CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Linda A. Sprcat
Address P.O. Box 99, Kilauea, HI 96754

Project Name (*): AKANA'OHANA O KALIHIWAI
Address: 3144 KALIHIWAI VALLEY ROAD, KALIHIWAI, KAUAI, HI

Registration No. 4862

Effective date: September 9, 2004
Expiration date: October 9, 2005

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. 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: _____
[ ] Supplementary Public Report dated: _____

And
[ ] Supersedes all prior public reports.
[X] Must be read together with Final Public Report
[ ] 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 following disclosures are added under the section entitled SPECIAL ATTENTION on page 2 of the final public report:

DOMESTIC AND IRRIGATION WATER FOR THE PROJECT IS CURRENTLY PROVIDED BY PRINCEVILLE UTILITIES COMPANY, INC., A PRIVATE COMPANY, THROUGH A PRIVATE WATER SYSTEM CONSTRUCTED, OPERATED AND MAINTAINED BY THE KALIHIWAI BAY ESTATES WATER ASSOCIATION, A HAWAII NONPROFIT CORPORATION, WHOSE REGISTERED AGENT IS JOHN WEHRHEIM, P.O. BOX 1200, KILAUEA, HI 96754. THE ASSOCIATION, IN ACCORDANCE WITH ITS ARTICLES OF INCORPORATION (FILED AUGUST 29, 1990 WITH THE STATE OF HAWAII DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS) AND BYLAWS, CHARGES THE INDIVIDUAL USERS ON THE SYSTEM FOR WATER CONSUMPTION AND OTHER APPLICABLE COSTS. THE PURCHASER IS ADVISED TO CONFIRM THE AVAILABILITY OF WATER SERVICE.

THE PURCHASER IS ALSO ADVISED THAT THE PROJECT IS LOCATED IN THE SPECIAL MANAGEMENT AREA ("SMA") AS DESIGNATED BY THE COUNTY OF KAUAI AND THAT ANY CONSTRUCTION WITHIN THE SMA MUST COMPLY WITH HAWAII REVISED STATUTES, CHAPTER 205A, COASTAL ZONE MANAGEMENT, AND THE SPECIAL MANAGEMENT AREA RULES AND REGULATIONS OF THE COUNTY OF KAUAI (AS AMENDED).

2. The Real Estate Broker has been designated and the business address of the Attorney for the Developer has changed on page 5 of the Final Public Report. The executed Broker Listing Agreement is referenced on page 18 of this Supplementary Public Report.

3. The designated agent for service of process for the project has changed as described by The Third Amendment to Akana 'Ohana O Kalihiwai Condominium Declaration of Condominium Property Regime, which has been recorded in the State of Hawaii Bureau of Conveyances and is referenced on page 6 of this Supplementary Public Report.

4. The Disclosure Statement has been updated to reflect the designated Sales Agent and the replacement project manager/agent as herein described.

Special Notice. The Developer's Final Public Report expired on November 1, 2003. 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 the purchaser. The 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 real estate agent.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Linda A. Sproat
Name*
P.O. Box 99
Business Address
Kilauea, HI 96754

Phone: (808) 828-1746
(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*: Peter J. Haines
Name
2764C Booth Road
Business Address
Honolulu, HI 96813

Phone: (808) 545-3176
(Business)

Escrow Name: Title Guaranty Escrow Services, Inc.
235 Queen St.
Business Address
Honolulu,HI 96813

Phone: (808) 533-6261
(Business)

General Contractor*: Brent G. W. Lum dba Brent Lum Construction
Name
P.O. Box 553
Business Address
Kilauea, HI 96754

Phone: (808) 828-1816
(Business)

Condominium Managing Agent*: None, self managed by Association of Apartment Owners
Name
Business Address

Phone:
(Business)

Attorney for Developer: Curtis H. Shiramizu
Name
4880 Pelehu Road
Business Address
Kapaa, HI 96746-1956

Phone: (808) 651-9358
(Business)

* 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. 2001-187243
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 Akana 'Ohana O Kalihiwai Condominium Declaration of Condominium Property Regime, 3/21/02, Doc. no. 2002-067802; Second Amendment to Akana 'Ohana O Kalihiwai Condominium Declaration of CPR, 8/20/02, Doc. no. 2002-145267; Third Amendment to Akana 'Ohana O Kalihiwai*

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. 3373
[ ] 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]:

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. 2001-187244
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]:

*Condominium Declaration of CPR, 7/23/04, Doc. no. 2004-154274

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:

[X] described in Exhibit A.

[ ] as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." 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:

[X] described in Exhibit B.

[ ] 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 or your purchase and ownership of an apartment in the project.

Exhibit C describes the encumbrances against the title contained in the title report dated August 13, 2004 and issued by Title Guaranty of Hawaii, Inc..

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

[x] Specimen Sales Contract
Exhibit E contains a summary of the pertinent provisions of the sales contract.

[x] Escrow Agreement dated March 21, 2002
Exhibit F contains a summary of the pertinent provisions of the escrow agreement.

[X] Other Exclusive Right-To-Sell Listing Agreement dated 3/11/04

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 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. 4862 filed with the Real Estate Commission on May 24, 2002.

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.

LINDA A. SPROAT
Printed Name of Developer

By: Linda A. Sproat
Duly Authorized Signatory*

September 2,2004
Date

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.

AKANA 'OHANA O KALIHIWAI

REGISTRATION NO. 4862

DISCLOSURE STATEMENT AS OF SEP 02, 2004.

1. Name of Project: AKANA 'OHANA O KALIHIWAI CONDOMINIUM

2. Location: 3144 Kalihiwai Road, Kalihiwai, Kauai, Hawaii

3. Name of Developer: Linda A. Sproat

4. Address: P.O. Box 99, Kilauea, Kauai, Hawaii 96754

5. Telephone: (808) 828-1746

6. Project Manager or Agent: Linda A. Sproat.

7. Address: P.O. Box 187, Kilauea, Kauai, Hawaii 96754

8. Sales Agent: Peter J. Haines (R)
2764C Booth Road, Honolulu, Hawaii 96813
(808) 545-3176

9. Maintenance Fees: Due to the character of the project, where the only common element is an unpaved access road, which requires minimal, if any, maintenance, a substantial portion of the common elements constitute limited common elements appurtenant to a particular apartment and the requirement that each apartment owner maintain at the apartment owner's expense the limited common elements appurtenant to the apartment owner's apartment, it is anticipated that funds for the operation and maintenance of the common areas will be collected by special assessments rather than regular monthly assessments. Accordingly, no initial maintenance fees are anticipated.

10. Warranties: None

11. Condition of Project: Based on an Architect's Certification prepared by Avery Youn, the Project is in compliance with all ordinances, codes, rules or other regulations in force at the time of its construction and the Project, and its structures and uses, conform to present zoning requirements.

DATED: SEP 02, 2004.

Linda A. Sproat

LINDA A. SPROAT