DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME	3738 OMAO CONDOMINIUM PROJECT
Project Address	3738 Omao Road Omao, Koloa, Kauai, Hawaii 96756
Registration Number	6399 (Conversion)
Effective Date of Report	December 7, 2007
Developer	KENNETH A. PURDY and SUSIE BOE PURDY

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.]

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 are no assurances that the Purchaser will be able to build a residential dwelling on the property. There is 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, or any other type of structure, on the property.

1. There are presently two structures on the Project, each of which may be defined as a "unit" under the Condominium Property Act.

2. This public report does not constitute an "approval" of the Project by the Real Estate Commission, or any ot her governmental agency.

3. The land area beneath and immediately appurtenant to each unit is designated as a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The dotted lines on the condominium map bounding the designated area in the land comprising the limited common elements are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

4. Facilities and improvements associated with county-approved subdivisions, such as fire protection devices, county street lighting, electricity, upgraded water facilities, etc., may not be provided, and 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.

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EXHIBIT E: Common Elements of the Project

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EXHIBIT G: Encumbrances Against Title

EXHIBIT H: Memorandum from the County of Kauai Planning Department dated June 4, 2007.

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	[X]	Fee Simple	[ ]	Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	[X]	Yes	[ ]	No
Fee Owner's Name if Developer is not the Fee Owner	Rosalie Harris Cecil, as Trustee, owns a 1/3 fee simple undivided interest in the property which is submitted in this Project.			
Address of Project	3738 Omao Road Omao, Koloa, Kauai, Hawaii 96756			
Address of Project is expected to change because	Each unit is entitled to its own street address			
Tax Map Key (TMK)	[4] 2-7-004:070			
Tax Map Key is expected to change because	Each unit is entitled to its own TMK number			
Land Area	.500 acre			
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)	0
Number of Converted Building(s)	2
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Unit 1 is constructed of wood on concrete footings Unit 2 is constructed of wood on concrete footings

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	1,065 square feet	576 square feet	Carport	1,684 sq. ft.
				43 square feet	Decks	
2	1	3/2	1,182 square feet	509 square feet	Garage	1,751 sq. ft.
				60 square feet	Deck & Entry	

See Exhibit "C".

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:	n/a
Number of Parking Stalls Assigned to Each Unit:	2. Each unit contains two enclosed stalls.
Attach Exhibit ____ 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: The physical or spatial portion of the condominium designated for separate ownership or occupancy, the boundaries of which are described in the declaration, with an exit to a public road or common element leading to a public road. The units shall be deemed to include their respective residential structures from perimeter wall to perimeter wall and from foundation to the exterior of the roof, and including, without limitation, shutters, window boxes, doorsteps, porches, balconies, lanais and patios, as well as any other appurtenant structure.

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):
Any alterations permitted by law and not prohibited by recorded restriction.

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:

Described in Exhibit "C".

As follows: Unit 1 = 50% Note: The common interest was determined by allocating an equal percentage to each unit.
Unit 2 = 50%
100 %

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

☐	Swimming pool
☐	Laundry Area
☐	Storage Area
☐	Tennis Court
☐	Recreation Area
☐	Trash Chute/Enclosure(s)
☐	Exercise Room
☐	Security Gate
☐	Playground
X	Other (describe): There are no recreational or common facilities.

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 "E" .
Described as follows:

Common Element	Number
Elevators	N/A
Stairways	N/A
Trash Chutes	N/A

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 "E" . Note: Land areas referenced in Exhibit "E" are not legally subdivided lots.
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.		
	X	Pets: See Section V. 3 (f) of the Bylaws for this Project
		Number of Occupants:
	X	Other: See Paragraph 10 of the Declaration of Condominium Property Regime for this Project.
		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 "G" describes the encumbrances against title contained in the title report described below.
Date of the title report: June 12, 2007
Company that issued the title report: Title Guaranty of Hawaii, 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
[X]	Residential	2	[X] Yes [ ] No	R-2
[ ]	Commercial		[ ] Yes [X] No	
[ ]	Mix Residential/Commercial		[ ] Yes [X] No	
[ ]	Hotel		[ ] Yes [X] No	
[ ]	Timeshare		[ ] Yes [X] No	
[ ]	Ohana		[ ] Yes [X] No	
[ ]	Industrial		[ ] Yes [X] No	
[ ]	Agricultural		[ ] Yes [X] No	
[ ]	Recreational		[ ] Yes [X] No	
[ ]	Other(specify)		[ ] Yes [X] No	
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			[X] Yes [ ] No	
Variances to zoning code have been granted.			[ ] Yes [X] No	
Describe any variances that have been granted to zoning code.				

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots
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. 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. 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.

	Conforming	Non-Conforming	Illegal
Uses	[X]	[ ]	[ ]
Structures	[X]	[ ]	[ ]
Lot	[X]	[ ]	[ ]

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: N/A

1.15 Conversions

Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.	☒ **Applicable** ☐ **Not Applicable**

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: Based on the Architect's Condition Report issued on August 17, 2005, by Stefan Schweitzer, licensed professional architect (Haw. Lic. No. 3806) the systems and components, including visible structural, electrical and plumbing, appear to be in satisfactory condition for the stated age and appear to be in sound condition. See Architect's Condition Report attached hereto as Exhibit "F".

Developer's statement of the expected useful life of each item reported above: Based on the Architect's Condition Report issued on August 17, 2005, by Stefan Schweitzer, licensed professional architect (Haw. Lic. No. 3806), the apparent useful life of the units, provided that proper maintenance is applied to the units, is as follows: Unit 1: in excess of 40 years; Unit 2: in excess of 40 years. See Exhibit "F" attached hereto.

List of any outstanding notices of uncured violations of any building code or other county regulations: N/A

Estimated cost of curing any violations described above: N/A

Verified Statement from a County Official

Regarding any converted structures in the project, attached as Exhibit "H" is a verified statement signed by an appropriate county official which states that either:

(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:

(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;

or

(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.

Other disclosures and information:

See Section 6 of this Public Report

1.16 Project In Agricultural District

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.**	☐ **Yes** ☒ **No**
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? ☐ Yes ☐ No If the answer is "No", provide explanation.	
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? ☐ Yes ☐ No If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.	
Other disclosures and information:	

1.17 Project with Assisted Living Facility

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

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer	Name: Kenneth A. Purdy and Susie Boe Purdy Business Address: 3738A Omao Road Omao, Koloa, Kauai, Hawaii 96756 Business Phone Number: 808-742-6006 E-mail Address: N/A
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).	N/A
2.2 Real Estate Broker	Name: None selected. See Section 6 of this Public Report Business Address: N/A Business Phone Number: N/A E-mail Address: N/A
2.3 Escrow Depository	Name: Title Guaranty Escrow Services, Inc. Business Address: 235 Queen Street, 1st Floor Honolulu, Hawaii 96813 Business Phone Number: 808-533-5855
2.4 General Contractor	Name: N/A Business Address: N/A Business Phone Number: N/A
2.5 Condominium Managing Agent	Name: Self-managed by the Association Business Address: N/A Business Phone Number: N/A
2.6 Attorney for Developer	Name: Patrick J. Childs, Esq. Business Address: 4365 Kukui Grove Street, Suite 104 Lihue, Kauai, Hawaii 96766 Business Phone Number: 808-245-2863

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	**February 7, 2007**	**2007-032833**

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number

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	**February 7, 2007**	**2007-032834**

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	**November 26, 2007**	**2007-207349**

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	**4399**

Dates of Recordation of Amendments to the Condominium Map:

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: See Section 6 of this Developer's Public Report			
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%	100%
Bylaws	67%	100%

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

☐	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
☒	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: Developer has reserved the right to amend the Declaration, Condominium Map and Houses Rules without the consent or joinder of any Unit Owner or any other party, including any mortgagee, holding any interest in any Unit or the Project, for the purpose of adjusting the plan or description of any Unit which may be improved, enlarged or altered, upon the condition that no such amendment shall in any way alter any Unit or common interest thereof which has been conveyed the Developer prior to the filing of such amendment at the State of Hawaii Bureau of Conveyances.

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

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.

The Initial Condominium Managing Agent for this project is (check one):	
[ ]	Not affiliated with the Developer
[X]	None (self-managed by the Association)
[ ]	The Developer or an affiliate of the Developer
[ ]	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

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.
Exhibit N/A 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. See Section 6 of this Public Report

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:	
[ ]	Electricity for the common elements
[ ]	Gas for the common elements
[ ]	Water
[ ]	Sewer
[ ]	TV cable
[ ]	Other (specify)

4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:	
[X]	Electricity for the Unit only
[X]	Gas for the Unit only
[X]	Water
[X]	Sewer
[X]	TV cable
[ ]	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:	
[X]	Specimen Sales Contract Exhibit B contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
[X]	Escrow Agreement dated: July 11, 2007 Name of Escrow Company: Title Guaranty Escrow, Inc. Exhibit "D" contains a summary of the pertinent provisions of the escrow agreement.
[ ]	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.

[ ]	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
[ ]	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit ____.
[ ]	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.

[ ]	There are no blanket liens affecting title to the individual units.
[X]	There are blanket liens 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	Upon default the lender may foreclose on the property and terminate the
	purchaser's interest in any sales contract. In that case, all deposits, less
	cancellation fees, would be refunded.

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. There are no warranties, express or implied.

Appliances: None. There are no warranties, express or implied

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

Status of Construction: Unit 1 and Unit 2 were completed in October, 2002.
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.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract: N/A
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: N/A

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

☒	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.

5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

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):	
☐ N/A	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
☐ N/A	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.

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

Box A ☐	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. If Box A is checked, you should read and carefully consider the following notice, which is required by law: **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.**
Box B ☐	The Developer has **not** 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. 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, **you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment**. (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. 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.

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. N/A

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

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:

(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:

(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

NOT A SUBDIVISION. This is a condominium project which should not be confused with a subdivision. A purchaser of a condominium unit will be conveyed a unit together with an "undivided" percentage interest in the common elements of the project. The entire parcel of land upon which the project is situated is designated as a common element. That portion of the common element which each purchaser has the exclusive right to use is called a limited common element or area, but is NOT a legally subdivided lot.

MAINTENANCE FEES. Developer believes that there will be no maintenance fees. This is because all costs of every kind pertaining to each unit and its respective limited common element, including but not limited to, cost of landscaping, maintenance, repair, replacement and improvement shall be borne entirely by the respective unit owner. There is no common element which contains any depreciable improvements. All utilities are separately metered. Based on the foregoing, there is no schedule of maintenance fees attached to this Publice Report (See "Reserves", below).

INSURANCE. Each unit owner shall be required to maintain fire and wind insurance coverage and, when required by government rule or mandate, flood insurance and a policy endorsement thereon for extended coverage in an amount equal to the full replacement value of his unit and such improvements as exist within the limited common element appurtenant to his unit, with no deduction for depreciation. Such insurance shall name the fee or leasehold owner as payee, or, if required, the mortgagee. Prospective purchasers should consult with their insurance professionals to obtain a cost estimate for individual insurance as herein required.

RESERVES. Developer discloses that no "reserve study" was done in accordance with Section 514B-148 Hawaii Revised Statutes, and Replacement Reserve Rules, Subchapter 6, Title 107, Hawaii Administrative Rules, as amended.

DISCLOSURE RE: NON-SELECTION OF REAL ESTATE BROKER. As of the effective date of this developer's public report, the developer has not executed a listing agreement for the sale of this condominium project with any duly licensed Hawaii real estate broker. Thus, the developer cannot offer to sell or sell any units in this registered condominium project until: (1) The developer executes a listing agreement for the sale of tihs condominium project, (2) amends this developer's public report to reflect the new information, and (3) delivers this public report and amendment to this public report to the prospective purchaser. The conditions for a binding sales contract are listed on pages 16-17, paragraph 5.8.1

ENCROACHMENT AGREEMENT. The Encroachment Agreement recorded in the State of Hawaii Bureau of Conveyances as Document No. 2002-221092 pertains to and runs with the Land submitted to the Project herein (Lot 49-D) and also the adjacent Lot 49-E-2. The Encroachment Agreement addresses and resolves the issues regarding the rock wall and wood fence which were constructed by a prior owner of Lot 49-D which extends into Lot 49-E-2, and further defines the rights and responsibilities of he owners of the said two adjacent parcels.

HOUSE RULES. Developer has reserved the right to adopt house rules subject to the right of the Board of Directors to amend them pursuant to the Bylaws of the Association of Unit Owners.

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 a 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.

KENNETH A. PURDY, DEVELOPER — Date: 7/28/07

SUSIE BOE PURDY, DEVELOPER — Date: 7/28/07

Distribution:

Department of Finance, County of Kauai

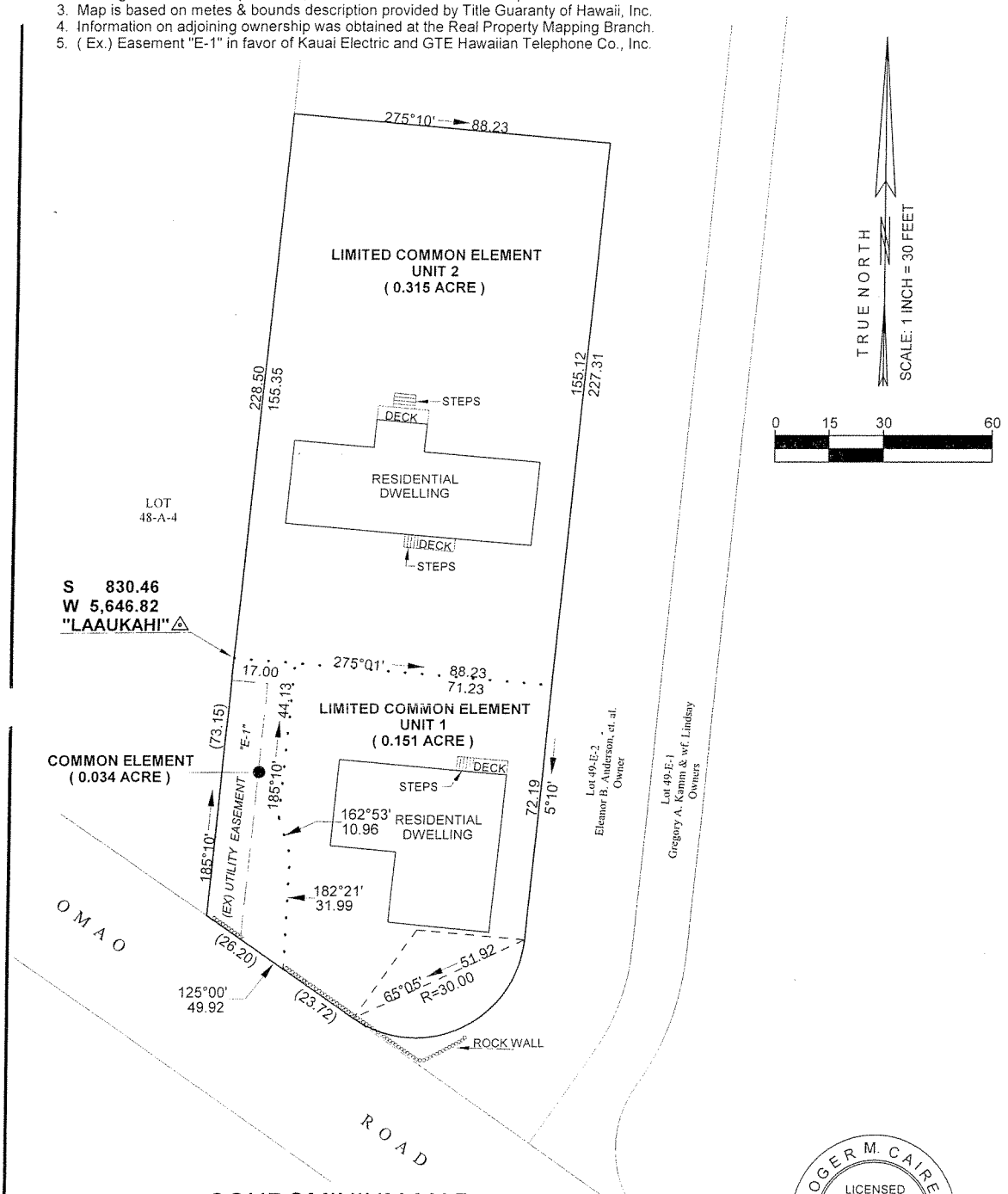
Planning Department, County of Kauai

***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"

M2313CP3

NOTES:
1. This project does not involve the sale of individual subdivided lots. The dotted lines on the Condominium Map are for illustration purposes only. They represent either a limited common element or common element.
2. Underground utilities, septic tanks, etc. were not field located except as shown.
3. Map is based on metes & bounds description provided by Title Guaranty of Hawaii, Inc.
4. Information on adjoining ownership was obtained at the Real Property Mapping Branch.
5. (Ex.) Easement "E-1" in favor of Kauai Electric and GTE Hawaiian Telephone Co., Inc.



CONDOMINIUM MAP
FOR
" 3738 OMAO CONDOMINIUM PROJECT"
UNITS 1 & 2
AND COMMON ELEMENT
BEING LOT 49-D
PORTION OF LOT 49, OMAO HOMESTEADS
OMAO, KOLOA, KAUAI, HAWAII
Tax Map Key: (4) 2 - 7 - 004: 070
Area: 0.500 Acre
October 9, 2006

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

THIS MAP WAS PREPARED BY ME
OR UNDER MY DIRECT SUPERVISION.

Signature
CLS Hawaii
Land Surveying & Mapping
P.O. Box 777
Kalaheo, Kauai, Hawaii 96741

EXHIBIT "B"

SUMMARY OF SALES CONTRACT

The Seller intends to use the Hawaii Association of Realtors' form of Deposit, Receipt, Offer and Acceptances ("DROA") as the sales contract for the sale of apartments in the Project. The DROA contains the purchase price, description and location of the apartment and other terms and conditions under which a Buyer will agree to buy and apartment.

Among other things, the DROA:

1. Provides a section for financing to be completed and agreed to by the parties which will set forth how the Buyer will pay the purchase price.

2. Identifies the escrow agent and states that Buyer's deposit will be held in escrow until the sale is closed or cancelled.

3. Requires that Buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

4. Provides the following remedies in the event of default under the DROA:

By Seller:

A. Seller may bring an action against Buyer for breach of contract;

B. Seller may retain Buyer's deposit as liquidated damages;

C. Seller shall be compensated for an expenses incurred.

By Buyer:

A. Buyer may bring an action against Seller for breach of contract;

B. Buyer may bring an action against Seller compelling Seller to perform under the contract;

C. Seller shall be responsible for all expenses incurred.

Any awards to the prevailing party in any action are subordinate to escrow's expenses.

5. Allocation of payment of closing costs.

6. Provides that the property is sold "as is".

7. Provides that the Developer has reserved the right to amend the Declaration and Condominium Map without the consent or joinder of any unit owner or any other party (including any mortgagee) holding any interest in any unit which may be improved, enlarged or altered, upon the condition that no such amendment shall in any way alter any unit or common interest thereof which has been conveyed by the Developer prior to he filing of such amendment at the Bureau of Conveyances, State of Hawaii.

END OF EXHIBIT "B"

EXHIBIT "C"

SCHEDULE OF UNITS AND COMMON INTERESTS
3738 OMAO CONDOMINIUM PROJECT

Qty.	Unit No.	Area of Limited Common Element* (Acres)	No. of Br./Bath	Appx. Net Living Area (Sq. Ft.)	Approx. Other Area (Sq. Ft.)	% of Common Interest
1	1	0.151	3/2	1,065	576 (Carport) 43 (Decks)	50%
1	2	0.315	3/2	1,182	509 (Decks)	50%

Pursuant to Section 16-107-5, Hawaii Administrative Rules, reference is hereby made to the method by which common interest has been computed. Units 1 and 2 will each equally burden the common elements as shown above. Therefore, the assessment of undivided interest both for common expense and for voting is 50% for each unit.

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

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

END OF EXHIBIT "C"

EXHIBIT "D"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between TITLE GUARANTY ESCROW SERVICES, INC. (the "Escrow"), and KENNETH A. PURDY, SUSIE BOE PURDY and ROSALIE HARRIS CECIL, the "Seller", dated, July 11, 2007, contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. Whenever Seller enters into a sales contract for the sale of a unit, Seller will require that payments due under the sales contract be made to Escrow and will deliver an executed copy of the sales contract to Escrow.

2. Escrow will receive payments under the sales contract and sums received from any other source with respect to the project. Funds held under the Agreement will initially be deposited in an account for the project. Interest on all funds will be paid to Seller.

3. Escrow will release from the trust fund and disburse Buyer's funds at closing, unless: (a) Buyer has elected within seven days of signing the sales contract to cancel and receive all funds paid, without deduction; or (b) the Real Estate Commission has not issued a Final Public Report on the project or the requirements of the sales contract have not been met; or (c) Seller has not satisfied Escrow that all other requirements of Hawaii Revised Statutes have been met.

4. Escrow will return deposited sums to the Buyer without interest, if Seller and Buyer give Escrow written notice to return the funds to Buyer, if there is a right to cancellation and refund of monies under the sales contract or otherwise. If there is a cancellation under the seven-day right, no fees will be charged Buyer. Thereafter, in the event of a cancellation as a matter of agreement or right, Buyer's funds shall be returned to Buyer less Escrow's cancellation fee, if any, and all other costs incurred in connection with the Escrow, not less than $25.00.

5. Escrow will arrange for and supervise the signing of all documents, which are to be signed subsequent to and contemplated by the sales contract.

6. As Escrow's compensation for its performance under this Agreement, Escrow will receive its schedule rate for each apartment for which a unitt deed of the project is handled by Escrow and recorded in the Bureau of Conveyances of the State of Hawaii. Escrow will record all applicable documents. The cost of title insurance will be an additional amount, based upon schedule rate.

7. In the event of default by the Buyer, Buyer may forfeit his or her deposit, which will be paid to the Seller, less any cancellation fees charged by Escrow.

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

END OF EXHIBIT "D"

EXHIBIT "E"

COMMON ELEMENTS OF THE PROJECT

The common elements of the project are:

(a) all of the Land, in fee simple;

(b) the limited common elements, subject to the limitations and uses provided for in the Declaration;

(c) all pipes, wires, conduits, or other utility or service lines, drainage ditches or appurtenant drainage structures retaining walls (if any) and yard fences, which are located outside the buildings and which are utilized for or serve more than one unit.

(d) Common element for ingress and egress from Omao Road for Units 1 and 2, containing 0.034 acre as shown on the Condominium Map and labeled as such.

LIMITED COMMON ELEMENTS OF THE PROJECT

Certain parts of the common elements, referred to as the "limited common elements," have been designated and set aside for the exclusive use of one or more units, and such unit(s) have appurtenant exclusive easements for the use of such limited common elements. The limited common elements set aside, reserved and deemed a limited common element appurtenant to and for the exclusive use of each respective unit is that certain land area upon and around which Units 1 and 2 located, shown and designated on the Condominium Map and the table below.

Unit Number	Area of Limited Common Element*
Unit 1	0.151 Acre
Unit 2	0.315 Acre

* Land areas referenced herein are not legally subdivided lots.

END OF EXHIBIT "E"

EXHIBIT "F"

"3738 OMAO CONDOMINIUM PROJECT"
ARCHITECT'S CONDITION REPORT

The undersigned, being a licensed professional architect within the State of Hawaii and bearing Registration Number AR-3806, has inspected Units #1 and #2 of the condominium project **3738 OMAO CONCOMINIUM PROJECT**, two 15 year old structures which may be occupied for residential use, situated at 3738-A Omao Road Koloa, Kauai Hawaii, and identified as Tax Map Key No. (4) 2-7-4-70.

The inspection included the exterior roofs, foundations, visible electrical and plumbing systems, and I find that the systems and components of the structures, including visible structural, electrical and plumbing, appear to be in satisfactory condition for the stated age thereof and appear to be in sound condition. The structures and related systems and components have an expected useful life in excess of approximately 40 years.

DATED: Kapaa, Kauai, Hawaii August 17, 2005.

STEFAN P. SCHWEITZER
LICENSED PROFESSIONAL ARCHITECT
No. 3806
HAWAII, U.S.A.

Stefan Schweitzer, Architect

EXHIBIT "G"

ENCUMBRANCES AGAINST TITLE

The following documents are listed in this Exhibit "G" as encumbrances against title:

1. Real Property Taxes, if any, that may be due and owing.

   Tax Map Key: [4] 2-7-004-070
   Area Assessed: 0.50 acre

2. The terms and provisions contained in the following:

   GRANT:

   TO : CITIZENS UTILITIES COMPANY, whose interest is now held by KAUAI ISLAND UTILITY CO-OP and GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED, now known as HAWAIIAN TELEPHONE COMPANY, INC.

   DATED : June 8, 1990
   RECORDED : Document No. 90-133792
   GRANTING : A perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines and/or underground lines, etc. for the transmission and distribution of electricity

3. MORTGAGE:

   LOAN ACCOUNT NO. 9205003199

   MORTGAGOR: KENNETH ARTHUR PURDY, a married man and ROSALIE BAIRD CECIL, a widow

   MORTGAGEE: MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., solely as nominee for FIRST MAGNUS FINANCIAL CORPORATION, an Arizona corporation
   DATED : November 8, 2002
   RECORDED : Document No. 2002-206225
   AMOUNT : $495,000.00

4. The terms and conditions contained in the following:

INSTRUMENT:		ENCROACHMENT AGREEMENT
DATED	:	November 18, 2002
RECORDED	:	Document No. 2002-221092
PARTIES	:	JOHATHAN EPSTEIN and JANICE TIERNEY, and JOHN A. MEYERS, as Trustee of the John A. Meyers Revocable Trust, dated March 18, 1998.

5. The terms and conditions contained in the following:

INSTRUMENT:	DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR 3738 OMAO CONDOMINIUM PROJECT AND CONDOMINIUM MAP NO. 4399 AND ANY RECORDED AMENDMENTS THERETO
DATED:	February 7, 2007
RECORDED:	Document No. 2007-032833
MAP:	4399 and any amendments thereto

6. The terms and conditions contained in the following:

INSTRUMENT:	BYLAWS OF THE ASSOCIATION OF UNIT OWNERS OF 3738 OMAO CONDOMINIUM PROJECT
DATED:	February 7, 2007
RECORDED:	Document No. 2007-032834

7. The terms and conditions contained in the following:

INSTRUMENT:	FIRST AMENDMENT TO THE BYLAWS OF THE ASSOCIATION OF UNIT OWNERS OF 3738 OMAO CONDOMINIUM PROJECT
DATED:	November 26, 2007
RECORDED:	Document No. 2007-207349

END OF EXHIBIT "G"

EXHIBIT "H"

BRYAN J. BAPTISTE
MAYOR

GARY K. HEU
ADMINISTRATIVE ASSISTANT

IAN K. COSTA
DIRECTOR OF PLANNING

IMAIKALANI P. AIU
DEPUTY DIRECTOR OF PLANNING

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

DATE: June 4, 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

SUBJECT: Certification of Inspection of Existing Buildings

Project Name: 3738 OMAO ROAD
Condominium Project (449)
Tax Map Key: (4) 2-7-004: 070

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 "5" below) specified herein, we certify the following:

1. The developer has contracted architect Stefan Schweitzer to certify that the buildings on the proposed project referred to as 3738 Omao 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.

2. 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.

3. There are no notices of violation of County building or zoning codes outstanding according to our records.

4. There are no variances approved for the subject property.

5. **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: Patrick Childs, Attorney at Law
Kenneth Purdy, Project Developer