CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer: DEREK HAGGLOF
Address: P. O. Box 6615
Tahoe City, California 96145

MATTHEW ROBBINS
2460 Porterfield Court
Mountain View, California 94040

Project Name(*): HPR Estates
Address: 3936 Waha Road
Kalaheo, Kauai, Hawaii 96741

Registration No. 6129

Effective date: July 15, 2009
Expiration date: August 15, 2010

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: November 21, 2006
[ ] 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 "I"

[ ] 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 2 has been amended to reflect that Unit 2 is a single-story residential dwelling.

2. The Condominium Map has been amended to show the residential dwelling on Unit 2.

3. A Second Amendment to Declaration of Condominium Property Regime of HPR Estates has been recorded in the Bureau of Conveyances as Document No. 2009-039953, showing the description of Unit 2, together with the following:

   (i) Surveyor's Certification signed by Roger M. Caires.
   (ii) Amended Condominium Map for the HPR Estates.
   (iii) Certificate of Architect ("As Built" Certificate) signed by Avery H. Youn for Unit 2.
   (iv) Floor and elevation plans for the residential dwelling on Unit 2.

4. The Declaration was further amended to correct the error of the Unit 2 Garage area, pursuant to the Third Amendment to Declaration of Condominium Property Regime of HPR Estates recorded as Document No. 2009-063393.

5. A Fourth Amendment to Declaration of Condominium Property Regime of HPR Estates recorded as Document No. 2009-101496, to show that the Bedroom 3 of the Unit 2 Dwelling was converted to a Study. The Fourth Amendment was filed at the Bureau together with the following:

   (i) Certificate of Architect ("As Built" Certificate) signed by Avery H. Youn for Unit 2.
   (ii) Floor and elevation plans for the residential dwelling on Unit 2.

6. The escrow company for the sale of Unit 2 has been changed to Old Republic Title & Escrow of Hawaii, Ltd.

7. HRS 514B – New Condominium Law

A new condominium law for the State of Hawaii took affect as of July 1, 2006, and is codified as Hawaii Revised Statutes, Chapter 514B ("HRS 514B"). The former condominium law, found at Hawaii Revised Statutes Chapter 514A, will continue to be applicable to this Project, subject to certain sections being superseded by HRS 514B. Buyers should retain counsel to answer any questions they may have with regard to the effect HRS 514B will have on this project.

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, **not** a subdivision. There are County restrictions on the number of residential dwelling units, or other structures, which may be built on the property. Therefore, unless the Purchaser is buying an existing residential dwelling, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE IS ALSO NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. The Purchaser should consult with the appropriate County agencies to determine whether the Purchaser may build a residential dwelling unit, or any other type of structure, on the property.

1. There are presently two residential structures on the property, both of which may be defined as an "apartment" under the condominium property act.

2. This public report does **not** constitute an approval of the project by the Real Estate Commission or any other governmental agency, nor does it warrant that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.

3. The land area beneath and immediately appurtenant to each unit is designated a **LIMITED COMMON ELEMENT** and is **not** a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

4. Facilities and improvements normally associated with County-approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owners and emergency traffic, drainage facilities, etc., may not be provided, and services such as County street maintenance and trash collection may 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.

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 PURCHASE CONTRACT
EXHIBIT H: SUMMARY OF ESCROW AGREEMENT
EXHIBIT I: DISCLOSURE ABSTRACT
EXHIBIT J: ADDITIONAL DWELLING UNIT FACILITIES CLEARANCE FORM

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:	DEREK HAGGLOF P. O. Box 6615 Tahoe City, California 96145	Phone: (530) 318-6609
	MATTHEW ROBBINS 2460 Porterfield Court Mountain View, California 94040	Phone: (650) 964-6288

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 *:	KAUAI REALTY, INC. 2970 Kress Street Lihue, Kauai, Hawaii 96766	Phone: (808) 245-1651 (Business)
Escrow:	OLD REPUBLIC TITLE & ESROW OF HAWAII, LTD. 733 Bishop Street, Suite 2700 Honolulu, Hawaii 96813	Phone: (808) 566-0100 (Business)
General Contractor *:	US GUYS BUILDERS, LLC 4-1070 Kuhio Highway, Suite B Kapaa, Kauai, Hawaii 96746	Phone: (808) 822-9544 (Business)
Condominium Managing Agent *:	Self-managed by Association of Unit Owners	Phone: N/A (Business)
Attorney for Developer:	Jonathan J. Chun Belles Graham Proudfoot Wilson & Chun, LLP 4334 Rice Street, Suite 202 Lihue, Kauai, Hawaii 96766-1388	Phone: (808) 245-4705 (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. 2006-063629
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 HPR Estates (acknowledged November 21, 2006, recorded as Document No. 2006-221293; Second Amendment to Declaration of Condominium Property Regime of HPR Estates (acknowledged March 2, 2009 and March 4, 2009), recorded as Document No. 2009-039953; Third Amendment to Declaration of Condominium Property Regime of HPR Estates recorded as Document No. 2009-063393; and Fourth Amendment to Declaration of Condominium Property Regime of HPR Estates recorded as Document No. 2009-101496.

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. 4204
[ ] 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 HPR Estates (acknowledged March 2, 2009 and March 4, 2009), recorded as Document No. 2009-039953; and Fourth Amendment to Declaration of Condominium Property Regime of HPR Estates recorded as Document No. 2009-101496.

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. 2006-063630
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]:

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 [X] 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:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	100%
Bylaws	65%	100%
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.

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

The Developer reserves the right to change the Declaration and Condominium Map as provided for in Section M. of the Declaration.

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

[X] Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.

[ ] Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit_____contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires:_____ Rent Renegotiation Date(s): _____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit_____contains a schedule of the lease rent for each apartment per [ ] Month [ ] Year

For Sub-leaseholds:

[ ] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
[ ] Canceled [ ] Foreclosed

[ ] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

[ ] Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Sub-leasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit_____contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit_____contains a schedule of the lease rent for each apartment per: [ ] Month [ ] Year

[ ] 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: 3936 Waha Road
Kalaheo, Kauai, Hawaii 96741

Tax Map Key: (TMK): (4) 2-3-017-009

[ ] Address [X] TMK is expected to change because CPR numbers will be added to the current TMK number.

Land Area: 16,565 [X] square feet [ ] acre(s) Zoning: Residential (R-4)

Fee Owner: DEREK HAGGLOF
MATTHEW ROBBINS

Lessor: N/A
Name

Address

C. **Buildings and Other Improvements:**

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

   [ ] Other _____

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted by Zoning	
[X] Residential	2	[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
[ ] Other: Shed		[ ] 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: Bylaws, Article 13.1

[ ] Number of Occupants: _____

[ ] Other: _____

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 1 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	Identify)
* Unit 1	1	2/2	1,271.00	671/547	Lanai/Carport
Unit 2	1	3/2	1,578	116/361	Lanai & stairs/ Garage

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.

7. Parking Stalls:

Total Parking Stalls: 4 *

	Regular		Compact		Tandem		
	Covered	Open	Covered	Open	Covered	Open	TOTAL
Assigned (for each unit)	2						2
Guest							
Unassigned							
Extra for Purchase							
Other:							
Total Covered & Open:	4		0		0		4

Each apartment will have the exclusive use of at least 2 parking stall(s). Buyers are encouraged to find out which stall(s) will be available for their use.

* Each unit has ample space for parking within its limited common element area.

[ ] Commercial parking garage permitted in condominium project.

[ ] Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[X] There are no recreational or common facilities.

[ ] Swimming pool [ ] Storage Area [ ] Recreation Area

[ ] Laundry Area [ ] Tennis court [ ] Trash Chute/Enclosure(s)

[ ] Other: _____

9. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations

[X] There are no violations. [ ] Violations will not be cured.

[ ] Violations and cost to cure are listed below. [ ] Violations will be cured by _____ (Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years):

N/A

11. Conformance to Present Zoning Code

a. [X] 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 lawfully at one time but which does not now conform to present zoning requirements:

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

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:

[X] described in Exhibit "C".

[ ] 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.

[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 fifty percent (50%) 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 apportioning a fifty percent (50%) interest to each of the two (2) units irrespective of the actual land areas contained in 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 March 24, 2009 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.

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

[ ] 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**

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:

None. All appliances are sold "as is".

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

The construction of the Unit 1 residence was completed in January 2006.
The construction of the Unit 2 residence was completed in December 2007.

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):

IV. CONDOMINIUM MANAGEMENT

A. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report is:

[ ] not affiliated with the Developer [ ] the Developer or the Developer's affiliate.
[X] self-managed by the Association of Apartment Owners [ ] Other _____

B. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your apartment and the apartment may be sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit "F" contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. **Utility Charges for Apartments:**

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

[X] None [ ] Electricity (____ Common Elements only ____ Common Elements & Apartments)

[ ] Gas (_____ Common Elements only _____ Common Elements & Apartments)

[ ] Water [ ] Sewer [ ] Television Cable

[ ] Other _____

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 "G" contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated March 30, 2009.
Exhibit "H" contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other _____

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. 6129 filed with the Real Estate Commission on August 3, 2006.

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

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

C. Additional Information Not Covered Above:

1. The use of hazardous material is restricted except as provided under Article H of the Declaration and all hazardous materials laws.

2. For the purpose of Exhibit "F" of the Supplementary Condominium Public Report 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.

3. Current County of Kauai ordinances allow the construction of one single family dwelling and one "additional dwelling unit" ("ADU"). As long as there is an Additional Dwelling Unit ("ADU") ordinance in effect in the County of Kauai, each of the Units shall be entitled to construct a single Condominium House (whether it is considered as the main residence or the ADU allowed to be constructed on the Property). The Developer makes no warranties or representations regarding the future of County of Kauai ordinances regarding ADUs or the ability at anytime in the future of an ADU to be constructed on the property. A County of Kauai Additional Dwelling Unit Facilities Clearance Form was approved on July 27, 2005, a copy of which is attached hereto as Exhibit "J".

4. No unit owner shall be allowed to construct a Guest House on the property at any time.

5. Due to the restriction on waste water disposal facilities on the Property, Section E.6 of the Declaration provides that the dwelling to be constructed on Unit 1 shall be restricted to no more than 3 bedrooms and the dwelling to be constructed on Unit 2 shall be restricted to no more than 2 bedrooms. Each owner must install his own septic wastewater system.

6. A small portion of the eaves on the northwest corner of the dwelling unit constructed on Unit 2 currently overhangs the limited common element appurtenant to Unit 1, as shown on the Condominium Map. The eaves overhanging the limited common element appurtenant to Unit 1 and the driveway located thereon does not violate the CZO setback requirements.

7. Section E.3 of the Declaration provides that if any part of a unit encroaches upon a portion of the common elements, an easement shall exist for such encroachment and its maintenance for so long as the encroachment continues, provided that such encroachment shall be either minor and unintentional or placed pursuant to the provisions of the Declaration.

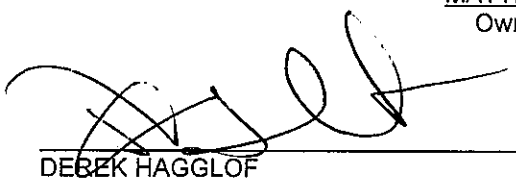
8. HRS 514B – New Condominium Law

A new condominium law for the State of Hawaii took affect as of July 1, 2006, and is codified as Hawaii Revised Statutes, Chapter 514B ("HRS 514B"). The former condominium law, found at Hawaii Revised Statutes Chapter 514A, will continue to be applicable to this Project, subject to certain sections being superseded by HRS 514B. Buyers should retain counsel to answer any questions they may have with regard to the effect HRS 514B will have on this project.

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.

DEREK HAGGLOF
MATTHEW ROBBINS
Owner/Developer



DEREK HAGGLOF — April 3, 2009
Date

MATTHEW ROBBINS — 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.

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.

DEREK HAGGLOF
MATTHEW ROBBINS
Owner/Developer

DEREK HAGGLOF — Date

MATTHEW ROBBINS — April 3, 2009
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 "A"

DESCRIPTION OF BUILDINGS

The project consists of two (2) residential dwellings on Unit 1 and Unit 2. The residential dwellings are constructed principally of wood, without a basement on concrete with wood posts foundation. Each structure (herein called "unit") is shown on the Condominium Map.

Unit 1, located as shown on the Condominium Map, is a one-story residence consisting of two (2) bedrooms, two (2) bathrooms, a living room, kitchen, dining room, office, laundry room, mud room and carport. Unit 1 has a net living area of approximately 1,271 square feet, a lanai or approximately 671 square feet, a workshop of approximately 611 square feet, stairs of approximately 74 square feet, and a carport of approximately 547 square feet, for a total area of approximately 3,174 square feet.

Unit 2, located as shown on the Condominium Map, is a one-story residence consisting of three (3) bedrooms, two (2) bathrooms, a living room, kitchen, dining room, and a garage. Unit 2 has a net living area of approximately 1,578 square feet, lanai/stairs of approximately 116 square feet, and a garage of approximately 361 square feet, for a total area of approximately 2,055 square feet.

The approximate net floor areas of each unit as set forth above is measured from the interior surface of the unit perimeter walls and includes all of the walls and partitions within its perimeter walls.

EXHIBIT "B"

ALTERATION OF PROJECT

Paragraph K of the Declaration provides that:

1. Provided that the unit owner satisfies the applicable terms and conditions of the Project Documents and obtains all of the necessary governmental permits, each unit owner shall have the right at his sole option at any time and from time to time, as hereinafter set forth, without the consent and/or approval of the owner of any other unit or any other persons or entity, to construct, reconstruct, repair, maintain, improve, renovate, remodel, make additions to, enlarge, remove, replace, alter or restore the improvements to or in his unit or portions thereof or upon or within the Yard Areas or other limited common elements or easements appurtenant to his unit (collectively, the foregoing are referred to as "alterations"). Each unit owner who makes such alterations (hereinafter referred to as the "Altering Owner") shall have the right without the consent or joinder of any other person to amend this declaration and the Condominium Map to accomplish any such alterations. If required by the Act, promptly upon completion of such alterations the Altering Owner shall duly record such amendment to this declaration in the Bureau of Conveyances, together with a complete set of the floor plans of such unit as so altered, certified by a registered architect or professional engineer to fully and accurately depict the altered portions of the property as built. All existing unit owners and all future unit owners and their mortgagees, by accepting an interest in a unit, consent to all such alterations and agree to give and shall be deemed to have given the owner of the Altering Owner a power of attorney to execute an amendment to the declaration solely for the purpose of describing the alterations to such unit in the declaration so that the Altering Owner shall hereafter have a power of attorney from all the other unit owners to execute such amendment to the declaration. This power of attorney shall be deemed coupled with each owner's interest in his unit (including his common interest) and shall be irrevocable. If, despite the provisions of this paragraph, any governmental agency shall require some or all of the owners of units in the Project (other than the Altering Owner) to sign the necessary governmental permit application or related documents, then all of the other unit owners shall be required to sign any such permit applications or related documents (including authorizations allowing the Altering Owner to sign such governmental permits on behalf of such other owners) as may be necessary to allow a unit owner to obtain the governmental permit authorized by this paragraph. Any such unit owner who wrongfully refuses to sign such permits or provide the Altering Owner with the necessary authorizations: shall be liable to the Altering Owner for all such damages (including costs and attorneys' fees) incurred by the Altering Owner as a result of such refusal; and shall be subject to such other legal and/or equitable remedies as may be available to the Altering Owner.

2. Any alteration of a unit pursuant to this paragraph K shall be subject to the following conditions:

(a) All such alterations shall conform with all applicable governmental regulations, laws and ordinances.

(b) Such alterations may decrease or increase the size of the affected unit, provided that no alteration shall extend or place the unit outside of the limits of the Yard Area appurtenant to such unit.

(c) All such alterations shall be at the sole expense of the unit owner making the change and shall be made within one (1) year of the commencement thereof and in a manner that will not unreasonably interfere with the other unit owner's use of his unit or Yard Area.

(d) With the prior consent of the Board of Directors, the owner of the altered unit, at such owner's sole expense, shall have the right to: utilize, relocate, construct, reconstruct, realign and/or develop additional, central and appurtenant installations for services to the unit affected by such alteration for electricity, sewer and other utilities and services; and when necessary, add, delete, relocate, realign, designate and grant easements and rights-of-way over, under and on the common elements as necessary or desirable in connection therewith. Provided, however, that no work done pursuant to this paragraph shall cause any unreasonable interruption in the service of such utilities to any other part of the Project, nor shall it unreasonably interfere with any other unit owner's use or enjoyment of his unit or Yard Area.

3. No unit owner shall be allowed to construct a Guest House on the Property at any time.

4. Each and every conveyance, lease and mortgage or other lien made or created on any unit and all common interests, limited common elements, and other appurtenances thereto shall be subject to the provisions of this paragraph and any lease of a unit shall reserve to all unit owners the rights set forth in this paragraph.

* SPECIAL NOTATION: When applying for building permits, use permits, zoning permits or any other land use permits with governmental agencies, 75% of the owners of the Project maybe required to sign the permit forms. In such case, all unit owners shall be required to sign such permit applications and related documents as may be necessary for any unit owner to obtain such permits.

Additionally, the creation of the Condominium Property Regime does not mean that the land has met the subdivision requirements of the County. As such, certain facilities and improvements normally associated with County approved subdivisions may not be necessarily included as part of this Project.

EXHIBIT "C"

COMMON ELEMENTS

The common elements of the project shall specifically include, but are not limited to, the following:

1. The land described in Exhibit "A", attached to the Declaration, in fee simple.

2. All central and appurtenant installations for common services, including utilities.

3. Any and all apparatus and installations of common use and all other parts of the project necessary or convenient to its existence, use, maintenance or safety, or normally in common use.

EXHIBIT "D"

LIMITED COMMON ELEMENTS

Certain units shall have appurtenant thereto easements for the exclusive use of certain limited common elements as follows:

Land Area 1: Land Area 1 consists of the land area under and surrounding Unit 1, contains approximately 8,616 square feet as designated on the Condominium Map and described in Exhibit "1" attached hereto and incorporated herein, and is reserved for the exclusive use of Unit 1 for the support of the building and other improvements comprising Unit 1, and for the purposes described in the Project Documents.

Land Area 2: Land Area 2 consists of the land area under and surrounding Unit 2, contains approximately 7,949 square feet as designated on the Condominium Map and described in Exhibit "2" attached hereto and incorporated herein, and is reserved for the exclusive use of Unit 2 for the support of the building and other improvements comprising Unit 2, and for the purposes described in the Project Documents.

EXHIBIT "1"

CLS - HAWAII
LAND SURVEYING & MAPPING

P.O. Box 777
Kalaheo, Kauai, Hawaii 96741
(808) 635-3700 • Fax (808) 332-8910
surveyor@clshawaii.com
www.clshawaii.com

TMK (4th) 2 – 3 – 017: 009 (Portion)

HPR ESTATES
UNIT 1

All of that certain parcel of land being the Limited Common Element containing Condominium Unit "1", HPR Estates, situate at Kalaheo, (Kona), Kauai, Hawaii.

Being a portion of Lot 9 of DANG LOTS, File Plan No. 445, and more particularly described as follows:

BEGINNING at the Northeast corner of this parcel of land, at the Southeast corner of the remainder of Lot 9, the Limited Common Element for Unit 2 of HPR Estates, on the West line of Lot 8, the coordinates of said point of beginning referred to Government Survey Triangulation Station "WAHIAWA", being 1,041.25 feet North and 3,839.04 feet East, thence running by azimuths measured clockwise from true South:

1.	0°	42'	30"	90.00	feet along Lot 8;
2.	90°	40'		75.00	feet along Lot 10-A-6;
3.	180°	55'	24"	213.78	feet along Lot F;
4.	258°	00'		15.39	feet along Waha Road;
5.	0°	55'	24"	127.15	feet along the remainder of Lot 9, the Limited Common Element for Unit 2 of HPR Estates;
6.	270°	40'		59.66	feet along same to the point of beginning and containing an AREA of 8,616 Sq. Ft.

ROGER M. CAIRES
LICENSED PROFESSIONAL LAND SURVEYOR NO. 7919
HAWAII U.S.A.

Kalaheo, Hawaii 96741
November 16, 2005

DESCRIPTION PREPARED BY
CLS HAWAII - Land Surveying and Mapping

ROGER M. CAIRES
Licensed Professional Land Surveyor
Certificate No: 7919 Expires 04/30/06

EXHIBIT "2"

CLS - HAWAII
LAND SURVEYING & MAPPING

P.O. Box 777
Kalaheo, Kauai, Hawaii 96741
(808) 635-3700 · Fax (808) 332-8910
surveyor@clshawaii.com
www.clshawaii.com

TMK (4th) 2 – 3 – 017: 009 (Portion)

HPR ESTATES
UNIT 2

All of that certain parcel of land being the Limited Common Element containing Condominium Unit "2", HPR Estates, situate at Kalaheo, (Kona), Kauai, Hawaii.

Being a portion of Lot 9 of DANG LOTS, File Plan No. 445, and more particularly described as follows:

BEGINNING at the Southeast corner of this parcel of land, at the Northeast corner of the remainder of Lot 9, the Limited Common Element for Unit 2 of HPR Estates, on the West line of Lot 8, the coordinates of said point of beginning referred to Government Survey Triangulation Station "WAHIAWA", being 1,041.25 feet North and 3,839.04 feet East, thence running by azimuths measured clockwise from true South:

1.	90°	40'		59.66	feet along the remainder of Lot 9, the Limited Common Element for Unit 1 of HPR Estates;
2.	180°	55'	24"	127.15	feet along same;
3.	258°	00'		60.67	feet along Waha Road;
4.	0°	42'	30"	140.45	feet along Lot 8 to the point of beginning and containing an AREA of 7,949 Sq. Ft.

ROGER M. CAIRES
LICENSED PROFESSIONAL LAND SURVEYOR NO. 7919
HAWAII U.S.A.

DESCRIPTION PREPARED BY
CLS HAWAII - Land Surveying and Mapping

ROGER M. CAIRES
Licensed Professional Land Surveyor
Certificate No: 7919 Expires 04/30/06

Kalaheo, Hawaii 96741
November 16, 2005

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. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in ROAD WIDENING RESERVE AGREEMENT dated February 14, 2005, by and between HARRY CURTIS RITTER, ERIC DOUGLAS SENKUS, and COUNTY OF KAUAI PLANNING DEPARTMENT, recorded as Document No. 2005-045679.

3. The terms and provisions contained in the following:

   Declaration of Condominium Property Regime of HPR Estates dated March 8, 2006, and recorded as Document No. 2006-063629.

   Condominium Map No. 4204 and any amendments thereto.

   Said Declaration was amended by instruments dated November 21, 2006, recorded as Document No. 2006-221293; dated --- (acknowledged March 9, 2009), recorded as Document No. 2009-039953; instrument recorded as Document No. 2009-063393; and instrument recorded as Document No. 2009-101496.

4. The terms and provisions contained in the following:

   Bylaws of the Association of Unit Owners of HPR Estates dated March 8, 2006, and recorded in said Bureau as Document No. 2006-063630.

5. The terms and provisions contained in the MODIFIED WAIVER OF CONSTRUCTION DRAWINGS dated August 24, 2007, recorded as Document No. 2007-204554, by and between DEREK HAGGLOF, MATTHEW ROBBINS and TAM THI LARSON AND COUNTY OF KAUAI, THE DEPARTMENT OF WATER, regarding water meter service.

EXHIBIT "F"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee x 12 months = Yearly Total
Unit 1	$30.00 x 12 = $360.00
Unit 2	$30.00 x 12 = $360.00

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:

	Monthly Fee x 12 months = Yearly Total
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	$ 10.00 x 12 = $120.00
Management	
Management Fee	
Payroll and Payroll Taxes	
Office Expenses	
Insurance	$ 50.00 x 12 = $600.00
Reserves(*)	
Taxes and Government Assessments	
Audit Fees	
Other	
TOTAL	$60.00 x 12 = $720.00

We, DEREK HAGGLOF and MATTHEW ROBBINS, the owners/developers for the HPR ESTATES 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.

DEREK HAGGLOF — April 3, 2009
Date

MATTHEW ROBBINS — Date

Estimate of Maintenance Fee Disbursements:

	Monthly Fee x 12 months = Yearly Total
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	$ 10.00 x 12 = $120.00
Management	
Management Fee	
Payroll and Payroll Taxes	
Office Expenses	
Insurance	$ 50.00 x 12 = $600.00
Reserves(*)	
Taxes and Government Assessments	
Audit Fees	
Other	
TOTAL	$60.00 x 12 = $720.00

We, DEREK HAGGLOF and MATTHEW ROBBINS, the owners/developers for the HPR ESTATES 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.

DEREK HAGGLOF — Date

MATTHEW ROBBINS — April 3, 2009 — 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.

End of EXHIBIT "F"

NOTE: Developer discloses that Developer has not conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules.

EXHIBIT "G"

SUMMARY OF PURCHASE CONTRACT

The Purchase Contract, including the terms and conditions attached thereto as the CPR Addendum (hereinafter collectively called the "Purchase Contract") contain the price and other terms and conditions under which a purchaser will agree to buy a unit in the Project. Among other things, the Purchase Contract states:

(a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of a unit.

(b) That the purchaser acknowledges having received and read, prior to signing the Purchase Contract, the following: The Developer's Public Report and any amendments; the recorded project Declaration and Bylaws and any amendments; the project House Rules, if any, with amendments; a letter sized Condominium Project Map and amendments; and the Notice of Buyer's Right to Cancel.

(c) That the Developer makes no representations concerning rental of a unit, income or profit from a unit, or any other economic benefit to be derived from the purchase of a unit.

(d) That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(e) Requirements relating to the purchaser's financing of the purchase of a unit.

(f) That the unit and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.

(g) That the Developer makes no warranties regarding the unit, the Project or anything installed or contained in the unit or the Project.

(h) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

(i) That, unless requested, the purchaser will not receive interest on deposits made under the Purchase Contract.

(j) If the purchaser shall default:

(1) The contract may, at the Developer's option, be terminated by written notice to the purchaser; and

(2) Any sums paid by the purchaser shall belong to the Developer as liquidated damages (up to a maximum of 20% of the total purchase price); and

(3) The Developer may pursue any other remedy, including specific performance, permitted by law or equity. All costs, including reasonable attorneys' fees, incurred by reason of default by the purchaser shall be borne by the purchaser.

(k) If the Developer shall default:

(1) The purchaser may bring an action for damages for breach of contract; and

(2) The purchaser may seek specific performance of the contract; and

(3) The Developer shall be responsible for any costs incurred in accordance with the contract.

The Purchase Contract contains various other important provisions relating to the purchase of a unit in the Project. It is incumbent upon purchasers and prospective purchasers to read with care the specimen sales Contract on file with the Real Estate Commission.

EXHIBIT "H"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits a purchaser makes pursuant to a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement, these things will or may happen:

(a) Escrow will let the purchaser know when payments are due.

(b) Escrow will arrange for the purchaser to sign all necessary documents.

(c) A purchaser shall be entitled to a return of such purchaser's funds and Escrow shall pay such funds to such purchaser, together with any interest which may have accrued to the credit of such purchaser, if any one of the following has occurred (collectively, the "Cancellation Provisions"):

(i) Seller and purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

(ii) Seller shall have notified Escrow of Seller's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Seller; or

(iii) The purchaser shall have notified Escrow of purchaser's exercise of purchaser's right to cancel the sales contract pursuant to HRS §514B-86 (thirty-day right to cancel), or, if applicable, HRS §514B-89 (failure to complete construction before specified completion deadline); or

(iv) The purchaser shall have notified Escrow of purchaser's exercise of purchaser's right to rescind the sales contract pursuant to HRS §514B-87, by a valid rescission signed by all purchasers of the affected unit and postmarked no later than midnight of the thirtieth calendar day after the date that the purchasers received the notice of rescission from Seller, in which case the purchasers shall be entitled to a prompt and full refund of any moneys paid.

(d) The purchaser is entitled to a refund if the purchaser or seller cancels the Sales Contract in accordance with its cancellation provisions, or if the purchaser terminates its reservation before the Sales Contract is binding. However, Escrow may deduct from the refund cancellation fees in accordance with the Sales Contract in an amount not to exceed $250.00.

In the event of a default by the purchaser, the funds paid by the purchaser shall belong to the seller as liquidated damages (up to a maximum of twenty percent (20%) of the total purchase price).

The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. It is incumbent upon purchasers and prospective purchasers to read with care the executed Escrow Agreement on file with the Real Estate Commission.

(e) The purchaser's funds that are placed in trust prior to closing may be used by the seller after:

(1) the purchaser has (i) been provided with a developer's public report; and any amendments thereto, recorded copies of the project Declaration and Bylaws, with any amendments, the project House rules (if any), with any amendments, a letter sized Condominium Project Map, with any amendments, and a Notice of Buyer's Right to Cancel; (ii) executed a receipt and notice and has waived his right to cancel or thirty (30) days have elapsed since the purchaser has been provided with the final public report and receipt and notice of right to cancel;

(2) the seller notifies escrow in writing that since (i) and (ii) have happened, the Sales Contract is binding; and

(3) the seller's attorney advises escrow that the Sales Contract is binding and the requirements of Hawaii Revised Statutes, Sections 514B-87 and -91 have been met.

(f) Escrow may not disburse any buyer's funds in the construction of the project until completion of the project and the expiration of the mechanic's and materialmen's lien period. Escrow may disburse prior to completion of the project and expiration of the applicable lien period if the Developers would furnish each purchaser an Owners Title Insurance with an endorsement against any future liens placed on the apartments or project as a result of the development, plus providing the Real Estate Commission a release of the General Contractor's lien rights.

EXHIBIT "I"

DISCLOSURE ABSTRACT

Pursuant to Hawaii Revised Statutes, Section 514(A)-61, the Developer of the HPR Estates condominium project makes the following disclosures:

1. The Developers of the Project are DEREK HAGGLOF, married, whose mailing address is P. O. Box 6615, Tahoe City, California 96145, and telephone number is (530) 318-6609; and MATTHEW ROBBINS, married, whose mailing address is 2460 Porter Field Court, Mountain View, California 94040 and telephone number is (650) 964-6288.

2. The real estate broker for the project is KAUAI REALTY, INC., whose mailing address is 2970 Kress Street, Lihue, Kauai, Hawaii 96766, and whose telephone number is (808) 245-1651.

3. The escrow company for Unit 2 is OLD REPUBLIC TITLE & ESCROW OF HAWAII, LTD., whose mailing address is 733 Bishop Street, Suite 2700, Honolulu, Hawaii 96813, and whose telephone number is (808) 566-0100.

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. All of the units of the Project are to be used for residential purposes only.

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 3rd day of April, 2009.

DEREK HAGGLOF

MATTHEW ROBBINS

EXHIBIT "I"

DISCLOSURE ABSTRACT

Pursuant to Hawaii Revised Statutes, Section 514(A)-61, the Developer of the HPR Estates condominium project makes the following disclosures:

1. The Developers of the Project are DEREK HAGGLOF, married, whose mailing address is P. O. Box 6615, Tahoe City, California 96145, and telephone number is (530) 318-6609; and MATTHEW ROBBINS, married, whose mailing address is 2460 Porter Field Court, Mountain View, California 94040 and telephone number is (650) 964-6288.

2. The real estate broker for the project is KAUAI REALTY, INC., whose mailing address is 2970 Kress Street, Lihue, Kauai, Hawaii 96766, and whose telephone number is (808) 245-1651.

3. The escrow company for Unit 2 is OLD REPUBLIC TITLE & ESCROW OF HAWAII, LTD., whose mailing address is 733 Bishop Street, Suite 2700, Honolulu, Hawaii 96813, and whose telephone number is (808) 566-0100.

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. All of the units of the Project are to be used for residential purposes only.

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 _____ day of _____, 2009.

_____
DEREK HAGGLOF

_____
MATTHEW ROBBINS

EXHIBIT "J"

COUNTY OF KAUAI

ADDITIONAL DWELLING UNIT FACILITIES CLEARANCE FORM

OWNER: Print James Case Eric D. Jenkins (New owner) Sign [signature] E D Sh

Print Sandra Case Sign Sandra L. Case

TMK: 4-2-3-17-9 LOT SIZE: 16,565sq ft STREET FRONTING ADU:

PHONE NO. 335-5266 MAILING ADDRESS: 671 Aewa St Box 117, Eleele, HI 96705

PROPOSED: [ ] One additional unit [X] Two new units [ ] Convert guest house [ ] Other:

PLANNING DEPARTMENT USE ONLY

ZONING: R-4 SLUD: urban FEES: [✓] EIA $ 250.00 PARK $ 150.00 ZONING PERMIT $ 10.00

COMMENTS:

SMA: yes [ ] no [✓]

[signature] 3/19/04

Planning Department Date

REVIEW AGENCIES ONLY

PUBLIC WORKS

Street Name: WAHA RD. Paved: [✓] Yes [ ] No Pavement Width: 20 ft.

Pavement continuous to major thoroughfare: [✓] Yes [ ] No Pavement Condition: [ ] Good [✓] Fair [ ] Poor

If road is not paved, or pavement is not continuous to a major thoroughfare, refer applicant to the Planning Department.

Flood Zone: [ ] Yes [✓] No 2.A.93 M3 1910 9/30/95 X. unshaded

X) SHALL SHARE A COMMON DRIVEWAY APPROACH

[signature] 3/19/04

Engineering Division Date

Public Sewer Service Available: [ ] Yes [ ] No Public Sewer Service: [ ] Adequate [ ] Inadequate (no public sewer service)

Comments:

[signature] 3/19/04

Wastewater Division Date

STATE DEPARTMENT OF HEALTH

Sanitary Sewer System: [ ] Private [ ] Individual Wastewater Vacant property

N/A [ ] Adequate [ ] Inadequate

Comments: Septic system or better must be used to serve both dwellings up to a max. of 5BR/BR-like rooms in compliance w/Chap 11-62, HAR

[signature] MAR 22 2004

Department of Health Date

FIRE DEPARTMENT

Fire Protection: [✓] Yes [ ] No If yes, fire protection is: [✓] Adequate [ ] Inadequate

Comments: meets minimum fire flow requirements

[signature] 3/22/04

Fire Department Date

DEPARTMENT OF WATER

Water System: [ ] Private [✓] Public

Applicable charges must be paid prior to building permit approval. At the present time, these charges are:

[✓] $ 2600 Facilities Reserve Charge [✓] $ 580 * Meter Installation (Upon request)

Requirements/conditions for approval are subject to change.

Comments: * rate will increase to $760 in near future

[signature] 3/24/05 *

Department of Water Date

PLANNING DEPARTMENT

Street name: WAHA ROAD Existing Width: 30 ft. Required Width: 56 ft.

Dedication: ____ ft. Reserve: 9 ft. [ ] N/A

Roadwidening provisions: [✓] Yes [ ] No If yes, specify: 9ft. Road widening reserve.

Road Improvements required: [ ] Yes [ ] No No If yes, specify:

[ ] Qualify [✓] Does not qualify

[signature] 4-05-04

Planning Department Date

Requirements complied with: [✓] Yes [ ] No

[✓] Qualify [ ] Does not qualify

[signature] 6/1/04

Planning Department Date