

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer STEPHEN W. LONG
Business Address PO Box 223456, Princeville, Hawaii 96722

Project Name (*): PU'U LO'IHI (for sale of Unit C only)
Address: Lot 9, Anini Vista Subdivision, Kalihiwai, Kauai, Hawaii

Registration No. 4032
Effective date: March 9, 2007
Expiration date: April 9, 2008

Preparation of this Report:

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

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

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

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

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

Type of Report:

- PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
[X] SUPPLEMENTARY: (pink) This report updates information contained in the:
[X] Preliminary Public Report dated:
[X] Final Public Report dated: September 29, 1998
[X] Supplementary Public Report dated:
And [X] Supersedes all prior public reports.
[] Must be read together with
[] This report reactivates the public report(s) which expired on

(* Exactly as named in the Declaration
This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.
FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104/0107

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[X] Required and attached to this report As Exhibit "G" [] Not required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

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

[X] Changes made are as follows:

1. This Supplementary Public Report covers Unit C only. Unit B was previously sold.
2. A farm dwelling has been constructed on Unit C and is now listed for sale.
3. A new escrow agreement has been entered into.
4. Coldwell Banker Bali Hai Realty, Inc. (RB-9898), P.O. Box 930, Hanalei, Hawaii 96714, has been chosen as the Broker for sale of Unit C. Unit A is not for sale at this time.
5. Easements and restricted areas have been added to the project that affect all the units.
6. The addresses for the Developer and the Attorney for the Developer have changed.
7. There are no maintenance fees. Subdivision association dues are billed to and paid by the individual unit owners.
8. Steve Long is Developer and project architect.

PURSUANT TO SECTION 514A-36, HRS, THE REAL ESTATE COMMISSION'S (COMMISSION'S) ISSUANCE OF AN EFFECTIVE DATE FOR A DEVELOPER'S PUBLIC REPORT SHALL NOT BE CONSTRUED TO CONSTITUTE THE COMMISSION'S APPROVAL OR DISAPPROVAL OF A CONDOMINIUM PROJECT, OR THE COMMISSION'S REPRESENTATION THAT ALL MATERIAL FACTS CONCERNING THE CONDOMINIUM PROJECT HAVE BEEN FULLY OR ADEQUATELY DISCLOSED. THUS, THE CHANGES NOTED HERE ARE BEING PROVIDED BY THE DEVELOPER FOR INFORMATIONAL PURPOSES ONLY. PURSUANT TO SECTION 514A-41, HRS, THE DEVELOPER HAS THE RESPONSIBILITY TO UPDATE THE INFORMATION CONTAINED IN THE DEVELOPER'S PUBLIC REPORT TO AVOID HAVING THE DEVELOPER'S PUBLIC REPORT MISLEAD PURCHASERS IN ANY MATERIAL RESPECT.

APPROXIMATELY EIGHT + YEARS HAVE LAPSED SINCE THE EXPIRATION DATE OF THE DEVELOPER'S FINAL PUBLIC REPORT. PURSUANT TO SECTION 16-107-19, HAWAII ADMINISTRATIVE RULES, SALES CONTRACTS EXECUTED DURING THE PERIOD THAT THE PUBLIC REPORT WAS NOT IN EFFECT MAY BE RESCINDED AT THE OPTION OF THE PURCHASER AND ALL MONIES REFUNDED TO PURCHASER. PURCHASER'S RIGHT TO RESCIND UNDER THIS RULE SHALL BE VOID THIRTY (30) CALENDAR DAYS AFTER RECEIPT OF WRITTEN NOTIFICATION OF THESE RIGHTS FROM THE DEVELOPER OR HIS AGENT.

THE DEVELOPER STATES THAT TO THE BEST OF HIS KNOWLEDGE, THERE ARE NO OTHER MATERIAL CHANGES TO THE INFORMATION CONTAINED IN THE DEVELOPER'S FINAL PUBLIC REPORT WHICH IS BEING REINSTATED AS TO UNIT C OF THIS PROJECT.

The public report format currently in use by the Real Estate Commission ("Commission") is different from that on which the Final Public Report for this project was issued. Although this Supplementary Report supersedes the earlier Final Public Report, if a prospective purchaser desires to compare the previous report to the Supplementary, information contained on a specific page of the Supplementary Report may not necessarily coincide to the same page number in the Final Public Report. Therefore, it is suggested that the table of contents be referred to when making comparisons between reports.

SPECIAL NOTICE:

1. Issuance of an effective date for this Public Report does not constitute an approval of the project by the Real Estate Commission, or any other governmental agency, nor does it imply that all County codes, ordinances and subdivision requirements have been complied with.
2. This project does not involve the sale of individual subdivided lots. The land area beneath and immediately adjacent to each unit, as shown on the Amended Condominium Map, is designated as a limited common element for that unit and does not represent a legally subdivided lot. The dotted lines on the Amended Condominium Map merely represent the location of the limited common element assigned to each unit.
3. Facilities and improvements normally associated with County approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for and services such as County street maintenance and trash collection will not be available for interior roads and driveways.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: STEPHEN W. LONG Phone: (808) 652-8000
Name* (Business)
PO Box 223456
Business Address
Princeville, Hawaii 96722

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

N/A

Real Estate Broker*: Coldwell Banker Bali Hai Phone: (808) 826-7244
Realty, Inc. (UNIT C) (Business)
Name
PO Box 930
Business Address
Hanalei, Hawaii 96714

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

General Contractor*: N/A Phone: _____
Name (Business)

Business Address

Condominium Managing Agent*: Self-Managed by Association Phone: _____
of Apartment Owners (Business)
Name

Business Address

Attorney for Developer: Steven R. Lee, Esq. Phone: (808) 246-1101
Name (Business)
4334 Rice Street, Suite 204C
Business Address
Lihue, Hawaii 96766

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

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

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

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

The Declaration for this condominium is:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded	- Bureau of Conveyances:	Document No.	98-129016
			Book	Page
<input type="checkbox"/>	Filed	- Land Court:	Document No.	

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

First Amendment to Declaration of Condominium Property Regime of Pu'u Lo'ihi dated August 31, 2004, recorded as Document No. 2004-233461; Second Amendment to Declaration of Condominium Property Regime of Pu'u Lo'ihi dated January 4, 2007, recorded as Document No. 2007-011956.

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

The Condominium Map for this condominium project is:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded	- Bureau of Conveyances	Condo Map No.	2787
<input type="checkbox"/>	Filed	- Land Court	Condo Map No.	

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

First Amendment to Declaration of Condominium Property Regime of Pu'u Lo'ihi dated August 31, 2004, recorded as Document No. 2004-233461;

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

The Bylaws for this condominium are:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded	- Bureau of Conveyances:	Document No.	98-129017
			Book	Page
<input type="checkbox"/>	Filed	- Land Court:	Document No.	

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

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	75%
House Rules	-----	N/A

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

2. **Developer:**

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

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

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: Lot 9, Anini Vista Subdivision, Kalihiwai Tax Map Key: (TMK): (4) 5-3-009: 009
Kauai, Hawaii

Address TMK is expected to change because _____

Land Area: 9.860 square feet acre(s) Zoning: Agricultural

Fee Owner: Michal F. Stover (Unit A), Loring E. Harkness III and Michal F. Stover (Unit B), Stephen W. Long (Unit C)
 Name

Lessor: N/A
 Name

 Business Address

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: _____ Floors Per Building: _____

Exhibit _____ contains further explanations.

3. **Principal Construction Material:**

Concrete Hollow Tile Wood

Other _____

4. **Uses Permitted by Zoning:**

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>	
<input type="checkbox"/> Residential	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<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 checked="" type="checkbox"/> Agricultural	<u>1</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Other Shade Structure	<u>2</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

Yes No

Fee Owners:

Unit A: Michal F. Stover
300 East 17th Avenue, #717
Denver, Colorado 80203

Unit B: Loring E. Harkness III and Michal F. Stover
300 East 17th Avenue, #717
Denver, Colorado 80203

5. Special Use Restrictions:

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

Pets: Household pets may be kept consistent with any applicable law or restrictive covenants applicable to the project so long as they do not become a nuisance to the other owners

Number of Occupants: _____

Other: Declaration of Restrictive Covenants for Anini Vista Subdivision, a summary of which is attached hereto as Exhibit "I"

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>Bed/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>Identify</u>
<u>A</u>	<u>1</u>	<u>0 / 0</u>	<u>---</u>	<u>20</u>	<u>Shade structure</u>
<u>B</u>	<u>1</u>	<u>0 / 0</u>	<u>---</u>	<u>20</u>	<u>Shade Structure</u>
<u>C</u>	<u>1</u>	<u>2 / 3</u>	<u>3,051</u>	<u>232</u>	<u>Covered Porch</u>
				<u>627</u>	<u>Decks (4)</u>

Total number of Apartments: 3

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

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

Boundaries of Each Apartment: Per the Declaration of Condominium Property Regime, the boundaries of each apartment shall be the outer surface of the entire building. Wires or conduits, pipes or any utility lines running over, under or through any apartment which are utilized for or serve more than one unit shall not be deemed a part of the apartment, the same being deemed common elements.

Permitted Alterations to Apartments: Permitted alterations to apartments are as allowed by County of Kauai zoning ordinances and recorded restrictions on the project, if any. Upon construction of each permanent improvement, an amendment to the Declaration of Condominium Property Regime will be required to disclose actual improvements as a matter of public record.

Apartments Designated for Owner-Occupants Only:

Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by Section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has not elected to provide the information in a published announcement or advertisement.

11. Conformance to Present Zoning Code:

- a. No variances to zoning code have been granted.
 Variance(s) to zoning code was/were granted as follows:

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>X</u>	_____	_____
Structures	<u>X</u>	_____	_____
Lot	<u>X</u>	_____	_____

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

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

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

D. Common Elements, Limited Common Elements, Common Interests:

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

described in Exhibit E.

as follows:

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

There are no limited common elements in this project.

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

described in Exhibit E.

as follows:

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

described in Exhibit C.

as follows:

E. Encumbrances Against Title:

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

Exhibit F describes the encumbrances against the title contained in the title report dated January 23, 2007
and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

- [] There are no blanket liens affecting title to the individual apartments.
- [X] There are blanket liens which may affect title to the individual apartments.

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
MORTGAGE	LENDER HAS PRIORITY OVER A BUYER'S RIGHTS UNDER A SALES CONTRACT, AND HAS A RIGHT TO TERMINATE SALES CONTRACT UPON FORECLOSURE OF ITS MORTGAGE BEFORE AN APARTMENT SALE IS CLOSED. IN SUCH EVENT BUYER SHALL BE ENTITLED TO A REFUND OF ALL DEPOSITS, LESS ESCROW CANCELLATION FEES.

F. Construction Warranties:

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

- 1. Building and Other Improvements:
NONE

- 2. Appliances:
NONE

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

Unit A contains a partially completed residence. Upon completion the owner will record an amendment to the Declaration with an amended site plan and as-built plans and related certifications. Unit B contains a storage structure built in 1998. Unit C contains a farm dwelling which was constructed in 2002.

H. **Project Phases:**

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

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

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

- Sales documents on file with the Real Estate commission include but are not limited to:
- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit B contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated February 14, 2007
Exhibit D contains a summary of the pertinent provisions of the escrow agreement.
- Other: Specimen Apartment Deed

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

- A) The developer delivers to the buyer a copy of:
 - 1) Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
 - 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
- B) The buyer is given an opportunity to read the report(s); **AND**
- C) One of the following has occurred:
 - 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

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

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

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all the documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other Declaration of Restrictive Covenants; Deed; Declaration; Agreement; Declaration; Right of Entry; Cotenancy Agreement; SMA (U)-79-9 for Anini Vista Estates Subdivision; Guest House Option Agreement

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

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

This Public Report is a part of Registration No. 4032 filed with the Real Estate Commission on September 29, 1998

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

YELLOW paper stock WHITE paper stock PINK paper stock

C. Additional Information Not Covered Above:

This is a condominium project, not a subdivision. Units purchased are not subdivided lots. To determine whether your expectations can be realized, you should carefully review the contents of this Report, especially Exhibit I, a summary of the recorded restrictive covenants for the subdivision within which this project is located. Among other things, the restrictive covenants govern land use, site improvement guidelines, building guidelines, view corridors and tree trimming guidelines and the establishment of a design review committee. You should also conduct your own investigation and ascertain the validity of information provided.

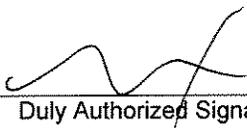
It is anticipated that the initial improvements on each unit will be replaced by or supplemented with a farm dwelling. The prospective purchaser shall have the right to build such farm dwelling at purchaser's expense. The purchaser shall also, in such event, file the "as-built" certificate within thirty days of completion of the farm dwelling in conformance with Section 514A-12, Hawaii Revised Statutes, and record an amendment to the Declaration of Condominium Property Regime ("Declaration") to describe the farm dwelling. The county of Kauai Planning Department requires, in order to process the necessary permits for the construction of a farm dwelling and the processing of a farm dwelling agreement, authorization from at least 75% of the legal and equitable ownership of the entire project, consistent with the Declaration and the Bylaws ("condominium documents"). Except as limited specifically by the condominium documents and the subdivision restrictive covenants (if any, all uses permitted in the agricultural zone are permitted. Such uses include, but are not limited to, growing crops, raising animals, residence, diversified agriculture, forestry, orchards and nurseries and wildlife management. See Kauai County Comprehensive Zoning Ordinance, Article 8.7 for detailed information. In relation to specifically permitted uses of buildings and other improvements, structures shall only be occupied or used for agriculture, associated residential uses, and/or other uses permitted under the Kauai County Zoning Ordinances and the condominium documents. A farm dwelling may not be constructed unless a unit owner demonstrates to the County his ability to derive income from his property, established and verified prior to any building permit approval.

A buyer should understand that all development and use of the property shall be in compliance with County codes and ordinances, that owners in this condominium project will not necessarily receive the same County benefits as owners of approved subdivided lots, and that owners who develop their limited common element later than others may find that land use and zoning changes or insufficient utility capacities may thwart their expectations.

The developer has executed a Waiver and release which, in exchange for issuance of building permits for the shade structures, the owner releases the County of Kauai from any claim arising out of the fact that water service is not provided by the County Water Department. The owner acknowledges, further, that there may not be future water services for the property from the County of Kauai and that the Waiver and Release Agreement is binding on all successors, heirs and assigns. A purchaser should contact the appropriate County Water Department to determine current status of water service prior to purchase.

- D. The developer declares subject to the penalties set forth in Section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

STEPHEN W. LONG
Printed Name of Developer

By:  1/24/07
Duly Authorized Signatory* Date

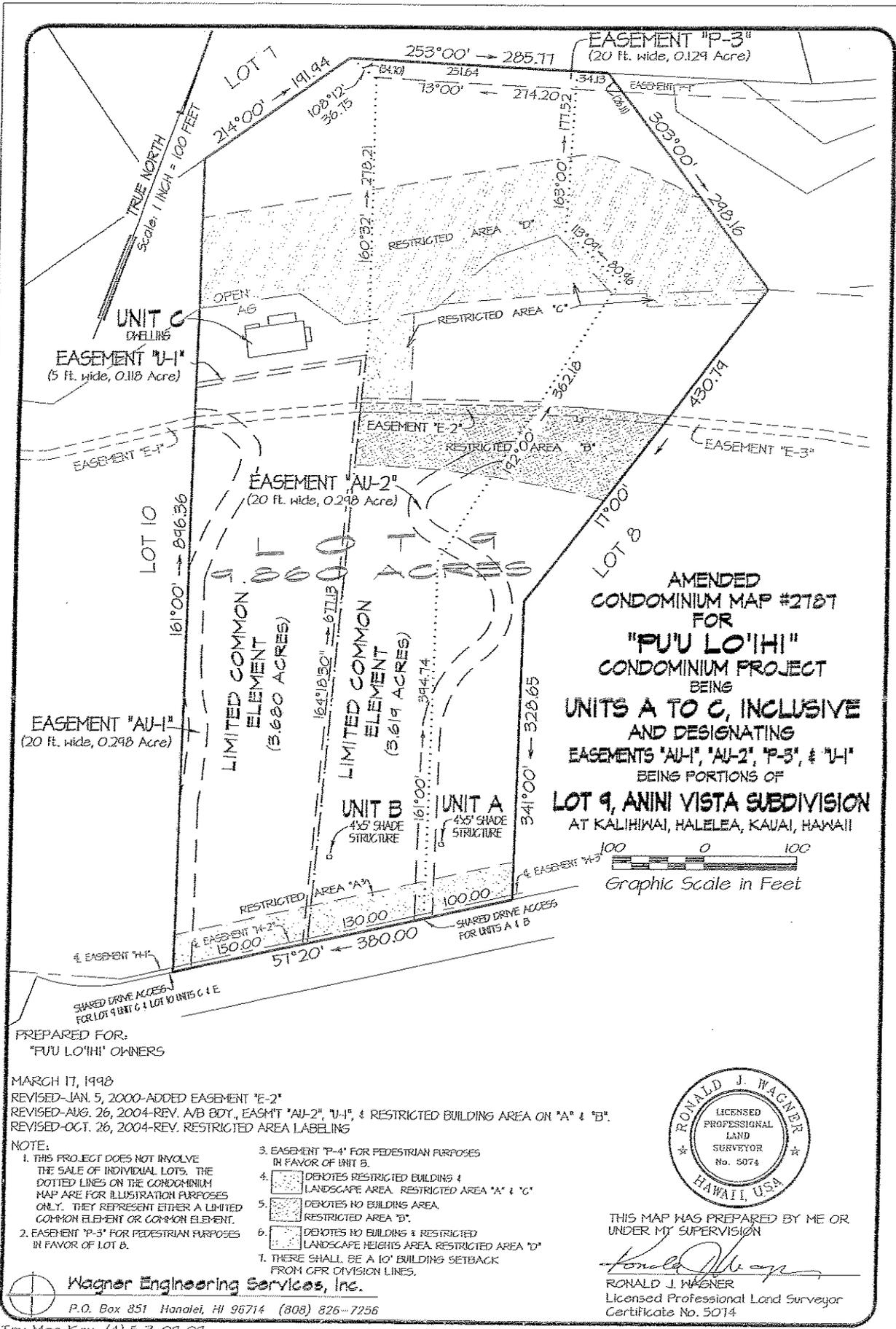
STEPHEN W. LONG, DEVELOPER
Printed Name & Title of Person Signing Above

Distribution:

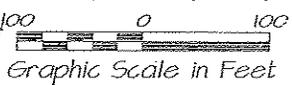
Department of Finance, COUNTY OF KAUAI

Planning Department, COUNTY OF KAUAI

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



AMENDED
 CONDOMINIUM MAP #2787
 FOR
 "FU'U LO'IHI"
 CONDOMINIUM PROJECT
 BEING
 UNITS A TO C, INCLUSIVE
 AND DESIGNATING
 EASEMENTS 'AU-1', 'AU-2', 'P-3', & 'U-1'
 BEING PORTIONS OF
LOT 9, ANINI VISTA SUBDIVISION
 AT KALIHUKAI, HALELEA, KAUAI, HAWAII



PREPARED FOR:
 "FU'U LO'IHI" OWNERS

MARCH 17, 1998
 REVISED-JAN. 5, 2000-ADDED EASEMENT 'E-2'
 REVISED-AUG. 26, 2004-REV. A/B B'DY, EASMT 'AU-2', 'U-1', & RESTRICTED BUILDING AREA ON 'A' & 'B'.
 REVISED-OCT. 26, 2004-REV. RESTRICTED AREA LABELING

- NOTE:
1. THIS PROJECT DOES NOT INVOLVE THE SALE OF INDIVIDUAL LOTS. THE DOTTED LINES ON THE CONDOMINIUM MAP ARE FOR ILLUSTRATION PURPOSES ONLY. THEY REPRESENT EITHER A LIMITED COMMON ELEMENT OR COMMON ELEMENT.
 2. EASEMENT 'P-3' FOR PEDESTRIAN PURPOSES IN FAVOR OF LOT 8.
 3. EASEMENT 'P-4' FOR PEDESTRIAN PURPOSES IN FAVOR OF UNIT B.
 4. [Symbol] DENOTES RESTRICTED BUILDING & LANDSCAPE AREA. RESTRICTED AREA 'A' & 'C'
 5. [Symbol] DENOTES NO BUILDING AREA. RESTRICTED AREA 'B'.
 6. [Symbol] DENOTES NO BUILDING & RESTRICTED LANDSCAPE HEIGHTS AREA. RESTRICTED AREA 'D'
1. THERE SHALL BE A 10' BUILDING SETBACK FROM C/P DIVISION LINES.



THIS MAP WAS PREPARED BY ME OR UNDER MY SUPERVISION

Ronald J. Wagner
 RONALD J. WAGNER
 Licensed Professional Land Surveyor
 Certificate No. 5074

Wagner Engineering Services, Inc.
 P.O. Box 851 Honolulu, HI 96714 (808) 826-7256

Tax Map Key: (4) 5-3-09:09

Project No. 1563
 3003, 1

EXHIBIT "B"

SUMMARY OF SALES CONTRACT

This Project utilizes a Condominium Addendum to Sales Contract (the "Addendum") to be used in conjunction with a standard DROA form contract provided by the Hawaii Association of Realtors. The Addendum protects the rights of the Purchasers and the handling of the funds under the Condominium Property Act (the "Act"), as well as insuring compliance with the Act by all parties. Relevant portions of the Addendum are summarized as follows:

1. The fact that the Act controls over any portion of a contract to sell a condominium unit.
2. That an effective date for a final or supplementary public report must be in place and a receipt for the same signed by the buyer to have a contract.
3. That all purchaser funds must be held in escrow until the law allows closing and disbursement of the funds. The conditions precedent to release of the funds are enumerated, including in part:
 - a. That Purchaser will receive a copy of the final public report for the project.
 - b. That the Purchaser will be deemed to have had an opportunity to read the Final Public Report(s) within forty-eight (48) hours after receiving them, unless specifically indicated otherwise. Both Seller and Purchaser have the right to cancel the Contract at any time prior to the date when the Contract becomes effective. Seller and Purchaser also have the right to cancel the Contract at any other time explicitly stated by the Act.
 - c. Purchaser agrees that all payments made will be placed on deposit with escrow pursuant to the terms of the Escrow agreement, and Purchaser is subject to all of the terms of the Escrow Agreement.
 - d. If there is a dual agency by a single broker, it will be disclosed in the contract.
 - e. If the Purchaser shall default:
 - i. The contract may, at the Seller's option, be terminated by written notice to the Purchaser; and
 - ii. Any sums paid by the Purchaser shall belong to the Seller as liquidated damages (up to a maximum of all deposits made, Section C.28 of standard DROA); and
 - iii. The Seller may pursue any other remedy, including specific performance, permitted by law or equity. All costs, including reasonable attorney's fees, incurred by reason of default by the Purchaser shall be borne by the Purchaser.

Further, if the Purchaser shall default in making any payment when due, a late charge of one percent (1%) per month shall accrue from the due date until such payment, together with such late charge, is paid, or at any time prior to the time that such payment and late charge is paid in full, the Seller may, at its option, terminate this contract as provided above.

f. If the Seller shall default:

In the event of default by the Developer, the Purchaser may cancel the contract, may bring an action for damages for breach of contract or seek specific performance under the contract and hold the Developer responsible for costs incurred (see paragraph C-29 of the Standard Form Deposit Receipt and Offer and Acceptance). Further, the Purchaser may resort to mediation and arbitration in the even of a dispute over the contract or a claimed default, as does the Developer.

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

EXHIBIT "C"

SCHEDULE OF APARTMENTS AND COMMON INTERESTS

Qty.	Unit No.	Area of Limited Common Element*	No. of Br./Bath	Appx. Net Living Area (Sq. Ft.)	Appx. Other Area (Sq. Ft.)	Percentage of Common Int.
1	A	2.561 acres	0 / 0	0	20 shade structure	33 1/3%
1	B	3.619 acres	0 / 0	0	20 shade structure	33 1/3%
					232	
1	C	3.680 acres	2 / 3	3,051	covered porch	33 1/3%
	C				627 decks (4)	

Pursuant to Section 16-107-5, Hawaii Administrative Rules, reference is hereby made to the method by which common interest has been computed. Units A, B and C will each burden the common elements equally. Therefore, the assessment of undivided interest both for common expense and for voting is 33 1/3% for each unit.

The common interest appurtenant to each unit shall be permanent. Subject to the zoning requirements and amendments of the Condominium Map and the Declaration of Condominium Property Regime, each unit owner may use the unit, alter or add to it in any manner deemed desirable, so long as it is permitted by law and the Declaration of Protective Covenants and House Rules, if any. If adjoining unit owners desire to alter and/or transfer portions of their respective units, they can do so by the filing of an amendment to the Condominium Map and the Declaration of Condominium Property Regime bearing their respective signatures.

*Note: Land areas referenced herein are not legally subdivided lots.

EXHIBIT "D"

SUMMARY OF PORTIONS OF ESCROW AGREEMENT MALAE MAKAI

The Escrow Agreement ("Agreement") between TITLE GUARANTY ESCROW SERVICES, INC. (the "Escrow"), and STEPHEN W. LONG (the "Seller"), contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. Whenever Seller enters into a sales contract for the sale of an apartment, Seller will require that payments due under the sales contract be made to Escrow and will deliver an executed copy of the sales contract to Escrow.
2. Escrow will receive payments under the sales contract and sums received from any other source with respect to the project. Funds held under the Agreement will initially be deposited in an account for the project. Interest on all funds will be paid to Seller.
3. Escrow will release from the trust fund and disburse Buyer's funds at closing, unless: (a) Buyer has elected to cancel the contract as provided by HRS Section 514-A: 62 or 63 and receive all funds paid, with an Escrow cancellation fee of \$25.00 to \$250.00; or (b) the Real Estate Commission has not issued an effective date for a Final Public Report on the project or the Seller's requirements of the sales contract have not been met; or (c) Seller has not satisfied Escrow that all other requirements of Hawaii Revised Statutes have been met, in which case there shall be no escrow cancellation fee. Provisions of Hawaii's Owner-Occupant law to not apply to this project.
4. Escrow will return deposited sums to the Buyer without interest, if Seller and Buyer give Escrow written notice to return the funds to Buyer, if there is a right to cancellation and refund of monies under the sales contract or otherwise. If there is a cancellation under the seven-day right, no fees will be charged Buyer. Thereafter, in the event of a cancellation as a matter of agreement or right, Buyer's funds shall be returned to Buyer less Escrow's cancellation fee, if any, and all other costs incurred in connection with the Escrow, not less than \$25.00 nor more than \$250.00. If Buyer defaults for more than ten days in performing the purchase contract, Buyer will forfeit all deposits as liquidated damages.
5. Escrow will arrange for and supervise the signing of all documents, which are to be signed subsequent to and contemplated by the sales contract.
6. As Escrow's compensation for its performance under this Agreement, Escrow will receive its schedule rate for each apartment for which an apartment deed of the project is handled by Escrow and recorded in the Bureau of Conveyances of the State of Hawaii. Escrow will record all applicable documents. The cost of title insurance will be an additional amount, based upon schedule rate.

NOTE: Section 514A-63, Hawaii Revised Statutes, provides rescission rights to a purchaser under a binding contract if there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) such purchaser's apartment or appurtenant limited common elements, or (2) those amenities of the project for such purchaser's use.

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

END OF EXHIBIT "D"

EXHIBIT "E"

COMMON ELEMENTS OF THE PROJECT

The common elements of the project are:

- (a) the land in fee simple;
- (b) all commonly used present or future ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, sewage, irrigation and telephone; and
- (c) any and all other future elements and facilities in common use or necessary to the Project.

LIMITED COMMON ELEMENTS OF THE PROJECT

Certain parts of the common elements, referred to as the "limited common elements," have been designated and set aside for the exclusive use of one or more units, and such unit(s) have appurtenant exclusive easements for the use of such limited common elements. The limited common elements set aside, reserved and deemed a limited common element appurtenant to and for the exclusive use of each respective unit is that certain land area upon and around which Units A, B and C are located, shown and designated on the Condominium Map and the table below.

<u>Unit Number</u>	<u>Area of Limited Common Element</u>
A	2.561
B	3.619
C	3.680

*Land areas as referenced herein are not legally subdivided lots.

In addition, Easement P-3 is a limited common element pedestrian easement over Units A and B for the benefit of Unit C.

EXHIBIT "F"

ENCUMBRANCES AGAINST TITLE

The following encumbrances apply to all Units:

1. Real property taxes due and owing. Check with the County of Kauai Director of Finance for further information.
2. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT: DEED

DATED: January 20, 1967

RECORDED: Liber 5582, Page 1

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

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

INSTRUMENT: AGREEMENT

DATED: November 21, 1980

RECORDED: Liber 15273, Page 507

PARTIES: COUNTY OF KAUAI, a political subdivision of the State of Hawaii

RE: No building permits shall be applied until construction of the off-site waterline is commenced.

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

INSTRUMENT: AGREEMENT TO INCORPORATE AGRICULTURAL RESTRICTIONS INTO INSTRUMENTS OF CONVEYANCE

DATED: ----- (acknowledged May 2, 1980)

RECORDED: Liber 15457, Page 110

PARTIES: JAMES C. BLACKWELL and the COUNTY OF KAUAI PLANNING COMMISSION

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

INSTRUMENT: DECLARATION OF RESTRICTIVE COVENANTS

DATED: December 1, 1981

RECORDED: Liber 16478, Page 24

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

INSTRUMENT: AGREEMENT

DATED: April 29, 1997

RECORDED: Document No. 97-057327

PARTIES: PRINCEVILLE UTILITIES COMPANY, INC. and ALVIN
AWAYA, as Ancillary Personal Representative of the Estate of
Harry Weinberg, Deceased

RE: Water service

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

INSTRUMENT: DECLARATION OF RESTRICTIVE COVENANTS

DATED: May 6, 1997

RECORDED: Document No. 97-061606

The foregoing includes, but is not limited to, matters relating to building height restriction.

8. RIGHT-OF-ENTRY in favor of CITIZENS UTILITIES COMPANY, whose interest is now held by KAUAI ISLAND UTILITY CO-OP, dated March 18, 1997, recorded as Document No. 97-069217; granting a right-of-entry of utility purposes.
9. GRANT in favor of PRINCEVILL UTILITIES COMPANY, INC., dated September 16, 1997, recorded as Document No. 97-130955; granting an easement for waterline purposes over and across Easement "W-3" (10 feet wide), containing an area of 3,800 square feet, more or less, and being more particularly described therein.
10. 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.

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

INSTRUMENT: LIMTIED WARANTY DEED

DATED: December 10, 1997

RECORDED: Document No. 98-031285

12. AGREEMENT OF SALE

VENDOR: STEPHEN W. LONG, husband of Elizabeth A. Lipski

VENDEE: MICHAL F. STOVER, wife of Loring E. Harkness III, as Tenant in Severalty

DATED: March 5, 1998

RECORDED: Document No. 98-031288

AMOUNT: \$330,000.00 – covers an undivided 44% interest in and to the land described herein

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

INSTRUMENT: LONG RIGHT TO REDEEM AGREEMENT

DATED: March 5, 1998

RECORDED: Document No. 98-031290

PARTIES: STEPHEN W. LONG, MICHAL F. STOVER and MARK A. WERNER

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

INSTRUMENT: WERNER RIGHT TO REDEEM AGREEMENT

DATED: March 5, 1998

RECORDED: Document No. 98-031291

PARTIES: STEPHEN W. LONG, MICHAL F. STOVER and MARK A. WERNER

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

INSTRUMENT: STOVER RIGHT TO REDEEM AGREEMENT
DATED: March 5, 1998
RECORDED: Document No. 98-031292
PARTIES: STEPHEN W. LONG, MICHAL F. STOVER and MARK A. WERNER

16. WAIVER AND RELEASE

DATED: March 16, 1998
RECORDED: Document No. 98-036522
BY: STEPHEN W. LONG
WITH: COUNTY OF KAUAI
RE: lack of county-supplied water service

17. 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 FOR "PU'U LO'IHI" CONDOMINIUM PROJECT

DATED: August 5, 1998
RECORDED: Document No. 98-129016
MAP: 2787 and any amendments thereto

Said Declaration was amended by instrument dated August 31, 1004, recorded as Document No. 2004-233461; and instrument dated January 2, 2007, recorded as Document No. 2007-011956.

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

INSTRUMENT: BYLAWS OF THE ASSOCIATION OF APARTMENT OWNERS

DATED: August 5, 1998
RECORDED: Document No. 98-129017

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

INSTRUMENT: PU'U LO'IHI APARTMENT DEED
DATED: November 20, 1998
RECORDED: Document No. 98-030050
PARTIES: STEPHEN W. LONG, MICHAL F. STOVER and MARK A. WERNER

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

INSTRUMENT: FARM DWELLING AGREEMENT
DATED: March 3, 1999
RECORDED: Document No. 99-053254
PARTIES: STEPHEN W. LONG, "Applicant", and the COUNTY OF KAUAI PLANNING DEPARTMENT

21. GRANT

TO: CITIZENS UTIITIES COMPANY, whose interest is now held by KAUAI ISLAND UTLITY CO-OP

DATED: June 21, 2001
RECORDED: Document No. 2001-195837
GRANTING: a perpetual right and easement for electrical purposes over Easement "E-2," being more particularly described therein

22. MORTGAGE

LOAN/ACCT NO.: 100025440000284197

MORTGAGOR: STEPHEN W. LONG, unmarried

MORTGAGEE: MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., solely as nominee for INTEGRITY FUNDING GROUP, INC., an Oregon corporation

DATED: April 9, 2002
RECORDED: Document No. 2002-063644
AMOUNT: \$980,000.00

23. Designation of non-exclusive Easement "AU-1" (20 feet wide) for pedestrian and vehicular access purposes and underground utility purposes, as set forth in instrument recorded as Document No. 2004-233461.

24. Designation of non-exclusive Easement "U-1" (5 feet wide) for underground utility purposes, as set forth in instrument recorded as Document No. 2004-233461.

25. MORTGAGE

MORTGAGOR: STEPHEN W. LONG

MORTGAGEE: JAMES R. GREENFIELD

DATED: March 14, 2005

RECORDED: Document No. 2005-051884

AMOUNT: \$390,000.00

END OF EXHIBIT "F"

AMENDED DISCLOSURE ABSTRACT

PU'U LO'IHI

Pursuant to Hawaii Revised Statutes, Section 514(A)-61, the Developer of PU'U LO'IHI makes the following disclosures:

1. The Developer of the project is STEPHEN W. LONG, P.O. Box 223459, Princeville, Hawaii 96722; telephone (808) 826-4550.

2. There are no maintenance fees for this project.

3. There are no warranties against defects of material and workmanship in individual apartments, common elements or exclusive use areas, and the purchaser buys his/her unit in an "as is, where-is" condition.

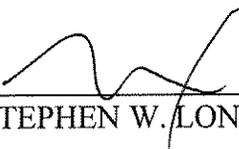
4. All of the apartments of the project are to be used for agricultural purposes only and permitted residential use within the agricultural zone. No unit will be used for hotel use; these are condominium units in which residential use is permitted, but hotel use is not. No commercial uses except as permitted by Kauai County ordinances are allowed.

5. Unit B was previously sold. Unit A has a partially completed residence and upon completion the owner will record an amendment with an amended site plan and as-built plans and related certifications.

6. Unit C is currently listed for sale. The Developer has chosen Coldwell Banker Bali Hai Realty, Inc. (RB-9898), PO Box 930, Hanalei, Hawaii 96714, telephone (808) 826-7244 as the real estate broker for the sale of Unit C.

7. The Developer has not conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. **There are no depreciable common elements in the Project.**

8. The Developer is also the project architect. He holds Hawaii Architect License No. AR-7801 and has certified all project plans and architectural reports.


STEPHEN W. LONG, Developer

1/2/07
Date

RECEIPT

The undersigned has received a copy of the foregoing Amended Disclosure Abstract this _____ day of _____, 20____.

Purchaser(s): _____

EXHIBIT "H"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u>	x	12 months	=	<u>Yearly Total</u>
<u>A</u>	<u> </u>				<u> </u>
<u>B</u>	<u> </u>				<u> </u>
<u>C</u>	<u> </u>				<u> </u>

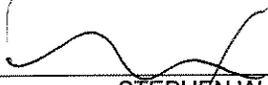
THERE ARE NO MAINTENANCE FEES FOR THIS PROJECT

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

Estimate of Maintenance Fee Disbursements:

	<u>Monthly Fee</u>	x	12 months	=	<u>Yearly Total</u>
Utilities and Services					
Air Conditioning	_____				_____
Electricity	_____				_____
[] common elements only					
[] common elements and apartments					
Elevator	_____				_____
Gas	_____				_____
[] common elements only					
[] common elements and apartments					
Refuse Collection	_____				_____
Telephone	_____				_____
Water and Sewer	_____				_____
Maintenance, Repairs and Supplies					
Building	_____				_____
Grounds	_____				_____
Management					
Management Fee	_____				_____
Payroll and Payroll Taxes	_____				_____
Office Expenses	_____				_____
Insurance					
_____	_____				_____
Reserves(*) – Roadway					
_____	_____				_____
Taxes and Government Assessments					
_____	_____				_____
Audit Fees					
_____	_____				_____
Other: Subdivision Association					
_____	_____				_____
TOTAL					
	=====				=====

I, STEPHEN W. LONG, Developer of the PU'U LO'IHI 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.



 STEPHEN W. LONG

 1/24/07
 Date

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

EXHIBIT I

SUMMARY OF DECLARATION OF RESTRICTIVE COVENANTS FOR ANINI VISTA ESTATES SUBDIVISION

This Project is located on one of the lots of the Anini Vista Estates Subdivision. Lots in the subdivision are subject to a "Declaration of Restrictive Covenants" (herein called the "Restrictive Covenants") dated May 6, 1997, recorded in the Bureau of Conveyances of the State of Hawaii on as Document No. 97-061606. This is a summary of the types of restrictions applicable to the subdivision as a whole, and to the Lot upon which this Project is located. This summary is not meant to completely recite the actual provisions of the Restrictive Covenants, nor to cover every issue in which a purchaser might have interest. A prospective purchaser is urged to obtain a full copy of the Restrictive Covenants from the Developer prior to entering into an agreement to purchase a unit.

ARTICLE II Restrictions

Section 1. Land Use. The lots shall be used in accordance with the State Land Use District Regulation and the Comprehensive Zoning Ordinance of the Island and County of Kauai. Uses shall be limited to those uses permissible in an "A" agricultural district. Any dwelling constructed on any lot shall be a farm dwelling where agricultural activity provides income to the occupying family. No off street or curb parking is permitted, commercial activities (other than vacation rentals) shall be prohibited and no activities which generates offensive noises and offensive or noxious odors shall be permitted.

Section 2. Site Improvement Guidelines. There are height limitations on corner lots for fences, walls, hedges or shrubs to protect sight lines at intersections within the subdivision. There are restrictions on materials used for fences and a height limitation for walls. Recreational and construction vehicles, boats and trailers must be parked under roof. Lots must be kept mowed in a reasonable manner. There are limitations on the number of driveways permitted each lot. Construction is limited to the hours of 7:00 a.m. and 6:00 p.m.

Section 3. Building Guidelines. There are building setbacks. There are minimum building sizes, costs and limitations to construction materials. There are height restrictions. There is a minimum roof pitch slope and limitations on the type of roofing materials permissible. Garages must accommodate at least two cars. There are limitations on the numbers of barns and accessory farm buildings permitted on each dwelling site. There are restrictions against temporary buildings within the subdivision.

Section 4. View Corridors and Tree Trimming Guidelines. Lot owners shall have the right to reasonably trim vegetation in the open space zoning area to enhance views. Only licensed tree trimmers with adequate insurance coverage shall be allowed to undertake and complete such trimming work.

Section 5. Additional Restrictions. No noxious or offensive activity shall be carried on upon any lot. No temporary buildings shall be used on any lot for residential purposes. There are restrictions as to the types of signs permitted on the lots. There are guidelines for garbage and refuse disposal. Water will be

supplied only through a public water system. No improvements or any grading or other materials shall impede the free flow of water in the natural water courses located within the lots.

ARTICLE III
Design Review Committee

Section 1. Design Review Committee and Amendments to the Guidelines. A design review committee consisting of three members will be established. These Restrictive Covenants, including the guidelines set forth herein, may be amended by a vote of at least seven of the nine lot owners.

ARTICLE IV
General Provisions

Section 1. Duration. These Restrictive Covenants will be in effect from the date of their recordation and shall run with the land.

Section 2. Enforcement. The Association of Owners of Anini Vista Estates shall have the right and the responsibility to enforce any or all of the restrictive covenants and conditions imposed by this Declaration. Any disputes or differences or questions arising between the Association and a lot owner concerning the interpretation of or compliance with these covenants shall be submitted to arbitration.

END OF EXHIBIT I

EXHIBIT J

Shoreline Management Permit for Anini Vista Subdivision

1. SMA(U)-79-9 approved February 28, 1979
2. Amendment to SMA(U)-79-9 dated August 14, 1997

EDUARDO E. MALAPIT
MAYOR



BRIAN K. NISHIMOTO
PLANNING DIRECTOR

COUNTY OF KAUAI
PLANNING DEPARTMENT
4280 RICE STREET
LIHUE, KAUAI, HAWAII 96766

March 8, 1979

Mr. James C. Blackwell, Jr.
P. O. Box 908
Lihue, Hawaii 96766

Subject: Special Management Area Use Permit SMA(U)-79-9
James C. Blackwell, Jr./Alan T. Sanborn
TMK: 5-3-06:11 Anini, Hanalei, Kauai

The Planning Commission at its meeting held on February 28, 1979, approved the above permit for a 10-lot agricultural subdivision, subject to the following conditions:

1. As recommended by the Health Department, compliance with Chapter 1, Sanitation, Public Health Regulations, relative to the cemeteries on the property.
2. As represented by the applicant, the subdivision shall not be developed under the Horizontal Property Regime Act.
3. All grading, earth-moving, agriculture grubbing or removal of vegetation shall be strictly in accordance with the County Grading Ordinance or an accepted management program of the U.S. Soil Conservation Service. All such activities shall be done in accordance with acceptable soil conservation, cultivation and other land management practices

Mr. James C. Blackwell, Jr.

Page 2

March 8, 1979

and shall not create adverse effects to shoreline lands, water, or ecosystems. Grading and grubbing shall be strictly limited within the steeper areas.

4. The subdivision shall comply with all applicable requirements of the Subdivision and Comprehensive Zoning Ordinances of the County of Kauai, and shall include deed restrictions for each lot which require compliance with the State Land Use Regulations relative to permissible uses in the Agriculture District, and if dwellings are to be constructed, the dwellings shall be farm dwellings as defined as follows:

"Farm Dwelling shall mean a single-family dwelling located on and used in connection with a farm where agricultural activity provides income to the family occupying the dwelling."

Draft copies of such deed restrictions shall be submitted prior to final approval of the subdivision and final copies submitted within 30 days after recordation, but not later than six (6) months from final approval. Failure to so record the deed restrictions shall automatically cause this subdivision to be in violation of the laws governing the subdivision of lands in the Agriculture District.

5. Prior to and during construction and use, all applicable State and County laws, codes, ordinances, rules and regulations be complied with.



BRIAN NISHIMOTO
Planning Director

cc: Mayor, Pub. Works Dept.
Water Dept., Health Dept.
Hwys. Div., Taxation Br.

MARYANNE W. KUSAKA
MAYOR



DEE M. CROWELL
PLANNING DIRECTOR
IAN K. COSTA
DEPUTY PLANNING DIRECTOR
TELEPHONE (808) 241-6677
FAX (808) 241-6699

PLANNING DEPARTMENT

August 18, 1997

RECEIVED
AUG 20 1997

BELLES GRAHAM
PROUDFOOT & WILSON

Max W. J. Graham, Jr.
Belles Graham Proudfoot & Wilson
4334 Rice Street, Suite 202
Lihue, Hawaii 96766

Subject: Request to Delete Condition No. 2
Special Management Area Use Permit SMA(U)-79-9
Anini Vista Estates Subdivision
TMK: 5-3-09: 1 to 10

The Planning Commission at its meeting held on August 14, 1997 approved the subject request to delete Condition No. 2 of SMA Use Permit SMA(U)-79-9 in its entirety. In order to further address visual/scenic, environmental, and historical concerns of the project, the Planning Commission added the following new Condition No. 2 to the subject permit.

- "2. In order to further address visual/scenic, environmental, and historic concerns of the project the following shall apply:
 - a. In addressing environmental and visual impacts of the project, the owner/applicant of each lot shall submit a landscape plan for review and approval by the Planning Department prior to the development of final plans for construction or grading on each of the lots within the subdivision. As much as possible existing mature vegetation within the SMA portions of the project shall either be preserved or replaced with other approved vegetation. Landscape plan(s) should include identification of existing mature vegetation to be retained on the site, along with proposed landscaping for the project. Proposed landscaping shall consist of native or other species common to the area.

- b. Building design review shall be required for all buildings or structures on each lot in the subdivision. Design guidelines shall be as follows:
- i. As represented only a one (1) story building or dwelling will be permitted off the existing grade level. A lower second story may be permitted only at the lower level on a down slope lot condition as shown on the attached Exhibit "B".
 - ii. The color scheme of all buildings to be constructed shall be of medium to dark or compatible earth tone colors. The use of highly reflective colors or materials on the roofs of all buildings shall not be allowed. Color scheme samples shall be submitted to the Planning Department for review and approval prior to building permit application.
 - iii. The use of mirrored glass, reflective sun screens or other highly reflective materials for exterior windows shall be prohibited.
 - iv. All exterior lighting shall consist only of shielded lights, cut-off luminaries, or indirect lighting. Spotlights aimed upward or spotlighting of structures shall be prohibited.
 - v. With the exception of Lots 3, 4, 6, and 8 of the subdivision, the construction of all farm dwellings and accessory buildings shall be confined to the portions of each lot within the subdivision which are not located in the SMA. With the exception of Lots 3, 4, 6, and 8 of the subdivision, the development of buildings, structures, and roadways within the SMA shall not be allowed. Construction of the SMA portion of Lot 4 shall be limited to a Guest House and pedestrian pathway. Construction on the SMA portion of Lots 6 and 8 shall be limited to one farm dwelling each, accessory structures, and driveways, but shall not include any Guest Houses.

Page 3
Max W. J. Graham, Jr.
August 18, 1997

Construction of Lot 3, all of which is located in the SMA, shall be limited to one farm dwelling, accessory structures, a driveway, one Guest House, and such other structures as may be approved by the Planning Director or the Planning Commission pursuant to the Special Management Area Rules and Regulations of the County of Kauai.

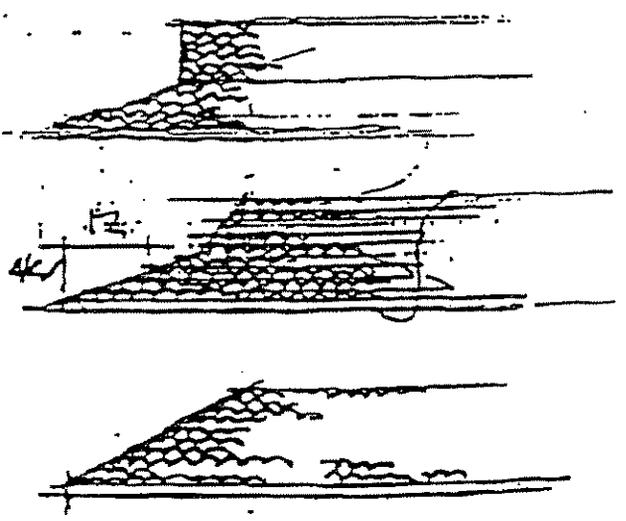
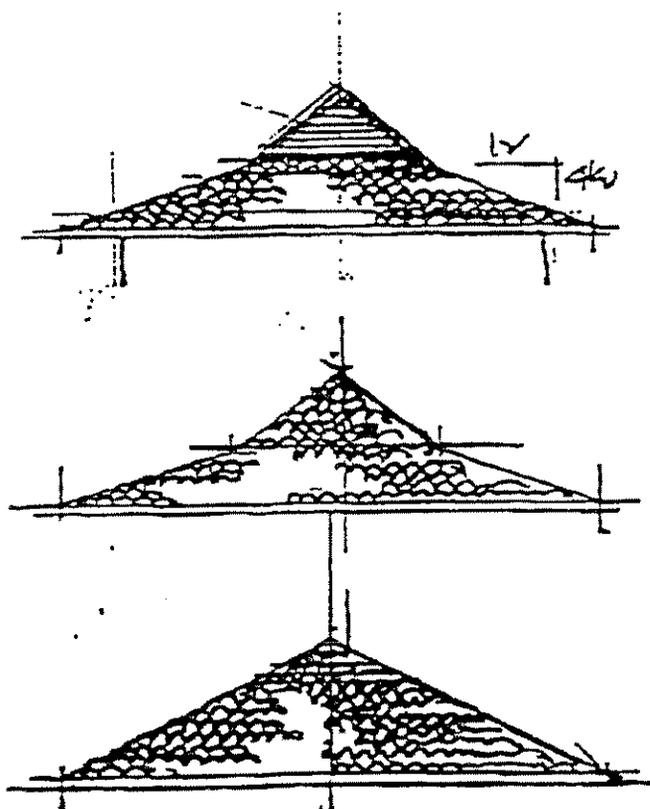
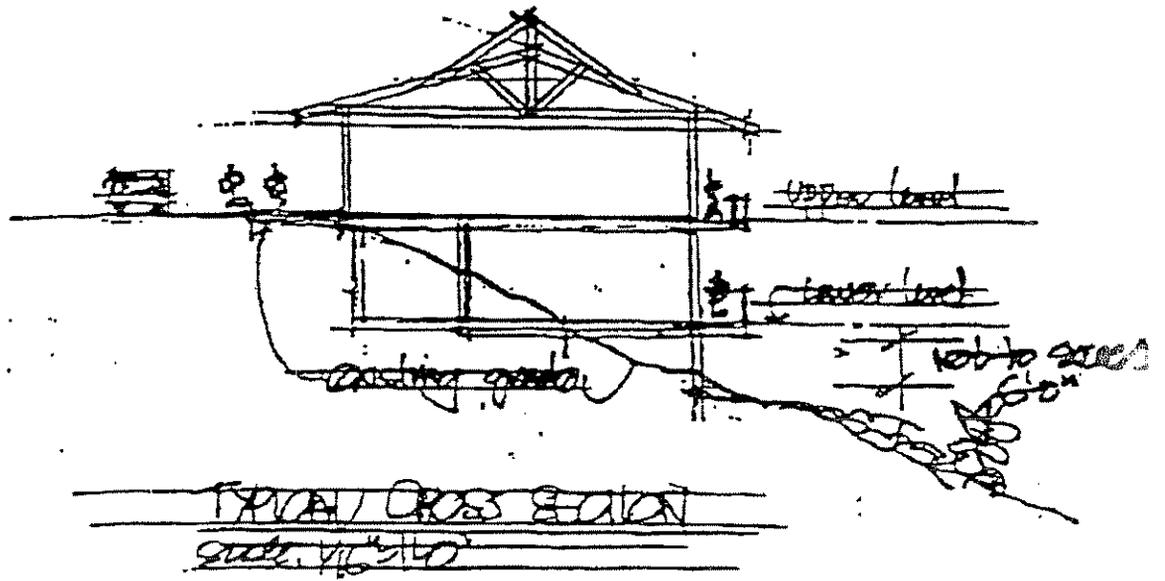
- vi. Prior to the submittal of a building permit application for any development on Lots 3, 4, 6, and 8, the owner(s)/applicant(s) of Lots 3, 4, 6, and 8 shall submit a master plan for each respective lot for review and approval by the Planning Commission. The master plan shall indicate the location and orientation of all structures, buildings, and roadways on subject lots. Master plan should also include conceptual structure designs, landscaping, building location, and color schemes.

- c. As recommended by the State Historic Preservation Division (SHPD), prior to any construction or grading within the SMA portions of the lots within the subdivision, the applicant/owner shall contact the State Historic Preservation Division at 742-7033 regarding archaeological requirements for the project.



DEE M. CROWELL
Planning Director

cc: State Historic Preservation Division
Enclosure



TYPICAL ROOFS

STEPHEN W. LONG, AIA & ASSOCIATES, INC

P. O. Box 223459
Princeville, Hawaii 96722

ARCHITECT'S CERTIFICATION

The undersigned being a licensed Architect within the State of Hawaii, and bearing Registration Number 7801 has inspected Apartment Unit C, located at Tax Map Key, 4th Division 5-3-09:09.

Unit C contains four bedrooms, living / dining / kitchen area, three baths, storage area, utility area, covered lanai, and three exterior decks. The principal construction material is wood.

The inspection included the exterior roof, foundation, walls, visible electrical, and plumbing systems, and I find as follows:

1. The systems and components, including visible structural, electrical, and plumbing, appears to be in satisfactory condition for the stated age thereof and appear to be in good sound condition.
2. Without conducting invasive examinations of covered structural, electrical, and plumbing components, the apartments appear to be constructed in conformity with the County of Kauai Zoning Ordinances, Building Code, and Rules and Regulations applicable to the construction at the time of construction thereof for Apartment.
3. The apparent useful life of the Apartment, provided that proper maintenance is applied to the Apartment, is as follows:

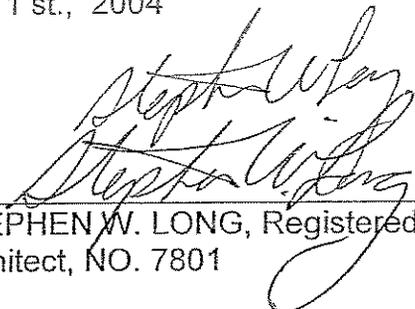
Apartment Unit C: 40 years

4. There are no non-conforming uses existing on the property and no variances from any zoning or building codes have been granted for structures or uses on the property.

THIS IS NOT A WARRANTY OF COMPLIANCE WITH ALL CODES, RULES, AND REGULATIONS, ONLY A WARRANTY THAT INSPECTION WAS MADE AND NO APPARENT VIOLATIONS APPEAR TO EXIST. NO RIGHT SHALL ACCRUE TO ANY THIRD PARTY FOR SUBSEQUENT DISCOVERY OF ANY PROBLEMS WITH CODE COMPLIANCE OR FOR FUTURE CHANGES IN SUCH CODES.

Apartment Unit C

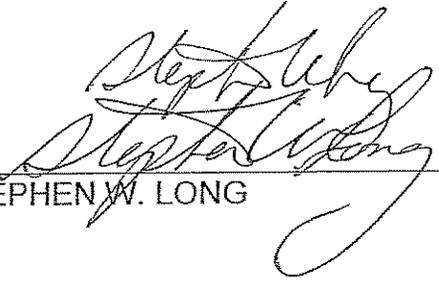
DATED: Lihue, Kauai, Hawaii, September 1 st., 2004



STEPHEN W. LONG, Registered Professional
Architect, NO. 7801

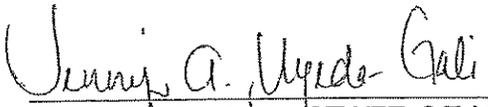
STATE OF HAWAII)
) s.s.
COUNTY OF KAUAI)

STEPHEN W. LONG, being first duly sworn, deposes and says: That he is Registered Professional Architect No. 7801 in the State of Hawaii, has read the foregoing Certificate, knows the contents thereof and the same is true.



STEPHEN W. LONG

Subscribed and sworn to before me
this 1st day of November, 2004.


NOTARY PUBLIC, STATE OF HAWAII
JENNIFER A. UYEDA-GALI
My commission expires: **12/17/2004**