Purchaser's consent; or (ii) reduce the obligations of Seller for common expenses on unsold Units; or (iii) require a substantial physical change of the Unit or of the building in which the Unit is located.
13. Seller has reserved the right to require alterations of the Project (and to modify any of such documents accordingly) to change the configuration of, to alter the number of rooms of, to decrease or increase the size of, or to change the location of any other Unit and/or parking area, and to make other minor changes in the Unit, any of the other Units or the common elements of the Project.
14. Any model shown to Purchaser is displayed only for illustration and Seller shall not be required to deliver the Unit in exact accordance with any model. None of the appurtenances and furnishings shown in any model is included in the Purchase Agreement, unless Seller agrees in writing to deliver the same for part of the Purchase Price. The usable or living area, location and configuration of the Unit and all improvements of the Project may fluctuate from that shown or displayed to Purchaser in any drawings, plans, topographic maps or models when Seller finally

places final improvements. The location, size, height and composition of all improvements to be constructed as a part of the Project or adjacent thereto shall be determined by Seller in its sole and absolute discretion. Despite models or drawings displayed to Purchaser, Seller has made no representations, warranties or assurances to Purchaser regarding the size, height, location or composition of any improvement to be constructed on or adjacent to the Project. Seller may substitute the materials, appliances and other items in the Unit and on the Project with materials, appliances and other items of substantially equal quality and utility, without adjustment to the Purchase Price. If Seller is unable to complete or install in the Unit any optional item, decorator item, fixture, furnishing or other improvement, and such failure is caused by circumstances beyond Seller's reasonable control, the Close of Escrow shall not be delayed so long as occupancy of the Unit is approved by the applicable governmental authority.

15. If Seller offers color selections for the standard appliances or any other standard items in the Unit, then Purchaser shall make such selections within five (5) business days after receipt of written notice from Seller or Seller's agent requiring Purchaser to make such selections. If Purchaser fails to make such selections within the allotted time period, Seller shall be authorized to make the color selections on behalf of Purchaser. If any of the color selections become unavailable for any reason, Purchaser shall select, within five (5) business days after notice thereof, another color selection from the alternative choices offered by Seller, or Seller shall be authorized to make such selection on behalf of Purchaser. The unavailability of any original color selection shall have no effect on Purchaser's obligations hereunder and shall not in any way constitute grounds for any claim whatsoever against Seller.
16. Purchaser acknowledges the conditions pertaining to the Project set forth in Exhibit 1 attached hereto.
17. PURCHASER INTENTIONALLY WAIVES, RELINQUISHES AND SUBORDINATES THE PRIORITY OR SUPERIORITY OF ANY LIEN OR OTHER LEGAL OR EQUITABLE INTEREST ARISING UNDER THE PURCHASE AGREEMENT IN FAVOR OF THE LIEN OR CHARGE ON THE PROJECT OR THE SECURITY INTERESTS OF SELLER'S LENDER, INCLUDING BUT NOT LIMITED TO ANY LIEN, MORTGAGE OR OTHER CHARGE SECURING A LOAN MADE TO FINANCE THE ACQUISITION OF THE LAND AND THE COSTS OF CONSTRUCTION AND OTHER COSTS DURING SUCH CONSTRUCTION AND ANY AND ALL ADVANCES THEREFOR, WHETHER CONTRACTUAL OR VOLUNTARY, UNTIL THE FINAL CLOSING AND DELIVERY BY SELLER OF AN UNIT DEED TO PURCHASER.
18. Purchaser consents to Seller's assignment to Lender, as security, of Seller's interests in the Purchase Agreement and Purchaser's deposits with Escrow. In the event Lender acquires Seller's interest in the Purchase Agreement pursuant to said assignment, Purchaser shall, at Lender's option, perform to, attorn to, and recognize Lender as the Seller under the Purchase Agreement.
19. Seller unconditionally covenants and agrees that construction of the Unit shall be completed within two (2) years of the date that the Purchase Agreement becomes a binding contract between Purchaser and Seller; provided, however that said two (2) year period shall be extended for any period of time during which Seller is actually and necessarily delayed in completing construction of the Unit if said delay is due to fire, earthquake, acts of God, the elements, war or civil disturbance, strikes or other disturbances, government legislation or controls, or economic controls making it impossible to obtain the necessary labor or materials, or other matters or conditions legally supportable under Hawaii law as being beyond the control of Seller and which cause completion of construction of the Unit within said two (2) year period to be impossible.
20. Pursuant to the requirements of §514B-89 of the Hawaii Revised Statutes the Seller has established the outside completion date for Phase 5 of the Project as the date occurring two (2) years after the Sales Contract becomes binding; provided, however that said outside completion date shall be extended for any period of time during which Seller is actually and necessarily delayed in completing construction of the Unit if said delay is due to fire, earthquake, acts of God,

the elements, war or civil disturbance, strikes or other disturbances, government legislation or controls, or economic controls making it impossible to obtain the necessary labor or materials, or other matters or conditions legally supportable under Hawaii law as being beyond the control of Seller and which cause completion of construction of the Unit within said outside completion date to be impossible. If Seller fails to achieve completion of the Unit on or before the outside completion date, then and in such event, Purchaser shall have the right and option to cancel the Purchase Agreement.

21. Seller reserves the right to exercise all of the powers as a member of the Condominium Association as to all unsold Units in the Project. So long as Seller owns an interest in any Unit in the Project, and until the election of the Board of Directors and officers of the Condominium Association, Seller may exercise all of the powers of the Board of Directors and officers.
22. The estimates of monthly maintenance charges and assessments for the Unit as shown in the condominium public report(s) for the Project are not intended to be and do not constitute any representation or warranty by Seller.
23. Neither Seller nor any of its representatives has made any representation or reference as to rental of the Unit, income from the Unit or any other economic benefit to be derived from the rental of the Unit, including, but not limited to, any reference or representation to the effect that Seller or any affiliate of Seller will provide, directly or indirectly, any services relating to the rental of the Unit.
24. Until Seller has closed out the sale of all the Units in the Project or until December 31, 2025, whichever shall first occur, Purchaser will not enter into any "rental pool" or similar agreement with any purchaser, lessee or owner of another Unit in the Project and/or any third party under which Purchaser agrees to share expenses and/or rentals of Units in the Project unless specifically agreed to in writing by Seller.
25. After the Purchase Agreement has become a binding contract, Purchaser shall have the right to rescind the Purchase Agreement only if there is a material change in the Project which directly, substantially and adversely affects the use or value of (i) the Unit or appurtenant limited common elements, or (ii) amenities of the Project available for Purchaser's use.
26. Upon the Closing of the purchase of the Unit, Seller shall issue to Purchaser a Limited Warranty relating to the construction of the Unit as more particularly set forth in the Limited Warranty Section of the Homeowner Manual provided by Seller to Purchaser upon acceptance of this Agreement by Seller. Except for any exceptions expressly stated in the Homeowner Manual, the coverage of the Limited Warranty expires one year from the Date of Closing. Upon the closing of the sale of the Unit, any manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances that are part of the Unit shall be assigned by Seller to Purchaser for their respective unexpired terms, if any. Seller is merely attempting to pass through to Purchaser any such manufacturer's or dealer's warranties; Seller is not adopting any such warranties or acting as co-warrantor with respect to any furnishings, fixtures or appliances.
27. Chapter 672E of the Hawaii Revised Statutes contains important requirements Purchaser must follow before Purchaser can file a lawsuit or other action for defective construction against the contractor who designed, repaired, or constructed the Unit or Project. Ninety days before Purchaser can file a lawsuit or other action against the contractor, Purchaser must serve on the contractor a written notice of any construction conditions Purchaser alleges are defective. Under the law, a contractor has the opportunity to make an offer to repair and/or pay for the defects. Purchaser is not obligated to accept any offer made by a contractor. There are strict deadlines and procedures under the law, and failure to follow them may negatively affect Purchaser's ability to file a lawsuit or other action.

28. Seller makes no warranties with respect to the Unit, the Project, any consumer products or anything else installed in the Unit or in the Project, including but not limited to any implied warranty of merchantability, habitability, workmanlike construction or fitness of the Unit for a particular purpose.
29. If Purchaser is purchasing the Unit pursuant to Part V, Section B of the Condominium Property Regime Act, Hawaii Revised Statutes § 514B-95 et seq., governing sales to prospective owner-occupants, then Purchaser may not sell or offer to sell, lease or offer to lease, rent or offer to rent, assign or offer to assign, convey or otherwise transfer any interest in the Unit until at least three hundred sixty five (365) consecutive calendar days have elapsed since the recordation of the Unit Deed. At any time after obtaining Purchaser's Permanent Loan, or a firm written commitment for Purchaser's Permanent Loan, up until the expiration of the Owner-Occupant Affidavit executed by Purchaser pursuant to §514B-97, Hawaii Revised Statutes, Purchaser shall notify the Commission immediately upon any decision to cease being an owner-occupant of the Unit.
30. The Date of Occupancy shall be the date upon which the Seller certifies that the Unit is ready for occupancy. If the Purchase Agreement is accepted by Seller more than forty-five (45) calendar days prior to the Date of Occupancy, then the Scheduled Date of Closing shall be a date within thirty (30) calendar days after the Date of Occupancy as specified by Seller in a written notice to Purchaser; otherwise, the Scheduled Closing Date shall be a date mutually acceptable to Purchaser and Seller, but in no event more than sixty (60) calendar days after Seller has accepted the Purchase Agreement.
31. The Date of Preclosing shall, regardless of the status of construction of the Apartment, be the date not more than fifteen (15) calendar days prior to the estimated Date of Occupancy, as specified by Seller in a written notice to Purchaser. On the Date of Preclosing, Purchaser shall pay into Escrow all sums due from Purchaser at closing, including, without limitation, the title insurance premium, the escrow fee, recording fees and applicable conveyance taxes, but excluding only Purchaser's Permanent Loan proceeds, if applicable.
32. Purchaser or Purchaser's agent shall inspect the Unit and will sign an inspection sheet to be furnished by Seller or the contractor, or Purchaser will appoint the inspecting architect or engineer for the Project, or Seller or any agent of Seller to inspect the Unit and execute the inspection sheet on behalf of Purchaser. Purchaser agrees to accept possession of the Unit despite the existence of damages and defects as long as Seller agrees to repair such defects or damage within a reasonable time. Purchaser agrees to indemnify Seller for any damages or losses resulting from any wrongful refusal to accept possession of the Unit.
33. Time is of the essence of the obligations of Purchaser under the Purchase Agreement.
34. Risk of loss to the Unit shall be borne by Seller until the Date of Closing.
35. Purchaser shall be in default under the Purchase Agreement if (i) Purchaser fails to make a payment when due; or (ii) Purchaser fails to furnish to Qualification Agent an application for a Qualification Letter and such additional information and documents as Qualification requires; or (iii) Purchaser fails to furnish to Seller the Qualification Letter within the time period specified therein; or (iv) Purchaser fails to act in good faith in accordance with, or otherwise comply with, any of the requirements for mortgage financing set forth in the Purchase Agreement; or (v) if Purchaser will be paying the entire Purchase Price in cash and Purchaser fails to submit to Seller written evidence from Purchaser's bankers or accountants or other persons reconfirming Purchaser's ability to pay the Purchase Price in cash on the Date of Closing no later than sixty (60) days, and no earlier than ninety (90) days prior to the Scheduled Closing Date; or (vi) Purchaser violates the provisions of Section 10 of the Purchase Agreement; or (viii) Purchaser fails to perform any other obligation required under the Purchase Agreement and such failure continues for fifteen (15) days after Seller gives written notice to Purchaser of such failure.

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

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

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

EXHIBIT 1

CONDITIONS ACKNOWLEDGED BY PURCHASER

1. Affiliated Parties. Prospective purchasers are hereby advised that the Real Estate Broker and the General Contractor for the Project are affiliated with the Developer. See Exhibit N.
2. Master Association Declaration. The conditions imposed by the Master Association Declaration shall run with the Land and shall bind and constitute notice to all subsequent lessees, grantees, assignees, mortgagees, lienors, and any other persons who shall claim an interest in the Land, and the Mauna Lani Resort Association (the "**Resort Association**") shall have the right to enforce the Declaration of Covenants by appropriate action at law or suit in equity against all such persons. In accordance with the Master Association Declaration, the Association of Unit Owners of Ka Milo at Mauna Lani Resort (the "**Association**") shall be jointly and severally obligated with the owners of Units in the Project for assessments levied against the such Units under the Master Association Declaration (the "**Resort Association Assessments**") and may be assessed for the cost of improvements made in the vicinity of the Project. Purchaser shall be responsible for and shall pay its prorated share of any such Resort Association Assessments based on Purchaser's common interest in the Project as a part of the common expenses of the Project and shall be liable for Purchaser's pro rata share of any amounts of the Resort Association Assessments not paid by the Association. The current monthly Resort Association Assessments for 2012 against the Phase 5 residential Apartments is \$109.26 per month.
3. Development of Project in Phases. The Developer intends to develop the Project in stages. Each stage is called a "phase" or "increment". Each phase may include Units and other Improvements. Under the Ka Milo Declaration the Ka Milo Condominium may contain upon full build out up to one hundred thirty-seven (137) residential apartments (each an "**Apartment**" and collectively the "**Apartments**") as will be shown from time to time on Condominium Map No. 4139, as amended, filed in the Bureau (collectively, the "**Ka Milo Condominium Map**"). The Ka Milo Declaration and Ka Milo Condominium Map currently depict Phase 1 as being comprised of thirty-six (36) residential Apartment and one (1) commercial Apartment (hereinafter referred to as the "Commercial Apartment"), Phase 2 as being comprised of two (2) residential Apartments, Phase 3 as being comprised of two (2) residential Apartments, and Phase 4 as being comprised of four (4) residential Apartments. The Ninth Amendment to the Ka Milo Declaration and this Public Report both cover Phase 5 which is to be comprised of five (5) residential Apartments. Upon completion of the additional residential Apartments in Phase 5 the Ka Milo Condominium will be comprised of forty-nine (49) residential Apartments and the one (1) commercial Apartment. The Developer will still retain the future right and option to develop and construct up to eighty-eight (88) additional or new residential Apartments on the areas shown on the Ka Milo Condominium Map as the "Undeveloped Land Area". The Developer has no obligation to build any new Apartments and related Improvements beyond the Apartments contained in Phases 1, 2, 3, 4, and 5, and the Developer may also at any time reconfigure and re-divide the future phases or increments and change or reconfigure any future planned new Apartments.
4. Developer's Reserved Rights to Create New Apartments; Create New Improvements; Convert Common Elements; Designate Limited Common Elements; and Participate in Shared Recreation Center. The Developer has reserved the right under the Declaration to develop and construct New Apartments and New Improvements, to convert or change Common Elements and Limited Common Elements, including, without limitation, participation in a recreation center that may be located on a portion of the Land and a portion of the land underlying the Kulalani at Mauna Lani condominium project ("**Kulalani**") established by that certain Declaration of Condominium Property Regime of Kulalani at Mauna Lani recorded in the Bureau as Document No. 2005-194154 (the "**Shared Recreation Center**") on the Land, including the Undeveloped Land Area, convert the use of Common Elements and designate Limited Common Elements as the Developer deems appropriate and as may be permitted or otherwise approved by any appropriate governmental authorities, all as set forth in Paragraphs 19 and 20 of the Declaration. Pursuant to such Developer's Reserved Rights the Shared Recreation Center has been developed and constructed and is currently available for shared use by

the owners of residential Apartments in the Ka Milo Condominium. The development, construction and sale of the New Apartments and New Improvements, conversion of Common Elements and/or designation of Limited Common Elements may result in the creation of dust, noise, vibrations and other nuisances. The Developer has expressly reserved the right, at its sole option and discretion, at any time and from time to time up to but not later than December 31, 2025, to exercise any of these reserved rights. The Developer has also expressly reserved the right and an easement to enter upon and use the Common Elements of the Project and do all things reasonably necessary, desirable or useful, for the purposes of designing, developing, constructing and completing the New Apartment(s) and New Limited Common Elements, connecting the New Apartments and New Improvements to the Project, providing access for the New Apartments and New Improvements through the Common Elements of the Project to any public roadways, connecting the New Apartments and New Improvements to the utility installations of the Project, and selling the Units in the New Apartments and New Improvements, and the right in the nature of an easement over and upon the Project to create and cause dust, noise, vibration and other nuisance created by and resulting from any work connected with or incidental to the development, construction and sale of the New Apartments or New Improvements.

5. Shared Recreation Center. Pursuant to the Developer's Reserved Rights it has developed in association with the developer of the adjoining Kulalani condominium project the Shared Recreation Center which Shared Recreation Center is established and governed by the terms and provisions contained in (a) the certain Declaration of Protective Covenants, Conditions and Restrictions of the Kulalani – Ka Milo Recreation Complex Association dated April 13, 2009, recorded as Document No. 2009-054528, and (b) the certain Bylaws of the Kulalani – Ka Milo Recreation Complex Association dated April 13, 2009, recorded as Document No. 2009-054529. It is recommended that each prospective Purchaser review these documents and familiarize themselves with the terms, conditions and liabilities associated with the Shared Recreation Center. The current monthly dues for 2012 to be assessed against the residential Apartments in Phase 5 for the Shared Recreation Center are \$53.97 per month.
6. Developer's Reserved Rights to Execute Documents Governing the Shared Recreation Center. The Developer has reserved the right, on behalf of the Association and at any time or times prior to the earlier of December 31, 2025 or the date when the Developer records a document giving up all of the Developer's reserved rights, to establish, enter into additional and/or amend the existing agreements with the Association of Unit Owners of Kulalani at Mauna Lani (the "**Kulalani Association**") or the developer of Kulalani, on behalf of the Kulalani Association (the "**Shared Recreation Center Documents**"), governing the use, maintenance and management of the Shared Recreation Center and the association comprised of the members of the Association and the Kulalani Association, which is charged with carrying out the terms and provisions of the Shared Recreation Center Documents, including without limitation the establishment of a budget and collection of assessments in connection with the use, maintenance and management of the Shared Recreation Center.
7. Shared Entry Road with Kulalani. The Project shares an entry road and entry circle off of North Kaniku Drive with the adjoining Kulalani condominium project such that the owners, lessees, tenants, guests and business invitees of the units in both the Project and the Kulalani condominium project have a shared right of access over and across the entry road and entry circle off of North Kaniku Drive. While the costs of maintenance, repair, and improvement of the entry road and entry circle will be shared with the Kulalani condominium project this portion of the entry road system into the Project may encounter additional traffic congestion from time to time and the wear and tear on this portion of the private roadway entry system will be at a more accelerated rate due to the shared use of this private roadway entry system. The shared expenses for maintenance, repair and improvement of the Shared Entry Road are included within each the monthly common expense assessment against the residential Apartment in Phase 5.
8. Developer's Reserved Right to Withdraw Portions of the Land. The Developer has reserved the right to subdivide the Land of the Project, and to withdraw and delete from the Project and from the condominium property regime all or any part of the areas designated on the Condominium Map from time to time as "Undeveloped Land Area."

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

with the use, nor materially and adversely impair the value, of the Project or any 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.

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

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

21. Metal Work Disclosure. Exterior metal work finish is severely impacted by salt air conditions. Notwithstanding anything in this Agreement to the contrary, no warranty is given for such finishes and the Developer makes no representations regarding rust prevention maintenance requirements. Aggressive action to prevent rust is required by Purchaser or the Association. Metal work includes railings, hinges, gate mechanisms, if any, etc. All metal work may corrode, have pock marks, peel, rust or, in the case of painted metal materials, bubble and peel. Vinyl coated metal work may peel due to salt air conditions, which will require replacement more frequently than normally expected.
22. Volcanic Activity and Earthquakes. The Project is located on the Island of Hawaii, an Island that has been formed as a result of volcanic eruptions and other volcanic activity. The Project's land is within a historic lava flow, and a volcanic rift zone, which makes it subject to potential earthquake activity and future lava flows. In the event of volcanic eruptions on the Kohala side of the Island of Hawaii, the Project may be subject to volcanic haze, unpleasant odors and other inconveniences, including possible destruction of the Project. By acquiring a Unit in the Project, the Purchaser will be agreeing to accept such conditions and to assume all risks associated therewith, and to give up (in legal terms, "waive, release and discharge") any rights, claims or actions the Purchaser may have, now or in the future, against the Developer, and the Developer's representatives successor and assigns, as a result of or in any way related to such conditions.
23. Vog. The long term volcanic activity/eruptions from Kilauea volcano on the Island of Hawaii has resulted in emissions into the air which are commonly called "vog". Vog refers to a type of air pollution or volcanic smog created by the gases emitted into the air from the ongoing volcanic eruption mixing with water vapor and very small particles which are primarily sulfur compounds and sulfur dioxide. Vog is the haze you may see in the air on the Big Island. Vog becomes thicker or lighter depending upon the amount of emissions from Kilauea volcano, the direction and amount of wind, and other weather conditions. People with pre-existing respiratory conditions are more prone to adverse effects from vog which may include: headaches, breathing difficulties, increased susceptibility to respiratory ailments, watery eyes, and sore throat, but the long-term health effects of vog are currently unknown. Since the weather, wind direction and amount of volcanic activity vary from day to day it is not possible to provide specific guidance regarding when the vog will be heavy or light. Purchaser will be provided by the Developer with a copy of the publication from the County of Hawaii entitled "Emissions from Kilauea Volcano (March 2008)" which contains a brief summary of the health hazards and protective measures relating to vog. Having been apprised of the foregoing condition and risk, by acquiring a Unit in the Project each Purchaser will be agreeing to accept such condition and to assume all risks associated therewith, and to give up (in legal terms, "waive, release and discharge") any rights, claims or actions that Purchaser may have, now or in the future, against Developer and the Developer's representatives, successors and assigns, and arising directly or indirectly out of or from the presence of vog in the air surrounding the Project lands.
24. Tsunami Risk. The Project lands are not currently located in a high risk tsunami inundation area, but nonetheless the Project lands are located in a coastal area of the Big Island where a particularly severe series of tsunami waves could potentially impact the Project and the Units. Having been apprised of the foregoing condition and risk, by acquiring a Unit in the Project each Purchaser will be agreeing to accept such condition and to assume all risks associated therewith, and to give up (in

legal terms, "waive, release and discharge") any rights, claims or actions that Purchaser may have, now or in the future, against Developer and the Developer's representatives, successors and assigns, and arising directly or indirectly out of or from the impact or effect of a tsunami on the Project lands and Units.

25. Security. The Developer has the right, but not the duty to take steps designed to make the Project safer than it otherwise might be. The Developer and each of its representatives are not in any way to be considered insurers or guarantors of safety or security within the Project, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate or effective safety or security measures. The Developer makes no representation or warranty that any fire protection, burglar alarm, or other safety or security system or measures, including anything intended to limit access to the Project, (i) will be effective in all cases and cannot be compromised or circumvented; (ii) will prevent all losses; (iii) will limit access to the Project; or (iv) will provide the detection or protection which it is designed or intended to provide. Each person using the Project assumes all risks of personal injury, death, or loss or damage to property resulting from the acts of third parties.
26. Tax and Insurance Estimates. Any sum estimated for taxes or insurance affecting the Unit or Project may increase or decrease depending upon fluctuation of real property taxes or insurance rates.
27. School Information. The Developer has made no representations, warranties or assurances to Purchaser that the Project will be included within any particular school district. Purchaser is responsible for determining the availability of schools and the same are subject to change by the applicable school district.
28. Time Share Restrictions. Pursuant to the Amendment to Declaration of Condominium Property Regime of Ka Milo at Mauna Lani Resort dated December 19, 2008, recorded as Document No. 2009-000072, the Developer confirmed its determination that the Developer would not under any circumstance authorize or consent to the use of any Unit in the Project as a time share unit in a time share plan and therefore Section 9.1.1 of the Declaration was deleted in its entirety. Therefore the Units in the Project may not be used as time share units in a time share plan.

Each Purchaser of a Unit in the Project acknowledges the conditions identified above and assumes all risks associated therewith and will agree to indemnify and hold harmless the Developer, the Developer's partners and members, and all of their respective officers, directors, employees agents, successors and assigns from any and all loss (including but not limited to economic loss), cost, expense, harm, injury or damage to person or property that the Purchaser or any of the Purchaser's family members, assigns, tenants, lessees, servants, guests, invitees, licensees, agents, employees, or any other person who may occupy the Unit or the Project, by through, or under the Purchaser, may suffer as a result of any of such conditions and assumed risks.

EXHIBIT L
(Section 5.1)

SUMMARY OF THE CONDOMINIUM ESCROW AGREEMENT

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

1. Sales Contracts Deposited in Escrow. Whenever Developer enters into a sales contract with a purchaser for the sale of an apartment in the Ka Miilo at Mauna Lani condominium project (the "Project"), Developer shall deliver an executed copy of the sales contract to Escrow Agent. The sales contract shall require that all payments due thereunder be made directly to Escrow Agent to be held and disbursed in accordance with the Escrow Agreement. If the purchaser intends to purchase the apartment as an "owner-occupant" pursuant to Chapter 514B, Hawaii Revised Statutes ("H.R.S."), said purchaser shall deliver an owner-occupant affidavit to Escrow Agent in the form and content required by H.R.S. §514B-97.
2. Receipt of Funds by Escrow Agent. Escrow Agent shall receive and hold in escrow and disburse in accordance with the Escrow Agreement all payments under sales contracts for apartments in the Project and all sums of money from any other source relating to the Project. Within a reasonable time after receiving any such funds, Escrow Agent shall deposit the same in an interest-bearing account or accounts at a federally insured bank, savings and loan association, or trust company authorized to do business in the State of Hawaii. Any interest earned on such deposits shall accrue as specified in the sales contract.
3. Conditions to be Met Prior to Disbursement; Disbursement of Purchasers' Funds Held In Escrow to Pay Certain Project Expenses Prior to Completion of Construction. Escrow Agent shall make no disbursement of funds deposited with it unless: (a) the Real Estate Commission has issued an effective date for a Developer's Public Report for the Project; (b) Developer or Developer's attorney has notified Escrow Agent that the requirements of H.R.S. §514B-82, §514B-86, §514B-87, §514B-90, and §514B-92 have been met; (c) Developer has given Escrow Agent a written waiver of any reserved option to cancel the sales contract; and (d) Developer has delivered to Escrow Agent a statement from Developer's architect that the Project is in compliance with the Federal Fair Housing Amendments Act of 1988. Prior to completion of construction, provided that the requirements set forth in clauses (a) through (d) of the preceding sentence have been satisfied, Escrow Agent shall disburse funds deposited with it to pay for (i) construction costs of the buildings and other improvements and fixtures of the Project, and (ii) architectural, engineering, finance and legal fees and other incidental expense of the Project to the extent approved by Developer's mortgagee.
4. Return of Funds and Documents. Escrow Agent shall return deposited sums, with interest to the extent provided in the sales contract, less Escrow Agent's cancellation fee and other costs up to a maximum of \$250.00, to a purchaser if:
 - (a) Developer and such purchaser instruct Escrow Agent in writing to return such funds to such purchaser; or
 - (b) Developer notifies Escrow Agent of Developer's exercise of the option to cancel or rescind the sales contract entered into by such purchaser pursuant to any right of cancellation or rescission provided for therein or otherwise available to Developer with respect to which, in accordance with the sales contract, Purchaser is entitled to a return of funds deposited by it with Escrow Agent; or
 - (c) The purchaser exercises such purchaser's right, pursuant to Section IV, Paragraph 2 of the sales contract, to cancel the sales contract entered into by such purchaser; or

(d) The purchaser exercises such purchaser's right, pursuant to HRS Section 514B-87, to rescind the sales contract entered into by such purchaser .

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

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

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

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

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

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

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

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

insurance policy issued with respect to each Apartment shall be \$1,200.00. An additional fee of \$250.00 shall be charged to the purchaser for each mortgage loan obtained by the purchaser from a lender not designated by Developer. Should the purchaser obtain a mortgage loan from any out-of-state lender, a fee of \$500.00 shall be charged to the purchaser for such mortgage. Developer shall pay an additional charge for any changes to any closing statement or other document that are necessary after the commencement of preclosing or closing proceedings, unless said changes are necessary due to the fault of Escrow Agent.

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

* * * * *

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

EXHIBIT M
(Section 5.4)

CONSTRUCTION WARRANTIES

1. Building and Other Improvements.

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

2. Appliances.

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

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

EXHIBIT N
INFORMATION REGARDING
PARTIES AFFILIATED WITH THE DEVELOPER

1. The Developer is a Hawaii limited liability company whose members are A&B MLR LLC, a Hawaii limited liability company, and Brookfield MLR LLC, a Delaware limited liability company.
2. Brookfield Homes Hawaii Inc., a Hawaii corporation, an affiliate of Brookfield MLR LLC, is the General Contractor for the Project. Brookfield Homes Hawaii Inc. holds Hawaii Contractor's License No. 25380.
3. Island Paradise Properties, LLC, a Hawaii limited liability company, an affiliate of Brookfield MLR LLC, is the Real Estate Broker for the Project. Island Paradise Properties, LLC holds a Hawaii Real Estate Broker's License.
4. A table showing the directors and officers of Brookfield MLR LLC, Brookfield Hawaii Builders Inc., and Island Paradise Properties, LLC is attached hereto.

**BROOKFIELD HOMES COMPANIES
DIRECTORS & OFFICERS
EFFECTIVE 4/1/11**

	BROOKFIELD MLR LLC	BROOKFIELD HOMES HAWAII INC.	ISLAND PARADISE PROPERTIES, LLC
DIRECTORS:	Prostor, Jeffrey J. Cockwell, Ian G.	Prostor, Jeffrey J. Cockwell, Ian G.	Prostor, Jeffrey J. Cockwell, Ian G.
OFFICERS:			
President	Prostor, Jeffrey J.	Prostor, Jeffrey J.	Prostor, Jeffrey J.
Chief Financial Officer		Krug, Warren	Krug, Warren
VP		Underwood, Scott	
Secretary		Seith, William B.	Seith, William B.
Assistant Secretary	Murphy, David F.		

EXHIBIT O
(Section 5.7(8))

SUMMARY OF SHARED RECREATION CENTER DOCUMENTS

Pursuant to the Developer's Reserved Rights, the Developer has developed in association with the developer of the adjoining Kulalani condominium project a Shared Recreation Center which Shared Recreation Center is established and governed by the terms and provisions contained in (a) the certain Declaration of Protective Covenants, Conditions and Restrictions of the Kulalani – Ka Milo Recreation Complex Association dated April 13, 2009, recorded as Document No. 2009-054528, and (b) the certain Bylaws of the Kulalani – Ka Milo Recreation Complex Association dated April 13, 2009, recorded as Document No. 2009-054529 (collectively, the "**Shared Recreation Center Documents**").

The Shared Recreation Center Documents provide for the establishment of the Shared Recreation Center and its operation, management and governance, and contain, among others, the following terms and provisions (which may be modified or otherwise limited by provisions not summarized herein):

1. The Shared Recreation Center is located on approximately 2 acres of land which straddles the common boundary between the Project and the adjoining Kulalani condominium project (the "**Kulalani Condominium**") which shares on a co-equal basis the right to use the facilities within the Shared Recreation Center. The facilities of the Shared Recreation Center include among others, two (2) swimming pools, two (2) hot water spas, a covered gathering Pavilion, an exercise hale with restrooms, a standalone restroom building, and a pool equipment room. A large open lawn area is also centered between the building and the pools. The Shared Recreation Center is enclosed by a combination of rock walls and picket fencing. There is a single locked and controlled entry point into the Shared Recreation Center.
2. The Shared Recreation Center Documents provided for the costs of operation, repair and maintenance of the Shared Recreation Center to be shared on a 50/50 basis between the Apartment owners in the Project and the Apartment Owners in the Kulalani Condominium. The owners and their respective tenants and guests are provided with a co-equal right to use the facilities of the Shared Recreation Center. Within the Project the fifty percent (50%) share of the operational, maintenance and repair costs of the Shared Recreation Center to be paid by the Project are allocated among the owners based on the respective common interest(s) of the various residential Apartments in the Project. Based on the 2012 Shared Recreation Center Budget the monthly assessments will range between \$40.65 to \$59.09. The residential Apartments in Phase 5 will be assessed a monthly fee of \$53.97 during 2012, as applicable. This monthly fee will be included as a component in each Apartment owner's monthly maintenance fee assessment by the Association and is shown on the last page of the Association Budget which is attached as Exhibit J to this Public Report.
3. The management, supervision, control, governing rules and policies relating to the property and facilities within the Shared Recreation Center is under the auspices of the Shared Recreation Association established under the Shared Recreation Documents. Both the Project and the adjoining Kulalani Condominium has two (2) appointed representatives serving on the Board of Directors of the Shared Recreation Center Association. These two (2) appointed representatives are generally also members of the Board of Directors of the respective condominium associations. The Shared Recreation Center Association employs an outside property manager who reports to and is supervised by the Board of the Shared Recreation Center Association to oversee and manage the day to day operations, maintenance and repair of the Shared Recreation Center, including enforcement of any applicable rules and policies relating to use of the Shared Recreation Center.
4. The retained property manager annually prepares and proposes to the Board of the Shared Recreation Center for approval an annual budget for the Shared Recreation Center. Upon review

EXHIBIT O
(Section 5.7(8))

SUMMARY OF SHARED RECREATION CENTER DOCUMENTS

and approval of the annual budget by the Board the total approved annual budget amount is then allocated on a 50/50 basis between the Project and the Kulalani Condominium. Each of the respective condominium projects then further allocates on a monthly basis the allocated costs and expenses of the Shared Recreation Center among their respective Apartment owners. A Purchaser should anticipate and expect that the monthly assessments covering the allocated costs for the Shared Recreation Center which are assessed against the residential Apartments in the Project will increase over time.

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