

## DISCLOSURE ABSTRACT

**Project Name:** KULALANI AT MAUNA LANI  
**Project Address:** 68-1118 North Kaniku Drive  
Kamuela, Hawaii, 96743

**Developer:** SCD ML II, LLC,  
a Hawaii limited liability company  
**Address:** 1100 Alakea Street, 27<sup>th</sup> Floor  
Honolulu, Hawaii, 96813  
**Telephone:** (808) 537-5220  
**Project Manager:** Sarah Agnew-Miller

**Maintenance Fees:** See attached. Owners began paying their maintenance fees as of November 1, 2008. Attached is the updated and revised estimated maintenance fees budget.

**Management Company:** Hawaiiana Management Company Ltd.  
711 Kapiolani Boulevard, Suite 700  
Honolulu, Hawaii, 96813  
Attention: Patrick Du Monceaux  
Phone Number: (808) 930-3218 ext. 386

**Warranties:** (Excerpt from section III.F- page 15 of the Final Public Report.)

Developer does not make any warranties for the Project, but merely intends to pass on any warranties made to it by the general contractor (or another contractor, subcontractors or parties) for the Project to correct work found to be defective within the applicable period. Typically, a general contractor will provide a warranty for work completion, which can start prior to the recordation of the deed to Buyer. A 10-year limited warranty regarding the structural element (as defined in the policy) and other additional warranties are also being provided, subject to limitations set forth in the policy. Buyers are encouraged to review and learn about these warranties.

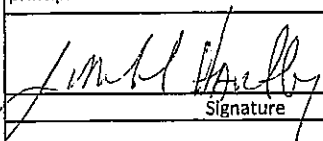
**Permitted Apartment Use:** 126 units residential.

No commercial or other non-residential development is proposed by Developer for the project

**Estimate of Maintenance Fee Disbursement**

EXPENSES	Monthly Fee	Annual Fee
<b>Utilities</b>		
Electricity	\$1,333.33	\$16,000.00
TV Cable	\$4,200.00	\$50,400.00
Water	\$20,833.33	\$250,000.00
Sewer	\$4,291.67	\$51,500.00
Telephone - Entry System	\$83.33	\$1,000.00
Web Communications	\$100.00	\$1,200.00
<b>Contract Services</b>		
Security	\$100.00	\$1,200.00
<b>Maintenance</b>		
Building Maintenance	\$1,250.00	\$15,000.00
Cleaning Supplies	\$100.00	\$1,200.00
Grounds - Landscaper	\$20,833.33	\$250,000.00
Grounds - Tree Trimming	\$2,000.00	\$24,000.00
Grounds - Sprinkler	\$200.00	\$2,400.00
Electrical/Lighting	\$416.67	\$5,000.00
Plumbing	\$183.33	\$2,200.00
Pest Control	\$1,000.00	\$12,000.00
Refuse	\$2,750.00	\$33,000.00
Entry Gate Area Maintenance	\$200.00	\$2,400.00
Roof Maintenance	\$100.00	\$1,200.00
Miscellaneous Repairs & Purchases	\$100.00	\$1,200.00
Tools & Equipment	\$100.00	\$1,200.00
<b>Professional Services</b>		
Administrative Supplies & Services	\$650.00	\$7,800.00
AOAO Administrative Expenses	\$100.00	\$1,200.00
Vehicle Expenses	\$100.00	\$1,200.00
Management Services	\$1,975.00	\$23,700.00
Audit	\$233.33	\$2,800.00
Legal Fees General	\$200.00	\$2,400.00
Legal Fee Collections	\$750.00	\$9,000.00
Mauna Lani Resort Assoc. Dues on Certification page	\$0.00	\$0.00
Recreation Center Dues on Certification page	\$0.00	\$0.00
<b>Payroll &amp; Benefits</b>		
P/R Manager (part-time onsite)	\$2,000.00	\$24,000.00
Health Care	\$458.33	\$5,500.00
Payroll Taxes	\$250.00	\$3,000.00
Payroll Prep	\$150.00	\$1,800.00
<b>Other Expenses</b>		
Insurance - Property	\$6,666.67	\$80,000.00
Fidelity Bond Insurance	\$75.00	\$900.00
Insurance - D&O	\$200.00	\$2,400.00
Insurance - Umbrella	\$300.00	\$3,600.00
Miscellaneous Expense	\$66.67	\$800.00
State General Excise Tax	\$45.00	\$540.00
<b>Reserves</b>	\$29,166.67	\$350,000.00
<b>TOTAL</b>	<b>\$103,561.67</b>	<b>\$1,242,740.00</b>

I, J. Michael Hartley, as agent for/and/or employed by Hawaii Management Company, the condominium managing agent for Kulalani at Mauna Lani condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

	3/5/15
Signature	Date

Pursuant to 514B-148, 7b, Hawaii Revised Statutes, a new association need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting. The Developer has set forth a reserve estimate for the Project.

**CERTIFICATE**

I, the undersigned, duly sworn on oath, depose and affirm as follows:

1. I am the President for Hawaiiana Management Company, Ltd., a Hawaii corporation, designated by the Developer of the Kulalani at Mauna Lani and the Kulalani-Ka Milo Recreation Complex condominium projects (the "Projects") to act as the Managing Agent for the management and administration of the Project.

2. Attached hereto is a true and correct copy of the projected budget for the Projects. The estimates contained therein, including the maintenance fee assessments and disbursements, are based upon and in reliance on the assumptions, expense and income data provided by the Developer along with information gathered by the Managing Agent from projects of comparable size and character. The estimated figures do not account for inflation, market adjustments, future utility rate changes, future insurance premium rate changes or other unanticipated events, including but not limited to, acts of government, acts of God, terrorism or war. In addition, the projected budget is based upon and in reliance on discussions with the Developer.

3. I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated cost for each unit in the Projects, as attached hereto and hereby incorporated herein by reference, were determined in accordance with Section 514B-148 of the Hawaii Revised Statutes and Chapter 107 of the Hawaii Administrative Rules, and that the Managing Agent made a good faith effort to calculate such estimates for the one-year period commencing February 2015, based on generally accepted accounting principles.

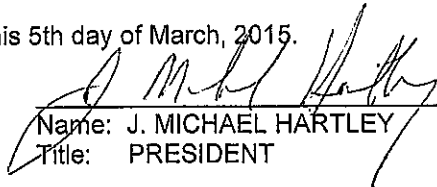
4. As permitted pursuant to Section 514B-148(b), new associations need not collect estimated reserves until the fiscal year which begins after the association's first annual meeting. The Developer has not conducted a reserve study for the Project. The budget amount for Reserves is an estimate only.

5. The Budget has been prepared on a cash basis.

6. The estimated maintenance fees for Kulalani do not include the following mandatory charges which are levied in addition to the monthly maintenance fee:

- a. Unit electrical charges
- b. Recreation Complex fees, currently at \$75.51 per unit per month.
- c. Mauna Lani Resort Fees, currently at \$112.00 per unit per month.

DATED: Honolulu, Hawaii, this 5th day of March, 2015.

  
 Name: J. MICHAEL HARTLEY  
 Title: PRESIDENT

Subscribed and sworn to before me  
this 5th day of March, 2015

State of Hawaii  
City & County of Honolulu

Date: March 5, 2015 # of Pages: 9  
Doc. Description: Certificate of Managing Agent & Estimated  
Annual Disbursements for: Kulalani at Mauna Lani & the Kulalani-Ka Milo Recreation Complex

  
 Notary Signature  
 Name: Stephanie M. Angle

No. & Expiration: 10-134  
 6/13/2018  
 First Circuit, State of Hawaii



**NOTARY CERTIFICATION**

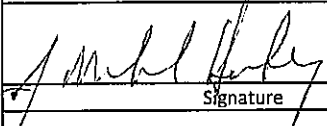
Kulalani & Ka Milo Recreation Center at Mauna Lani

*\*In accordance with the "Kulalani & Ka Milo Recreation Complex Association" Organizational Documents, Kulalani AOA is currently responsible for 50% of the foregoing disbursements.*

**Estimate of Maintenance Fee Disbursement**

EXPENSES	Monthly Fee	Annual Fee
<b>Utilities</b>		
Electricity	\$4,916.67	\$59,000.00
Water	\$3,833.33	\$46,000.00
Sewer	\$150.00	\$1,800.00
Gas	\$200.00	\$2,400.00
<b>Maintenance</b>		
Air Conditioning	\$100.00	\$1,200.00
Building Maintenance	\$1,000.00	\$12,000.00
Cleaning Supplies	\$208.33	\$2,500.00
Grounds - Landscaper	\$1,333.33	\$16,000.00
Grounds - Tree Trimming	\$482.00	\$5,784.00
Grounds - Sprinkler	\$140.00	\$1,680.00
Pool Cleaning	\$2,166.67	\$26,000.00
Pool Chemicals	\$387.50	\$4,650.00
Pool Repairs	\$200.00	\$2,400.00
Refuse	\$125.00	\$1,500.00
Fire Systems	\$37.50	\$450.00
Miscellaneous Repairs & Purchases	\$150.00	\$1,800.00
Tools & Equipment	\$83.33	\$1,000.00
Wood Maintenance	\$200.00	\$2,400.00
<b>Professional Services</b>		
Administrative Supplies & Services	\$100.00	\$1,200.00
Management Services	\$833.33	\$10,000.00
Consulting Fees	\$150.00	\$1,800.00
<b>Other Expenses</b>		
Property Insurance	\$708.33	\$8,500.00
State General Excise Tax	\$0.00	\$0.00
Reserve Contribution	\$1,522.00	\$18,264.00
<b>TOTAL</b>	<b>\$19,027.33</b>	<b>\$228,328.00</b>

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