

**DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME	4949 PUUWAI ROAD CONDOMINIUM
Project Address	4949 Puuwai Road Kalaheo, Hawaii 96741
Registration Number	6371 (Partial Conversion)
Effective Date of Report	December 7, 2007
Developer(s)	BIRGIT LANDRY

Preparation of this Report

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. The law defines "material facts" to mean "any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale."

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts or all pertinent changes, or both, about the project have been fully or adequately disclosed; and (3) is not the Commission's judgment of the value or merits of the project.

This report may be used by the Developer for promotional purposes only if it is used in its entirety. No person shall advertise or represent that the Commission has approved or recommended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developer's Public Report, clearly reflecting the changes, including any omitted material facts, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

Purchasers are encouraged to read this report carefully and to seek professional advice before signing a sales contract for the purchase of a unit in the project.

Signing a sales contract may legally bind a purchaser to purchase a unit in the project, though a purchaser may have rights to cancel or rescind a sales contract under particular circumstances that may arise.

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

SPECIAL ATTENTION

[Use this page for special or significant matters which should be brought to the purchaser's attention and that are not covered elsewhere in this report.]

The Developer completed and the County of Kauai Planning Department signed off on, an Additional Dwelling Unit Facilities Clearance Form for the property underlying the Condominium indicating one additional dwelling may be developed, as provided in Article 26 of the Kauai County Code. According to a recent amendment to Article 26 of the Kauai County Code, the last day that a building permit will be issued for ADUs in agriculture and open zoned districts is December 15, 2009.

Pursuant to Article 26 of the Kauai County Code, which is referenced on page 1a of the DPR, a "single-family residential dwelling unit (attached or detached) or farm dwelling may be developed" on Unit 2. If an additional dwelling unit is developed on Unit 2, "no guest house under Sec. 8-3.3(a)(2) shall be allowed." Additionally, "an existing guest house may be converted into a dwelling unit but no additional guest house may be constructed." No guest house currently exists on this project, therefore a buyer should build a single-family residential dwelling or a farm dwelling unit "that complies with all applicable county requirements, not inconsistent with Section 46-4(c), Hawaii Revised Statutes and the county's zoning provisions applicable to residential use, including but not limited to, building height, setback, maximum lot coverage, parking, and floor area requirements."

The Developer makes NO REPRESENTATIONS, GUARANTEES OR WARRANTIES (EXPRESS OR IMPLIED) that a dwelling may be developed or constructed on Unit 2. The Developer also makes no representations, guarantees or warranties regarding the feasibility, associated costs or requirements for developing a dwelling on Unit 2.

Prospective Buyers should NOT RELY on Developer's comments or descriptions of the Additional Dwelling Unit Facilities Clearance Form for the property and the Buyer should CONDUCT INDEPENDENT RESEARCH AND INVESTIGATION to determine whether a dwelling unit may be developed on Unit 2 prior to executing a sales contract or reservation agreement for the Unit. The Buyer is advised to contact the County of Kauai Planning Department and an independent professional architect and engineer regarding these matters.

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General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. 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 and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

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

You will be entitled to exclusive ownership and possession of your unit. Subject to the documents governing them, condominium units may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

Your unit will, however, be part of the group of units that comprise the condominium project. Study the project's Declaration of Condominium Property Regime, Bylaws of the Association of Unit Owners, Condominium Map and House Rules, if any, which are being concurrently delivered to you with this report. These documents contain important information on the use and occupancy of the units and the common elements of the project, as well as the rules and regulations of conduct for unit owners, tenants and guests.

Operation of the Condominium Project

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit 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 a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there is a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first 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 purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple	<input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner		
Address of Project	4949 Puuwai Road Kalaheo, Hawaii 96741	
Address of Project is expected to change because	Unit numbers will be added to the address	
Tax Map Key (TMK)	(4) 2-4-004-050	
Tax Map Key is expected to change because	Unit numbers will be added to the TMK	
Land Area	2.00 acres	
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)		

1.2 Buildings and Other Improvements

Number of Buildings	2
Floors Per Building	1
Number of New Building(s)	1
Number of Converted Building(s)	<u>1</u>
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Wood on a concrete slab, metal posts, canvas

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc.)	Total Area
1	1	3/2	1,788 s.f.	804 s.f.	Garage/lanai	2,592 s.f.
2	1	0/0	0	16 s.f.	CPR structure	16 s.f.
See Exhibit A .						

2	Total Number of Units
---	------------------------------

Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.

1.4 Parking Stalls

Total Parking Stalls in the Project:	4
Number of Guest Stalls in the Project:	0
Number of Parking Stalls Assigned to Each Unit:	2
Attach Exhibit <u>B</u> specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	

1.5 Boundaries of the Units

Boundaries of the unit:
 As set forth on the Condominium Map and in the Declaration and amendments thereto, all of which are on file with the Bureau of Conveyance, State of Hawaii, and as included in the Developer's Public Report.

1.6 Permitted Alterations to the Units

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project):

1.7 Common Interest

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit'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 unit owners. The common interest for each unit in this project, as described in Declaration, is: 50%

Described in Exhibit _____.

As follows:

1.8 Recreational and Other Common Facilities (Check if applicable):

<input type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input type="checkbox"/>	Recreation Area
<input type="checkbox"/>	Trash Chute/Enclosure(s)
<input type="checkbox"/>	Exercise Room
<input type="checkbox"/>	Security Gate
<input type="checkbox"/>	Playground
<input type="checkbox"/>	Other (describe):

1.9 Common Elements

Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.

Described in Exhibit C

Described as follows:

Common Element	Number
Elevators	0
Stairways	0
Trash Chutes	0

1.10 Limited Common Elements

Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.

Described in Exhibit D

Described as follows:

1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.

<input checked="" type="checkbox"/>	Pets: As provided in Section 13.1 of the Bylaws
<input checked="" type="checkbox"/>	Number of Occupants: As provided in Section 7 of the Declaration
<input type="checkbox"/>	Other:
<input type="checkbox"/>	There are no special use restrictions.

1.12 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 a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

Exhibit E describes the encumbrances against title contained in the title report described below.

Date of the title report: April 16, 2007

Company that issued the title report: Title Guaranty Escrow Services, Inc.

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning					
	Type of Use	No. of Units	Use Permitted by Zoning		Zoning
<input type="checkbox"/>	Residential		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Hotel		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Ohana		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Industrial		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input checked="" type="checkbox"/>	Agricultural	1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Agricultural
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input checked="" type="checkbox"/>	Other(specify)	1 (CPR Structure)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Agricultural
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Variances to zoning code have been granted.			<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Describe any variances that have been granted to zoning code.					

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots
<p>In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.</p> <p>If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.</p> <p>A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.</p>

	Conforming	Non-Conforming	Illegal
Uses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lot	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:</p>
--

1.15 Conversions

<p>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</p>	<p><input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not Applicable</p>
<p>Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units: Without conducting invasive examinations of covered plumbing, electrical and structural components, Units 1 and 2 appear to be in sound condition. No representations are made as to the expected useful life of the existing and/or any proposed improvements on the units.</p>	
<p>Developer's statement of the expected useful life of each item reported above: Without conducting invasive examinations of covered plumbing, electrical and structural components, Unit 1 appears to have an expected useful life of approximately 5 to 10 years. Unit 2 has an expected useful life of approximately 1 to 5 years.</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations: N/A</p>	
<p>Estimated cost of curing any violations described above: N/A</p>	

<p>Verified Statement from a County Official</p>
<p>Regarding any converted structures in the project, attached as Exhibit <u> 1 </u> is a verified statement signed by an appropriate county official which states that either:</p> <p>(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:</p> <ul style="list-style-type: none"> (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance; <p>or</p> <p>(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.</p>
<p>Other disclosures and information: See Developer's comments on Page 1a ("Special Attention").</p>

1.16 Project In Agricultural District

<p>Is the project in an agricultural district as designated by the land use laws of the State of Hawaii? If answer is "Yes", provide information below.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation.</p>	
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.</p>	
<p>Other disclosures and information: See Developer's comments on page 1a ("Special Attention").</p>	

1.17 Project with Assisted Living Facility

<p>Does the project contain any assisted living facility units subject to Section 321-11(10), HRS? If answer is "Yes", complete information below.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Licensing requirements and the impact of the requirements on the costs, operations, management and governance of the project.</p>	
<p>The nature and the scope of services to be provided.</p>	
<p>Additional costs, directly attributable to the services, to be included in the association's common expenses.</p>	
<p>The duration of the provision of the services.</p>	
<p>Other possible impacts on the project resulting from the provision of the services.</p>	
<p>Other disclosures and information.</p>	

2. PERSONS CONNECTED WITH THE PROJECT

<p>2.1 Developer(s)</p>	<p>Name: BIRGIT LANDRY</p> <p>Business Address: 4949 Puuwai Road, Kalaheo, HI 96741</p> <p>Business Phone Number: 808-332-0545 E-mail Address: brouzr@hotmail.com</p>
<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	
<p>2.2 Real Estate Broker</p>	<p>Name: Island Pacific Properties, Inc. Business Address: P.O. Box 1255 Koloa, HI 96756</p> <p>Business Phone Number: 808-635-6229 E-mail Address: judyonkauai@aol.com</p>
<p>2.3 Escrow Depository</p>	<p>Name: Title Guaranty Escrow Services, Inc. Business Address: 4414 Kukui Grove St., Suite 104 Lihue, HI 96766</p> <p>Business Phone Number: 808-245-3381</p>
<p>2.4 General Contractor</p>	<p>Name: None Business Address:</p> <p>Business Phone Number:</p>
<p>2.5 Condominium Managing Agent</p>	<p>Name: Self Managed by the Association Business Address: 4949 Puuwai Road, Kalaheo, HI 96741</p> <p>Business Phone Number: TBD</p>
<p>2.6 Attorney for Developer</p>	<p>Name: Helene L. Taylor Business Address: 3-3134 Kuhio Highway, PMB #27 Lihue, HI 96766</p> <p>Business Phone Number: 808-245-9601 or 415-381-1220</p>

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	August 29, 2006	2006-184017

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	December 12, 2006	2007-013192
Bureau of Conveyances	March 14, 2007	2007-05530

3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit 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 that affect how the condominium project will be governed.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	August 29, 2006	2006-184018

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.

Land Court Map Number	
Bureau of Conveyances Map Number	4316
Dates of Recordation of Amendments to the Condominium Map: March 28, 2007	

3.4 House Rules

The Board of Directors may adopt rules and regulations (commonly called "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. Changes to House Rules do not need to be recorded to be effective.

The House Rules for this project:

Are Proposed		
Have Been Adopted and Date of Adoption		
Developer does not plan to adopt House Rules		✓

3.5 Changes to the Condominium Documents

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.

Document	Minimum Set by Law	This Condominium
Declaration	67%	67%
Bylaws	67%	67%

3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents

<input type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input checked="" type="checkbox"/>	<p>Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows:</p> <p>The Developer reserves the right, at the Developer's sole discretion, at any time prior to the first recording in the Bureau of Conveyances of the State of Hawaii, of a conveyance or transfer (other than for security) of a unit and its appurtenances to a party not a signatory to the project documents, to amend the Declaration and/or Condominium Map in any manner, without approval or consent of any unit purchaser.</p>

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

<p>Management of the Common Elements: The Association of Unit 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.</p>		
<p>The Initial Condominium Managing Agent for this project is (check one):</p>		
<input type="checkbox"/>	<input type="checkbox"/>	Not affiliated with the Developer
<input checked="" type="checkbox"/>	<input type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	<input type="checkbox"/>	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

<p>Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit 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 unit and the unit 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.</p>	
<p>Exhibit <u>F</u> contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.</p>	

4.3 Utility Charges to be Included in the Maintenance Fee

<p>If checked, the following utilities are included in the maintenance fee:</p>		
<input type="checkbox"/>	<input type="checkbox"/>	Electricity for the common elements
<input type="checkbox"/>	<input type="checkbox"/>	Gas for the common elements
<input type="checkbox"/>	<input type="checkbox"/>	Water
<input type="checkbox"/>	<input type="checkbox"/>	Sewer
<input type="checkbox"/>	<input type="checkbox"/>	TV cable
<input type="checkbox"/>	<input type="checkbox"/>	Other (specify)

4.4 Utilities to be Separately Billed to Unit Owner

<p>If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:</p>		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Electricity for the Unit only
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Gas for the Unit only
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sewer
<input checked="" type="checkbox"/>	<input type="checkbox"/>	TV cable
<input type="checkbox"/>	<input type="checkbox"/>	Other (specify)

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

Sales Documents on file with the Commission include, but are not limited to, the following:	
<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u>G</u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: December 23, 2006 Name of Escrow Company: Title Guaranty Escrow & Title Services Exhibit <u>H</u> contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other

5.2 Sales to Owner-Occupants

If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sale to Owner-Occupants.

<input type="checkbox"/>	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
<input type="checkbox"/>	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit _____.
<input type="checkbox"/>	Developer has or will designate the units for sale to Owner-Occupants by publication.

5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.

<input type="checkbox"/>	There are <u>no blanket liens</u> affecting title to the individual units.
<input checked="" type="checkbox"/>	There are <u>blanket liens</u> that may affect title to the individual units.

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	Buyer's interest will terminate and Buyer may be entitled to a refund of deposit less escrow cancellation fees.

5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:
Building and Other Improvements: None. Units are sold "As-Is"
Appliances: "As-Is"

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

<p>Status of Construction: Unit 1 Construction completed in March 2002 Unit 2: Construction completed in March 2007</p>
<p>Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.</p>
<p>Completion Deadline for any unit not yet constructed, as set forth in the sales contract:</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:</p>

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

The Developer is required to deposit all moneys paid by purchasers in trust under a written escrow agreement with a Hawaii licensed escrow depository. Escrow shall not disburse purchaser deposits to the Developer or on behalf of the Developer prior to closing, except if a sales contract is canceled or if Developer has met certain requirements, which are described below.

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

<input type="checkbox"/>	<p>The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project. If the box to the left is checked, Sections 5.6.2 and 5.7, which follow below, will not be applicable to the project.</p>
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5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

<p>Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):</p>	
<input type="checkbox"/>	<p>For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or</p>
<input type="checkbox"/>	<p>For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.</p>

In connection with the use of purchaser deposits (check Box A or Box B):

<p>Box A <input type="checkbox"/></p>	<p>The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>If Box A is checked, you should read and carefully consider the following notice, which is required by law:</p> <p>Important Notice Regarding Your Deposits: Deposits that you make under your sales contract for the purchase of the unit may be disbursed before closing of your purchase to pay for project costs, construction costs, project architectural, engineering, finance, and legal fees, and other incidental expenses of the project. While the developer has submitted satisfactory evidence that the project should be completed, it is possible that the project may not be completed. If your deposits are disbursed to pay project costs and the project is not completed, there is a risk that your deposits will not be refunded to you. You should carefully consider this risk in deciding whether to proceed with your purchase.</p>
<p>Box B <input type="checkbox"/></p>	<p>The Developer has <u>not</u> submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits.</p> <p>If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract. At such time, the Important Notice Regarding Your Deposits set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, <u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u> (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>You should understand that, although the Important Notice Regarding Your Deposits set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.</p>

Material House Bond. If the Developer has submitted to the Commission a completion or performance bond issued by a material house instead of a surety as part of the information provided prior to the use of purchaser deposits prior to closing or conveyance of a unit, the Developer shall disclose the same below and disclose the impact of any restrictions on the Developer's use of purchaser deposits.

5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.	
1.	Developer's Public Report
2.	Declaration of Condominium Property Regime (and any amendments)
3.	Bylaws of the Association of Unit Owners (and any amendments)
4.	Condominium Map (and any amendments)
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	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 514B, HRS) and the Administrative Rules (Chapter 107, HAR), are available online. Please refer to the following sites:
Website to access official copy of laws: www.capitol.hawaii.gov
Website to access rules: www.hawaii.gov/dcca/har

5.8 Purchaser's Right to Cancel or Rescind a Sales Contract

A purchaser's right to cancel a sales contract or to rescind a sales contract may arise under varying circumstances. In the sections below, some circumstances that will give rise to a purchaser's right to cancel or rescind are described, together with what a purchaser must do if the purchaser wishes to exercise any of the rights.

5.8.1 When a Sales Contract becomes Binding and Purchaser's 30-Day Right to Cancel a Sales Contract

<p>A sales contract signed by a purchaser and the developer will not become binding on a purchaser or the Developer until the following events have taken place:</p> <ol style="list-style-type: none">(1) The purchaser has signed the sales contract.(2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.(3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.(4) The purchaser does at least one of the following:<ol style="list-style-type: none">(a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or
--

- (b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or
- (c) Closes the purchase of the unit before the 30-day cancellation period expires.

The purchaser or the Developer may cancel the sales contract at any time during the 30-day cancellation period, and the sales contract will be canceled and the purchaser's deposits returned to the purchaser, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.

5.8.2 Right to Cancel a Sales Contract if Completion Deadline Is Missed

In addition to the purchaser's 30-day cancellation right described in Section 5.8.1 above, when a sales contract is signed before completion of construction of a project, the purchaser will have the right to cancel if the unit is not completed by certain deadlines. In conversion projects, there must be a deadline for completion of any required repairs. Every sales contract shall contain an agreement of the Developer that the completion of construction shall occur on or before the completion deadline, and that completion deadline is set forth in this report in Section 5.5. The sales contract shall provide that the purchaser may cancel the sales contract at any time after the specified completion deadline, if completion of construction does not occur on or before the completion deadline, as the same may have been extended. Upon a cancellation, the purchaser's deposits shall be refunded, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.00.

5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change

If a "material change" in a project occurs after a purchaser has signed a sales contract that has become binding, the purchaser will have a 30-day right to rescind after notification and description of the material change. A material change is defined in the Condominium Property Act to be any change that "directly, substantially and adversely affects the use or value of (1) a purchaser's unit or appurtenant limited common elements; or (2) those amenities of the project available for the purchaser's use."

The purchaser will be informed of the material change by the developer on a form prescribed by the Commission containing a description of the material change.

After notice of the material change, the purchaser may waive the right to rescind by:

- (1) Checking the waiver box on the rescission form; or
- (2) Letting the 30-day rescission period expire, without taking any action to rescind; or
- (3) Closing the purchase of the unit before the 30-day rescission period expires.

The rescission form must be signed by all purchasers of the affected unit and delivered to the developer no later than midnight of the 30th calendar day after the purchasers received the rescission form from the developer. Purchasers who validly exercise the right of rescission shall be entitled to a prompt and full refund of any moneys paid.

A rescission right shall not apply in the event of any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of a project, made pursuant to the terms of the project's Declaration.

These provisions shall not preclude a purchaser from exercising any rescission rights pursuant to a contract for the sale of a unit or any applicable common law remedies.

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

1. For the purposes of Exhibit F of this report, the Developer has not calculated the estimated replacement reserves in accordance with HRS 514B-148 and any replacement reserve rules of the Hawaii Administrative Rules, as amended.

2. Unit 2 has public roadway access over the common element, which consists in part, of a concrete driveway and undeveloped but unobstructed land. The concrete driveway does not extend completely to the boundary of Unit 2 however a car should be able to drive over the dirt portion of the common element to access Unit 2. Unit 2 is not required to build a driveway to access the property however it may wish to do so to improve access to said unit.

3. The Developer has not selected a real estate broker for the sale of Unit 2 in the project at this time. When the Developer offers Unit 2 for sale, the Developer shall (1) execute a listing agreement for the sale of Unit 2 in this condominium project, (2) amend this developer's public report to reflect the new information, and (3) deliver this public report and amendment to the prospective purchaser. The conditions for binding sales contract are listed on pages 16-17 paragraph 5.8.1.

The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a)(13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

The Developer hereby certifies that all the information contained in this report and the exhibits attached to this report and all documents to be furnished by the Developer to purchasers concerning the project have been reviewed by the Developer and are, to the best of the Developer's knowledge, information and belief, true, correct and complete. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

BIRGIT LANDRY

Printed Name of Developer

By: *Birgit Landry* 3/28/07
Duly Authorized Signatory* Date

BIRGIT LANDRY - DEVELOPER/FEEOWNER

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, KAUAI

Planning Department, KAUAI

***Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

EXHIBIT "A"

DESCRIPTION OF BUILDINGS

The condominium project consists of two units. Unit 1 consists of one building, which is a single-family residence, as described herein below, Unit 2 a CPR structure. Each unit is shown on the Condominium Map.

DESCRIPTION OF UNITS

UNIT 1 is a single-family, one story residence with 1,788 (net) square feet of living space, which consists of three bedrooms, two bathrooms, an office, kitchen/dining/living room and laundry room. It also has an attached garage with 510 (gross) square feet and a lanai with 294 (gross) square feet. It is constructed primarily of wood on a concrete slab.

UNIT 2 is a CPR structure made up of 16 square feet. It is constructed of four metal stakes with shade cloth on three sides and the roof with an earthen floor.

The approximate net floor area 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. **THE FLOOR AREAS SHOWN ARE APPROXIMATE ONLY. THE DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE FLOOR AREA OF ANY PARTICULAR UNIT.**

END OF EXHIBIT "A"

EXHIBIT "B"

DESCRIPTION OF PARKING STALLS

Unit 1 has a two car covered garage consisting of 510 (gross) square feet.

Unit 2 has sufficient room for 2 parked cars or a two car garage.

END OF EXHIBIT "B"

EXHIBIT "C"

COMMON ELEMENTS

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

1. Portions of the land described in Exhibit "A" of the Declaration, in fee simple, as shown on the Condominium Map, and as described in the corresponding metes and bounds descriptions and the Declaration.
2. All central and appurtenant installations for common services, including power, light, water, telephone and sewer.
3. Any and all apparatus and installations of common use and all other parts of the project necessary or convenient to its existence, maintenance and safety or normally in common use; any common driveways, roadways, walkways, sidewalks, stairways, grounds, landscaping, planters; and all other portions of the project, other than the units, including, specifically, but not limited to, the common elements mentioned in the Condominium Property Act that are actually constructed on the land.

END OF EXHIBIT "C"

EXHIBIT "D"

LIMITED COMMON ELEMENTS

That certain land area upon and around which units 1 and 2 are located, as shown and designated on the Condominium Map, and as described in the corresponding metes and bounds descriptions, the Declaration and the table below. The limited common elements are deemed limited common elements appurtenant to and for the exclusive use of each respective unit for the support of the building and other improvements comprising the unit, and for the yard, ingress and egress, parking and other permitted uses.

Unit Number	Area of Limited Common Element
1	0.7750 Acre
2	1.1357 Acres

END OF EXHIBIT "D"

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

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

2. LEASE

TO: KAUAI ELECTRIC COMPANY, LIMITED
DATED: December 15, 1936
RECORDED: Liber 1383 Page 334
LEASING: the right and easement for utility purposes

3. The terms and provisions contained in the following:

INSTRUMENT: FARM DWELLING AGREEMENT
DATED: October 9, 1989
RECORDED: Liber 23771 Page 742
PARTIES: AUGUST J. CAMARA and RICHARD M. CAMARA and COUNTY OF KAUAI Planning Department

4. The terms and provisions contained in the following:

INSTRUMENT: FARM DWELLING AGREEMENT
DATED: November 9, 1989
RECORDED: Liber 23914 Page 269
PARTIES: AUGUST J. CAMARA and RICHARD M. CAMARA and COUNTY OF KAUAI Planning Department

5. A thirteen (13) foot wide future road widening reserve along Puuwai Road . There shall be no new structures permitted within the reserve; new structures shall be setback from the reserve, as shown on survey map of Dennis M. Esaki, Registered Professional Land Surveyor, dated June 7, 1990, and as contained in QUITCLAIM DEED dated June 26, 1991, recorded as Document No. 91-092957.

6. A building setback line as shown on survey map of Dennis M. Esaki, Registered Professional Land Surveyor, dated June 7, 1990.

7. Drainageway as shown on survey map of Dennis M. Esaki, Registered Professional Land Surveyor, dated June 7, 1990.

8. A flood setback line and drainage way as shown on survey map of Dennis M. Esaki, Registered Professional Land Surveyor, dated June 7, 1990.

The owners' responsibilities on the drainage way includes:

- a. No structure, fills, or any obstruction will be allowed in the drainageway.
- b. Owners shall preserve and maintain the drainageway to convey storm runoff.
- c. Owners shall accept the storm flows that will result from the development of the basin as shown on the County General Plans.
- d. Owners shall accept and expect damages such as erosion with flowages of water and the County shall not be held responsible for any damages.
- e. Owners shall take precautions during flood times since high flows and velocities can be expected;

as contained in QUITCLAIM DEED dated June 26, 1991, recorded as Document No. 91-092957.

9. NOTICE OF DEDICATION

DATED: November 21, 2000
RECORDED: Document No. 2000-168927
BY: BIRGIT LANDRY
RE: dedication of land for agriculture purposes
PERIOD: 10 years

10. The terms and provisions contained in the following:

INSTRUMENT: FARM DWELLING AGREEMENT
DATED: May 1, 2002
RECORDED: Document No. 2001-102930
PARTIES: BIRGIT H. LANDRY and the
COUNTY OF KAUAI Planning Department

11. MORTGAGE

MORTGAGOR: BIRGIT LANDRY
MORTGAGEE: CHARTER CAPITAL CORPORATION, doing business
as FIRST CAPITAL GROUP, INC., a California
corporation

DATED: December 17, 2004
RECORDED: Document No. 2004-264102
AMOUNT: \$130,000

ABOVE MORTGAGE ASSIGNED

TO: LEHMAN BROTHERS BANK, FSB
DATED: December 17, 2004
RECORDED: Document No. 2004-264103

12. MORTGAGE

MORTGAGOR: BIRGIT LANDRY, an unmarried person
MORTGAGEE: MERRILL LYNCH CREDIT CORPORATION

DATED: August 31, 2005
RECORDED: Document No. 2005-178088
AMOUNT: Home Equity Line of Credit Agreement, sums not to exceed \$50,000

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

Declaration of Condominium Property Regime of 4949 Puuwai Road Condominium dated August 29, 2006 and recorded in the Bureau of Conveyances, State of Hawaii as Document No.: 2006-184017.

First Amendment to Declaration of Condominium Property Regime of 4949 Puuwai Road Condominium dated December 12, 2006 and recorded in the Bureau of Conveyances, State of Hawaii as Document No.: 2007-013192.

Second Amendment to Declaration of Condominium Property Regime of 4949 Puuwai Road Condominium dated March 14, 2007 and recorded in the Bureau of Conveyances, State of Hawaii as Document No.: 2007-055530.

Bylaws of 4949 Puuwai Road Condominium dated August 29, 2006 and recorded in the Bureau of Conveyances, State of Hawaii as Document No.: 2006-184018.

Condominium Map No.: 4316, recorded in the Bureau of Conveyances, State of Hawaii.

END OF EXHIBIT "E"

EXHIBIT "F"

ESTIMATE OF INITIAL MAINTENANCE FEES*

<u>Unit</u>	<u>Monthly Fee</u>	<u>Annual Fee</u> (Monthly Fee x 12)
1	\$0	\$0
2	\$0	\$0

Any maintenance fees associated with the common elements of the project shall be assessed as needed. If maintenance fees are assessed at any time in the future, a unit owner shall become obligated for the payment of maintenance fees for the unit at the time the certificate of occupancy relating to the unit is issued by the appropriate county agency or upon conveyance of the unit to the Purchaser, or upon the assessment of the Association after the conveyance of a unit, whichever occurs later.

BIRGIT LANDRY, the Developer for 4949 Puuwai Road Condominium, hereby certifies that any future estimates of maintenance fees shall be prepared in accordance with generally accepted accounting principles. HOWEVER, the Developer makes NO REPRESENTATIONS, GUARANTEES OR WARRANTIES (express or implied) that any estimated property taxes and insurance will remain constant upon the sale of a unit because they may be subject to change by the Tax Collector and insurance companies (upon the sale of a unit in the project). Prospective Buyers should conduct their own independent research and investigation to determine the exact property taxes and insurance for the project units by contacting the County of Kauai Tax Collector and an insurance company of the prospective buyer's choice.



BIRGIT LANDRY

EXHIBIT "G"

SUMMARY OF DEPOSIT RECEIPT OFFER AND ACCEPTANCE AND CPR ADDENDUM (SALES CONTRACT)

The Deposit Receipt Offer and Acceptance, including the special terms and conditions included in the CPR Addendum attached thereto (also known as the "Sales Contract"), contains the terms and conditions under which a Purchaser will agree to buy a unit in the Project. Among other things, the contract states:

1. The total purchase price, method of payment and additional sums that must be paid in connection with the purchase of a unit, and requirements relating to the Purchaser's financing of the purchase of a unit.
2. That the Purchaser acknowledges having received and read the Developer's Public Report for the Project prior to signing the contract.
3. That neither the Seller nor any of its representatives has made any representation concerning rental of the unit, income or profit from the unit, or any other economic benefit to be derived from the purchase of the unit, including, but not limited to, any representation that the Seller or managing agent of the Project will provide, directly or indirectly, any services relating to the rental or sale of the unit.
4. That the Purchaser's payments will be held in escrow pursuant to the terms of the Escrow Agreement.
5. That the unit and the Project will be subject to various other legal documents the Purchaser should examine and the Seller may change the documents under certain circumstances.
6. That Purchaser will be acquiring the unit subject to all encumbrances, restrictions, covenants and conditions on the Project.
7. That the Seller makes no warranties regarding the unit, the Project or anything installed or contained in the unit or the Project.
8. That the Purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
9. That a deed conveying clear title will be given at closing, subject to certain obligations.

10. That, if the Purchaser defaults:

- a. The contract may, at the Seller's option, be terminated by written notice to the Purchaser.
- b. The Seller may bring an action for damages for breach of contract. In the event of default by the Purchaser and/or a legal action or arbitration (including a claim by a Broker for commission), the prevailing party shall be entitled to recover all costs incurred including reasonable attorneys' fees.
- c. The Seller may retain the initial deposit and all additional deposits provided for in the DROA and CPR Addendum as liquidated damages, and Buyer shall be responsible for any costs incurred in accordance with the DROA.

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

END OF EXHIBIT "G"

EXHIBIT "H"

SUMMARY OF PORTIONS OF ESCROW AGREEMENT

The Escrow Agreement creates an arrangement under which, the deposits a Purchaser makes pursuant to a Deposit, Receipt, Offer Acceptance and CPR Addendum (also known as the "sales contract"), will be held by a neutral party ("Escrow"). The Escrow Agreement contains important provisions and establishes certain charges with which a Purchaser should be familiar. It is incumbent upon Purchasers to read with care, the executed Escrow Agreement on file with the Real Estate Commission and included in the Developer's Public Report.

Among other things, the Escrow Agreement provides:

1. Escrow will let the Purchaser know when payments are due.
2. Escrow will not release and disburse Purchaser's funds at closing, unless: (a) the Real Estate Commission has issued the Developer's Public Report on the Project and the Purchaser has acknowledged receipt of the same, (b) Developer has delivered a written legal opinion to Escrow stating the Purchaser's sales contract has become effective and the requirements of Chapter 514B, Hawaii Revised Statutes, as applicable, have been met, (c) Developer has given escrow a written waiver of any option reserved in any sales contract to cancel said sales contract, and (d) If it is intended that the sale of a unit will be made to Purchasers as owner-occupants, the required affidavits of the Purchasers must be reaffirmed and delivered to Escrow with proof of the date of receipt by the Purchaser of the Developer's Public Report, upon receipt of the Developer's Public Report by the Purchaser or no later than closing of escrow for the unit.
3. Escrow will arrange for and supervise the signing of all documents that are to be signed subsequent to and contemplated by the sales contract and shall promptly and diligently close the transaction.
4. Developer may close any or all sales at different times and Escrow agrees to cooperate with Developer to facilitate its performance of such partial closings.
5. If all documents necessary to effect each sales transaction are accurate and in no way defective, Escrow shall, within five business days (exclusive of the day of closing) file and record the documents necessary to effect the transfer of legal title to the Purchaser. If the documents are defective, Escrow shall file the documents within five business days after learning that the reason that prevented their filing or recording no longer exists.

6. If Purchaser fails to make the required payments to Escrow in a timely manner, Escrow shall notify Developer of Purchaser's failure. If Developer subsequently certifies in writing to Escrow that Developer has terminated the sales contract in accordance with the terms thereof and provides Escrow copies of all such notices of termination sent to the Purchaser, Escrow shall thereafter treat all funds of the Purchaser paid on account of the sales contract, as funds of the Developer and not as funds of the Purchaser.

7. The Purchaser may or will be entitled to a refund if the Purchaser or Developer cancels the sales contract in accordance with the cancellation provisions, or if the Purchaser terminates a reservation before the sales contract is binding. However, Escrow may deduct from the refund, cancellation fees in accordance with the sales contract. If the Purchaser does not claim any returned funds within sixty-days after receiving adequate notice, Escrow shall deposit the funds into a special account in a bank under the name of Developer as trustee for the benefit of such Purchaser. Escrow's duties with respect to such funds shall thereafter be released.

8. Escrow is relieved from all liability for acting in accordance with the terms of the Escrow Agreement, unless otherwise notified to the contrary by the Developer or Purchaser. If any dispute involving Escrow should arise, Escrow may take no action but instead may await settlement by the appropriate legal proceeding or may file a suit for adjudication and shall thereafter be fully released and discharged from further obligations with respect to the moneys deposited. Developer and Purchaser shall indemnify and hold Escrow harmless.

9. The Escrow Agreement shall be binding and may only be terminated by either the Developer or Escrow upon fifteen days written notice to the other; provided, however, all transactions in process thereunder at the time of the termination shall be completed under the terms of the Agreement. The Agreement shall be interpreted under Hawaii Law, which shall control in all instances.

10. Escrow shall furnish Developer with a semi-monthly Developer's report that will cover the status of each sales contract in escrow, including without limitation, the status of receipts, interest-bearing deposits and disbursements. Escrow shall, upon certification from Developer that such payments are due, bill each Purchaser for payments due under the Purchaser's sales contracts.

11. The compensation of Escrow for performance under the Escrow Agreement shall be in accordance with the scheduled rates plus tax for each unit in the Project. The compensation for Escrow's performance does not include costs such as notary fees, recording fees, conveyance document preparation fees or any additional or special services requested by the Purchaser. Escrow shall also arrange for the issuance of a title insurance policy (Standard Owner's or ALTA Lender's policy), the premiums for which

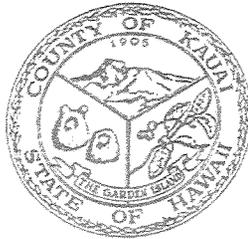
shall be based upon the escrow company's scheduled rates for each unit in the Project. Should the Purchaser obtain a mortgage loan from any out-of-state lender, a fee of Five Hundred Dollars (\$500) may be charged to the Purchaser for each mortgage obtained. If an escrow involves a 1031 exchange, Escrow has the right to assess additional fees commensurate with the amount of work involved. The cost of said escrow fees and title insurance policies shall be the expense of the individual Purchasers, and the same or any portion thereof shall not in any way be the obligation of the Developer.

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

END OF EXHIBIT "H"

"EXHIBIT I"

BRYAN J. BAPTISTE
MAYOR



IAN K. COSTA
DIRECTOR OF PLANNING

GARY K. HEU
ADMINISTRATIVE ASSISTANT

IMAICALANI P. AIU
DEPUTY DIRECTOR OF PLANNING

COUNTY OF KAUA'I
PLANNING DEPARTMENT
4444 RICE STREET
KAPULE BUILDING, SUITE A473
LIHU'E, KAUA'I, HAWAII 96766-1326
TEL (808) 241-6677 FAX (808) 241-6699

DATE: March 23, 2007

TO: Cynthia M.L. Yee, Esq.
Senior Condominium Specialist
Real Estate Commission - P & VLD/DCCA
335 Merchant Street, Room 333
Honolulu, Hawaii 96813

FROM: Ian K. Costa, Director of Planning *IKC*

SUBJECT: Certification of Inspection of Existing Buildings

Project Name: 4949 PUUWAI ROAD
Condominium Project (409)
Tax Map Key: (4) 2-4-004: 050

The attorney for the above-mentioned condominium project has requested that this office, as an agency of the County of Kauai, review the project for compliance with all ordinances, codes, rules, regulations and other requirements of the County of Kauai, Sections 514 B-5 & B-6, Hawaii Revised Statutes, subject to the disclosures and waivers (item "6" below) specified herein, we certify the following:

1. The developer has contracted engineer Peter Taylor to certify that the buildings on the proposed project referred to as 4949 Puuwai Road Condominium Unit 1 and Unit 2 are in compliance with all ordinances, codes, rules, regulations and other requirements in force at the time of its construction, and to that extent, and subject to the conditions of waiver herein, the Planning Department adopts that certification as it pertains to the rules and regulations administered solely by the Department.

Senior Condominium Specialist
4949 Puuwai Road Condominium
TMK: (4) 2-4-004: 050
March 23, 2007
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2. The parcel qualifies for one (1) farm dwelling unit and a guest house.
3. The parcel does not contain any outstanding nonconforming uses or structures as a result of the adoption or amendments of any ordinances or codes and regulations.
4. There are no notices of violation of County building or zoning codes outstanding according to our records.
5. There are no variances approved for the subject property.
6. WAIVER
The foregoing certification is not a warranty to any compliance with applicable County and State rules and regulations. The sole reason for the execution hereof is to comply with statutory requirements relating to the regulations of condominiums under subsection 514 B-5, Hawaii Revised Statutes.

If you have any questions, please contact Sheilah Miyake at (808) 241- 6677.

cc: Helene Taylor, Attorney at Law
Birgit Landry, Project Developer

END OF "EXHIBIT I"