CONDOMINIUM PUBLIC REPORT

Prepared &
Issued by: Developer: STEPHEN FOSTER WILLIAMS and CHARLENE THERESE WILLIAMS
Address: 41-861 Laumilo Street
Waimanalo, Hawaii 96795

Project Name(*): Kawaihau Meadows Condominium
Address: Allotment O, Kaapuna Hui Partition
Moloaa, Kawaihau, Kauai, Hawaii

Registration No. 4745

Effective date: September 19, 2005
Expiration date: Non-expiring pursuant to §514A-43(b), HRS

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, in any, of the project or of purchasing an apartment in the project.

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

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

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

Type of Report:

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

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

X **SUPPLEMENTARY**: **(pink)** — This report updates information contained in the:
[ ] Preliminary Public Report dated:_____
[X] Final Public Report dated: September 17, 2001
[ ] Supplementary Public Report dated:_____

And
[ ] Supersedes all prior public reports
[X] Must be read together with the Final Public Report dated September 17, 2001
[ ] 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

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

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

[X] Changes made are as follows:

1. The description of Unit 1 has been amended to reflect that Unit 1 is a single family residence with a detached garage. As a result, the following changes have been made and/or new documents filed:

   (a) Paragraphs II.A., II.B., III.C.3, 4 and 6, and Exhibit "A" of the Public Report have been amended to reflect the description of Unit 1 as a single family residence.

   (b) A Second Amendment to Declaration of Condominium Property Regime of Kawaihau Meadows Condominium has been recorded in the Bureau of Conveyances as Document No. 2003-024209, showing the description of Unit 1 as a single family residence, together with the following:

      (i) Engineer's Certification signed by Wayne T. Wada, P.E.
      (ii) Amended Condominium Map for the Kawaihau Meadows Condominium.
      (iii) Verified Statement of Professional Architect ("As Built" Certificate) signed by Avery Youn.
      (iv) Floor and elevation plans for the single family residence on Unit 1.

   (c) A Third Amendment to Declaration of Condominium Property Regime of Kawaihau Meadows Condominium has been recorded in the Bureau of Conveyances as Document No. 2005-080098, further amending the description of Unit 1 to include a detached garage, together with the following:

      (i) Engineer's Certification signed by Wayne T. Wada, P.E.
      (ii) Amended Condominium Map for the Kawaihau Meadows Condominium.
      (iii) Verified Statement of Professional Architect ("As Built" Certificate) signed by Avery Youn.
      (iv) Floor and elevation plans for the detached garage on Unit 1.

   (d) An updated title report has been prepared and Exhibit "E" of the Public Report has been amended to reflect the changes to title.

2. The real estate broker for the project is Stephen F. Williams, Co-Developer of the Project, license number RB7631.

3. A disclosure abstract has been added as Exhibit J.

TABLE OF CONTENTS

		Page
Preparation of this Report		1
Expiration Date of Reports		1
Type of Report		1
Disclosure Abstract		2
Summary of Changes from Earlier Public Reports		2
Table of Contents		3
General Information on Condominiums		4
Operation of the Condominium Project		4
I.	PERSONS CONNECTED WITH THE PROJECT	5
	Developer / Attorney for Developer / General Contractor	
	Real Estate Broker / Escrow Company / Condominium Managing Agent	
II.	CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
	A. Declaration	6
	B. Condominium Map (File Plan)	6
	C. Bylaws	6
	D. House Rules	7
	E. Changes to Condominium Documents	7
III.	THE CONDOMINIUM PROJECT	
	A. Interest to be Conveyed to Buyer	8
	B. Underlying Land	9
	C. Buildings and Other Improvements	10
	D. Common Elements, Limited Common Elements, Common Interest	13
	E. Encumbrances Against Title	14
	F. Construction Warranties	15
	G. Status of Construction	16
	H. Project Phases	16
IV.	CONDOMINIUM MANAGEMENT	
	A. Management of the Common Elements	17
	B. Estimate of Initial Maintenance Fees	17
	C. Utility Charges for Apartments	17
V.	MISCELLANEOUS	
	A. Sales Documents Filed with the Real Estate Commission	18
	B. Buyer's Right to Cancel Sales Contract	18
	C. Additional Information Not Covered Above	20
	D. Signature of Developer	21

EXHIBIT A: DESCRIPTION OF BUILDINGS
EXHIBIT B: ALTERATION OF PROJECT
EXHIBIT C: COMMON ELEMENTS
EXHIBIT D: LIMITED COMMON ELEMENTS
EXHIBIT E: ENCUMBRANCES AGAINST TITLE
EXHIBIT F: ESTIMATE OF INITIAL MAINT. FEES & ESTIMATE OF MAINT. FEE DISBURSEMENTS
EXHIBIT G: SUMMARY OF DEPOSIT RECEIPT AND SALES CONTRACT
EXHIBIT H: SUMMARY OF ESCROW AGREEMENT
EXHIBIT I: FARM DWELLING AGREEMENT (Sample Form)
EXHIBIT J: DISCLOSURE ABSTRACT

I. PERSONS CONNECTED WITH THE PROJECT

Developer:	STEPHEN FOSTER WILLIAMS and CHARLENE THERESE WILLIAMS 41-861 Laumilo Street Waimanalo, Hawaii 96795	Phone: (808) 258-6656 (Business)

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

N/A

Real Estate Broker *:	Stephen F. Williams 50 South Beretania Street, Suite C210A-1 Honolulu, Hawaii 96813	Phone: (808) 258-6656
Escrow:	First Hawaii Title Corporation 4211 Waialae Avenue #308 Kahala Office Tower Honolulu, Hawaii 96816	Phone: (808) 737-7771
General Contractor *:	Leandro R. Agcaoili dba Agcaoili & Son Partners 2966 Hoolako Street Lihue, Kauai, Hawaii 96766	Phone: (808) 245-6862
Condominium Managing Agent *:	Self-managed by Association of Unit Owners	Phone: N/A
Attorney for Developer:	Max W. J. Graham, Jr. Belles Graham Proudfoot & Wilson 4334 Rice Street, Suite 202 Lihue, Kauai, Hawaii 96766-1388	Phone: (808) 245-4705

* 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:
[ ] Proposed
[X] Recorded - Bureau of Conveyances: Document No. 2001-152053
Book_____ Page _____
[ ] Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment to Declaration of Condominium Property Regime of Kawaihau Meadows Condominium dated January 25, 2002, and recorded as Document No. 2002-010251; Second Amendment to Declaration of Condominium Property Regime of Kawaihau Meadows Condominium dated January 2, 2003, and recorded as Document No. 2003-024209; and Third Amendment to Declaration of Condominium Property Regime of Kawaihau Meadows Condominium dated April 11, 2005, and recorded as Document No. 2005-080098.

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

The Condominium Map for this condominium project is:
[ ] Proposed
[X] Recorded - Bureau of Conveyances Condo Map No. 3342
[ ] 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]:

Second Amendment to Declaration of Condominium Property Regime of Kawaihau Meadows Condominium dated January 2, 2003, and recorded as Document No. 2003-024209; and Third Amendment to Declaration of Condominium Property Regime of Kawaihau Meadows Condominium dated April 11, 2005, and recorded as Document No. 2005-080098

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

The Bylaws for this condominium are:
[ ] Proposed
[X] Recorded - Bureau of Conveyances: Document No. 2001-152054
Book_____Page _____
[ ] Filed - Land Court: Document No. _____

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

Fee Owner: STEPHEN FOSTER WILLIAMS and
CHARLENE THERESE WILLIAMS
41-861 Laumilo Street
Waimanalo, Hawaii 96795

Lessor: N/A
Name

Address

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 2 Floors Per Building 1

   [X] Exhibit "A" contains further explanations.

3. Principal Construction Material:

   [ ] Concrete [ ] Hollow Tile [X] Wood

   [X] Other Steel posts and screen

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted by Zoning	
[X] Residential	1	[X] Yes	[ ] No
[ ] Commercial		[ ] Yes	[ ] No
[ ] Mix Res/Comm		[ ] Yes	[ ] No
[ ] Hotel		[ ] Yes	[ ] No
[ ] Timeshare		[ ] Yes	[ ] No
[ ] Ohana		[ ] Yes	[ ] No
[ ] Industrial		[ ] Yes	[ ] No
[ ] Agricultural		[ ] Yes	[ ] No
[ ] Recreational		[ ] Yes	[ ] No
[X] Other: Sheds	1	[X] Yes	[ ] No

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

[X] Yes [ ] No

5. Special Use Restrictions:

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

[X] Pets: Animals and pets are limited as provided in Section 13.1 of the Bylaws.

[ ] Number of Occupants: _____

[ ] Other: _____

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
Unit 1	1	3/2	1,315	271	Decks/Entry
Unit 2	1	0/0	N/A	20	Shed

Total number of Apartments: 2

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

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

Boundaries of Each Apartment:

See Exhibit "A"

Permitted Alterations to Apartments:

See Exhibit "B"

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.

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

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

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

[X] described in Exhibit "D" *.

[ ] as follows:

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

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 _____.

[X] as follows:

Each unit shall have appurtenant thereto an undivided one-half (1/2) interest in all common elements of the property, and the same proportionate share in all common profits and common expenses of the property (except as may be otherwise provided in the Bylaws) and for all other purposes, including voting. The percentage common interest for each unit is determined by assigning a one-half (1/2) fractional interest to both of the units irrespective of the actual land areas contained in the limited common elements appurtenant to each unit.

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 "E" describes the encumbrances against the title contained in the title report dated August 2, 2005 and issued by Commonwealth Land Title Insurance Company.

Blanket Liens:

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

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

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

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

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed **Prior to Conveyance**
Mortgage as to Unit 1 only	Lender has priority over Buyer's rights under a sales contract, and has a right to terminate sales contracts upon foreclosure of its mortgage before an apartment sale is closed. Should the lender terminate Buyer's sales contract, Buyer shall be entitled to a refund of all deposits, less escrow cancellation fee.

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: Units are sold "as is".

2. Appliances:

N/A

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

The construction of the single-family residence on Unit 1 was completed in September 2002. The completion of the garage on Unit 1 was completed in June 2003.

The construction of Unit 2 was completed in June 2001.

H. **Project Phases:**

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

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

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

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

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. 4745 filed with the Real Estate Commission on October 1, 2001.

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

[ ] YELLOW paper stock [ ] WHITE paper stock [X] PINK paper stock

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.

STEVEN FOSTER WILLIAMS and CHARLENE THERESE WILLIAMS
Name of Owners/Developers

STEPHEN FOSTER WILLIAMS — August 15, 2005
Date

Charlene Therese Williams
CHARLENE THERESE WILLIAMS — August 15, 2005
Date

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.

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. Any taxes that may be due and owing and tax liens that may exist, refer to Director of Finance, Kauai County.

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

3. Waiver and Release dated April 16, 2001, recorded in said Bureau as Document No. 2001-068409.

4. Any unrecorded leases, subleases, and/or tenancy agreements demising a portion of the land herein described, and any encumbrances affecting the same.

5. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the following:

   Declaration of Condominium Property Regime of Kawaihau Meadows dated September 17, 2001, and recorded in said Bureau as Document No. 2001-152053, but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

   Condominium Map No. 3342 to which reference is hereby made.

   The foregoing Declaration was amended by that certain First Amendment to Declaration of Condominium Property Regime of Kawaihau Meadows Condominium dated January 25, 2002, and recorded in said Bureau as Document No. 2002-010251.

   The foregoing Declaration was further amended by that certain Second Amendment to Declaration of Condominium Property Regime of Kawaihau Meadows Condominium dated January 2, 2003, and recorded in said Bureau as Document No. 2003-024209.

   The foregoing Declaration was further amended by that certain Third Amendment to Declaration of Condominium Property Regime of Kawaihau Meadows Condominium dated April 11, 2005, and recorded in said Bureau as Document No. 2005-080098.

6. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the Bylaws of the Association of Unit Owners of Kawaihau Meadows Condominium dated September 17, 2001, and recorded in said Bureau as Document No. 2001-152054, but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

7. **As to Unit 1 only:**

a) The terms, provisions, covenants, easements and reservations as contained in the Apartment Deed (original) dated October 22, 2002, and recorded in said Bureau as Document No. 2002-189353, but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

b) Mortgage in favor of Hawaii Homeloans Inc., a Hawaii corporation, dated October 16, 2002, and recorded in said Bureau as Document No. 2002-189354.

8. **As to Unit 2 only:**

The terms, provisions, covenants, easements and reservations as contained in the Apartment Deed (original) dated October 22, 2002, and recorded in said Bureau as Document No. 2002-217413, but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

EXHIBIT "J"

DISCLOSURE ABSTRACT FOR KAWAIHAU MEADOWS CONDOMINIUM

Pursuant to Hawaii Revised Statutes, Section 514(A)-61, the Developers of the Kawaihau Meadows Condominium make the following disclosures:

1. The Developers of the Project are STEPHEN FOSTER WILLIAMS and CHARLENE THERESE WILLIAMS, husband and wife, whose mailing address is 41-861 Laumilo Street.

2. The real estate broker for the project is STEPHEN F. WILLIAMS, Co-Developer of the Project, whose mailing address is 50 South Beretania Street, Suite C210A-1, Honolulu, Hawaii 96813, whose telephone number is (808) 258-6656.

3. The escrow company for the project is First Hawaii Title Corporation, whose mailing address is 4211 Waialae Avenue #308, Kahala Office Tower, Honolulu, Hawaii 96816, and whose telephone number is (808) 737-7771.

4. See Exhibit "F" to the Final Public Report for the projected annual maintenance fees. The Developer hereby certifies that the estimations have been based on generally accepted accounting principles.

5. 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" condition.

6. Both of the units of the Project are to be used for agricultural and farm dwelling purposes. No apartments shall be used for hotel or timeshare purposes. There will be no commercial use except those activities permitted by County Ordinance.

7. The Developer has not conducted a reserve study in accordance with Section 514A-83.6, and the replacement reserve rules, Subchapter 5, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. There are no depreciable common elements in the Project.

IN WITNESS WHEREOF, the Developer has executed this Disclosure Abstract this 15th day of August, 2005.

STEPHEN FOSTER WILLIAMS

CHARLENE THERESE WILLIAMS

RECEIPT

The undersigned has received a copy of the foregoing Disclosure Abstract with Exhibit "F" this _____ day of _____, 20_____.

Purchaser(s):

_____ _____