

# IMPORTANT - - Read This Developer Prepared Report Before Buying

This Report Is Not a Commission Approval or Disapproval of This Condominium Project

## AMENDMENT 1 TO DEVELOPER'S PUBLIC REPORT FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME:	KA MILO AT MAUNA LANI, PHASE 15
PROJECT ADDRESS:	68-1122 North Kaniku Drive, Kohala Coast, Hawaii 96743
REGISTRATION NUMBER:	7864
EFFECTIVE DATE OF REPORT:	<b>December 6, 2018</b>
THIS AMENDMENT:	<input checked="" type="checkbox"/> Must be read together with <input checked="" type="checkbox"/> Developer's Public Report dated <u>September 16, 2016</u> <input type="checkbox"/> Amended Report dated _____ <input type="checkbox"/> Supersedes all prior amendments: Includes all prior amendment(s) and <u>must</u> be read together with <input type="checkbox"/> Developer's Public Report dated _____ <input type="checkbox"/> Amended Report dated _____
DEVELOPER(S):	MLR Golf Partners LLC, a Hawaii limited liability company

### Preparation of this Amendment

The Developer prepared this amendment pursuant to the Condominium Property Act, Section 514B-56, Hawaii Revised Statutes (HRS), as amended from time to time. Section 514B-56, HRS, requires that after the Commission has issued an effective date for the Developer's Public Report, if there are any changes, either material or pertinent changes, or both, regarding the information contained in or omitted from the Developer's Public Report, or if the developer desires to update or change the information set forth in the Developer's Public Report, the developer shall immediately submit to the Commission an amendment to the Developer's Public Report or an amended Developer's Public Report clearly reflecting the change, together with such supporting information as may be required by the Commission, to update the information contained in the Developer's Public Report.

The law defines "material change" as used in parts IV and V of Chapter 514B, HRS means 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 law defines "pertinent change" to mean, as determined by the commission, a change not previously disclosed in the most recent public report that renders the information contained in the public report or in any disclosure statement inaccurate, including, but not limited to (1) The size, construction materials, location, or permitted use of a unit or its appurtenant limited common element; (2) The size, use, location, or construction materials of the common elements of the project; or (3) The common interest appurtenant to the unit. A pertinent change does not necessarily constitute a material change.

The filing of an amendment to the Developer's Public Report or an amended Developer's Public Report, in and of itself, shall not be grounds for a purchaser to cancel or rescind a sales contract. A purchaser's right to cancel or rescind a sales contract shall be governed by sections 514B-86 and 514B-87, HRS, the terms and conditions of the purchaser's contract for sale, and applicable common law.

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*This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at (808) 586-2643 to submit your request.*

This Amendment 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 amendment to the 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, material changes, or pertinent changes 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.

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 amendment may be used by the Developer for promotional purposes only if it is used with the last Developer's Public Report in its entirety.

Prospective purchasers and purchasers are encouraged to read this amendment carefully and to seek professional advice.

Summary of Changes from Earlier Developer's Public Report are Described Beginning on the Next Page

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Summary of Changes from Earlier Developer's Public Report:

This summary contains a general description of the changes, if any, made by the developer since the last Developer's Public Report was issued an effective date. It is not necessarily all inclusive. Prospective purchasers and purchasers must read this amendment together with the last Developer's Public Report with the effective date as noted on the top of page 1 if they wish to know the specific changes that have been made.

Changes made are as follows (include a description of what the change is and page number and or exhibit alphabet or number; additional pages may be used):

Page 9, Section 2.1 and Exhibit H - 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):

A&B MLR LLC, a Hawaii limited liability company, and Brookfield MLR LLC, a Delaware limited liability company, who are and have been the two (2) members of the Developer have entered into that certain Assignment of Membership Interest and Dissociation of Member dated September 14, 2018, under the terms of which A&B MLR LLC has sold to Brookfield MLR LLC its fifty percent (50%) membership interest in MLR Golf Partners LLC (the "Developer") and dissociated as a member of the Developer effective as of September 14, 2018. As a result Brookfield MLR LLC became the sole member and one hundred percent (100%) owner of all of the membership interests of the Developer.

Brookfield MLR LLC was designated as and has acted as the administrative and managing member of the Developer since its formation in 2004, and as such has been primarily responsible for overseeing and supervising the development and construction of all phases of the Project.

A revised Exhibit H to the Developer's Public Report is attached hereto.

Page 14, Section 5.5 Status of Construction, Date of Completion or Estimated Date of Completion:

Section 5.5 of the Developer's Public Report for a Condominium currently states that the estimated completion date for construction of the six (6) buildings each containing one (1) residential Apartment in Phase 15 will be on or about August 31, 2018. The buildings containing residential Apartment Nos. 43 and 44 have been completed, however the buildings containing the following residential Apartments will not have completed construction until the following modified estimated completion dates:

Apt. No.	Modified Estimated Completion Date
39	August 31, 2019
40	February 28, 2019
41	December 31, 2018
42	December 14, 2018

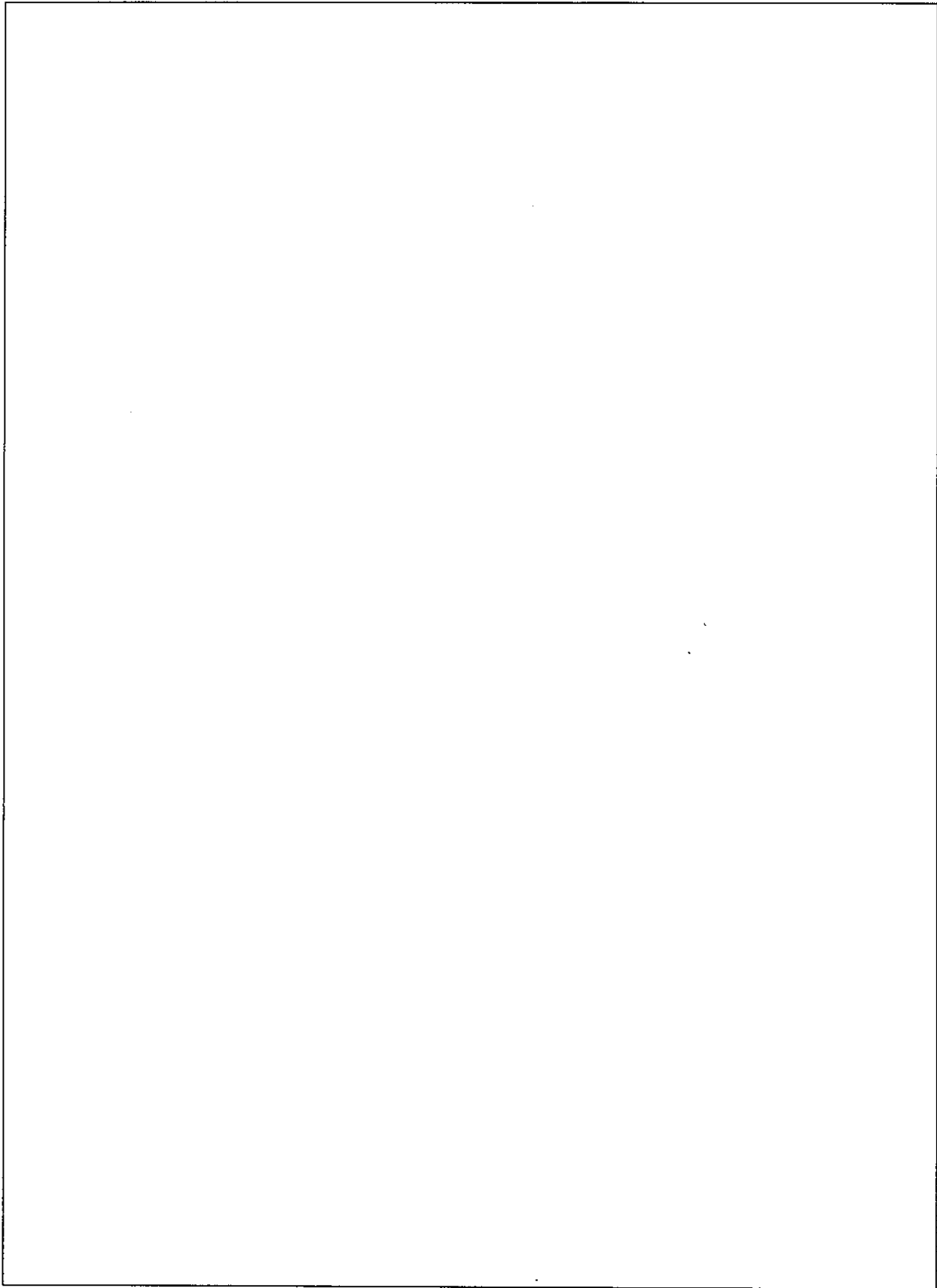
There will be no changes to the other 3 paragraphs contained in Section 5.5 of the Developer's Public Report for a Condominium.

A revised Page 14 to the Developer's Public Report is attached hereto.

There will be no other changes to the Project as contemplated and set forth in the Developer's Public Report for a Condominium or the Condominium Documents for the Project resulting from or arising out of (a) the assignment by A&B MLR LLC to Brookfield MLR LLC of its membership interest in and dissociation as a member of the Developer as described in Paragraph 1 above, or (b) the changes in the estimated completion date for certain buildings and their associated residential Apartment as described above.

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Changes continued:



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

Status of Construction: See page 14a.
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract: See page 14a.
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:

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

<input type="checkbox"/>	<p>Spatial Units. The Developer hereby declares by checking the box to the left that it is offering spatial units for sale and will not be using purchasers' deposits to pay for any costs to pay for project construction or to complete the project.</p> <p>Should the developer be using purchasers' deposits to pay for any project construction costs or to complete the project including lease payments, real property taxes, architectural, engineering, legal fees, financing costs; or costs to cure violations of county zoning and building ordinances and codes or other incidental project expenses, the Developer has to met certain requirements, described below in 5.6.1 or 5.6.2..</p>
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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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**5.5 Status of Construction, Date of Completion or Estimated Date of Completion**

**Status of Construction:**

Construction of the 6 buildings, each containing 1 residential unit in Phase 15, commenced on or about September 1, 2016, and was estimated to be completed on or about August 31, 2018. The buildings containing residential Apartment Nos. 43 and 44 have been completed, however, the buildings containing the following residential units will not have completed construction until the following modified estimated completion dates:

<u>Apt. No.</u>	<u>Modified Estimated Completion Date</u>
39	August 31, 2019
40	February 28, 2019
41	December 31, 2018
42	December 14, 2018

Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.

Completion Deadline for any unit not yet constructed, as set forth in the sales contract:

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.

Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:

The Developer declares subject to the penalties set forth in Section 514B-69, HRS that this project continues to conform 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 as amended, 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 as amended, 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 as amended and the exhibits attached to this report (if any) as amended 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 as amended 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 as amended at least 30 days prior to the anniversary date of the effective date of this report.

MLR Golf Partners LLC  
Printed Name of Developer

(See attached signature page)

September 26, 2018

Duly Authorized Signatory\*

Date

David F. Murphy, Assistant Secretary

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.**

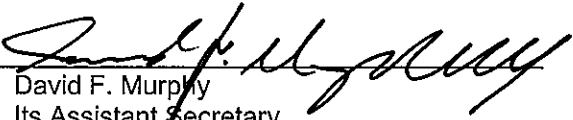
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Signature Page to Amendment 1 to Developer's Public Report for a Condominium  
Condominium Project Name: KA MILO AT MAUNA LANI, PHASE 15  
Registration No. 7864

Developer:

**MLR GOLF PARTNERS LLC**  
a Hawaii limited liability company

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

By   
David F. Murphy  
Its Assistant Secretary



**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 sole Member:

**BROOKFIELD MLR LLC** is a Delaware limited liability company that is Manager-managed by:

William B. Seith  
Warren E. Krug  
Robin A. Rutherford

The Managers have duly appointed and designated officers as follows:

Officers:	William B. Seith	President and Secretary
	Warren E. Krug	Chief Financial Officer
	Egen R. Moe	Vice President
	David F. Murphy	Assistant Secretary
	Robin A. Rutherford	Assistant Secretary