AMENDMENT NO. 1 TO
AMENDED DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME:	KAHU'AINA FARMS Phase 2
PROJECT ADDRESS:	7480 Koolau Road Kilauea, Kauai, Hawaii 96754
REGISTRATION NUMBER:	6711
EFFECTIVE DATE OF REPORT:	January 10, 2011
	☒ Must be read together with ☐ Developer's Public Report dated: _____ ☒ Amended Report dated: May 19, 2009 ☐ Supersedes all prior amendments: Includes all prior amendment(s) and must be read together with ☐ Developer's Public Report dated: _____ ☐ Amended Report dated: _____
DEVELOPER(S):	FALKO PARTNERS, LLC, a California limited liability company

Preparation of this Amendment

The Developer prepared this amendment pursuant to the Condominium Property Act, Section 514B-56, Hawaii Revised Statutes (HRS), as amended from time to time. Section 514B-56, HRS, requires that after the Commission has issued an effective date for the Developer's Public Report, if there are any changes, either material or pertinent changes, or both, regarding the information contained in or omitted from the Developer's Public Report, or if the developer desires to update or change the information set forth in the Developer's Public Report, the developer shall immediately submit to the Commission an amendment to the Developer's Public Report or an amended Developer's Public Report clearly reflecting the change, together with such supporting information as may be required by the Commission, to update the information contained in the Developer's Public Report.

The law defines "material change" as used in parts IV and V of Chapter 514B, HRS means 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 law defines "pertinent change" to mean, as determined by the commission, a change not previously disclosed in the most recent public report that renders the information contained in the public report or in any disclosure statement inaccurate, including, but not limited to (1) The size, construction materials, location, or permitted use of a unit or its appurtenant limited common element; (2) The size, use, location, or construction materials of the common elements of the project; or (3) The common interest appurtenant to the unit. A pertinent change does not necessarily constitute a material change.

The filing of an amendment to the Developer's Public Report or an amended Developer's Public Report, in and of itself, shall not be grounds for a purchaser to cancel or rescind a sales contract. A purchaser's right to cancel or rescind a sales contract shall be governed by sections 514B-86 and 514B-87, HRS, the terms and conditions of the purchaser's contract for sale, and applicable common law.

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This Amendment 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 amendment to the 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, material changes, or pertinent changes 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.

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 amendment may be used by the Developer for promotional purposes only if it is used with the last Developer's Public Report in its entirety.

Prospective purchasers and purchasers are encouraged to read this amendment carefully and to seek professional advice.

Summary of Changes from Earlier Developer's Public Report are Described Beginning on the Next Page

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Summary of Changes from Earlier Developer's Public Report:

This summary contains a general description of the changes, if any, made by the developer since the last Developer's Public Report was issued an effective date. It is not necessarily all inclusive. Prospective purchasers and purchasers must read this amendment together with the last Developer's Public Report with the effective date as noted on the top of page 1 if they wish to know the specific changes that have been made.

Changes made are as follows (include a description of what the change is and page number and or exhibit alphabet or number; additional pages may be used):

A. Pursuant to the rights reserved to Developer in Declaration of Condominium Property Regime of Kahu'aina Farms, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2008-138986, Developer has deleted the "Removable Land" from the Community. To effect this change, Developer recorded in the Bureau of Conveyances an Amendment to Declaration of Condominium Property Regime of Kahu'aina Farms, recorded as Document No. 2010-185604, and an Amendment to Condominium Map for Kahu'aina Farms (Condominium Map No. 4702), recorded in the Bureau of Conveyances as Document No. 2010-185605.

1. Page 3 has been revised to reflect the land area as provided in the Amendment to Declaration of Condominium Property Regime of Kahu'aina Farms described above.

2. Page 10 has been revised to reflect the recordation of amendments to the Declaration of Condominium Property Regime and the Condominium Map described above.

3. Exhibit H has been revised to reflect the recordation of amendments to the Declaration of Condominium Property Regime and the Condominium Map described above.

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Changes continued:

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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.

Falko Partners, LLC, a California limited liability company

By: _____ December 22, 2010
Duly Authorized Signatory* Date

Matt Evans, President of Lyon Ventures, LLC, a California limited liability company, its Managing Member
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Kauai

Planning Department, County of Kauai

***Must be signed for a corporation by an officer; 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.**

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	☒ Fee Simple ☐ Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	☒ Yes ☐ No
Fee Owner's Name if Developer is not the Fee Owner	
Address of Project	7480 Koolau Road, Kilauea, Hawaii 96754
Address of Project is expected to change because	
Tax Map Key (TMK)	(4) 5-1-003-006 (por.)
Tax Map Key is expected to change because	The property has been subdivided. The TMK No. may change after the File Plan for the subdivision has been recorded.
Land Area	117.355 acres.
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	N/A

1.2 Buildings and Other Improvements

Number of Buildings	3 (all units are spatial units)
Floors Per Building	N/A
Number of New Building(s)	3
Number of Converted Building(s)	N/A
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	N/A

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
See **Exhibit A**.						

3	**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.

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	September 3, 2008	2008-138986

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	March 3, 2009	2009-052114
Bureau of Conveyances	December 1, 2010	2010-185604

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
Bylaws	September 3, 2008	2008-138987

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	4702

Dates of Recordation of Amendments to the Condominium Map:
March 3, 2009 (Document No. 2009-052113), December 1, 2010 (Document No. 2010-185605)

EXHIBIT H

Section 1.12 -- Encumbrances Against Title

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE ENCUMBRANCES AGAINST TITLE CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, COMMUNITY RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL. CAPITALIZED TERMS USED HEREIN, UNLESS OTHERWISE DEFINED HEREIN, SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE DECLARATION.

1. Real Property Taxes as may be due and owing. For additional information contact the County of Kauai, Department of Finance.

2. Title to all mineral and metallic mines reserved to the State of Hawaii.

3. All customary and traditional rights, of native Hawaiians as provided for by law, for subsistence, cultural and religious purposes, which rights may involve access over and across the subject property.

4. Access rights in favor of Exclusions 2, 3, 4, 5, 6 and 7; as set forth or disclosed by the Deed recorded January 26, 1979 as Book 13443 Page 188 of Official Records.

5. A reservation in favor of the Grantor of water and riparian rights, as disclosed and being more fully set forth in the Deed recorded January 26, 1979 as Book 13443 Page 188 of Official Records.

6. The terms and provisions contained in the unrecorded Grazing License Agreement dated June 23, 1978, to Princeville Cattle Company which may be terminated upon 45 days prior written notice; as disclosed in Deed recorded January 26, 1979 as Book 13443 Page 188 of Official Records.

7. Easement in favor of Parcel 13 over the present dirt access road over Parcel 6 to the public highway, as set forth by the Order Granting Motion for Partial Summary Judgment, filed in the Circuit Court of the Fifth Circuit, State of Hawaii, Civil No. 3301 recorded March 20, 1985 as Book 18512 Page 181 of Official Records.

8. A Grant of Easement for utility purposes within Easement E-1, E-2, E-3, E-4, E-5, E-6, E-7 and E-8, as shown on the map attached thereto, in favor of GTE Hawaiian Telephone Company Incorporated (now Hawaiian Telcom, Inc.), recorded April 16, 1986 as Book 19431 Page 106 of Official Records.

9. The terms and provisions contained in the Farm Dwelling Agreement, recorded October 25, 1994 as Regular System Document No. 94-175110 of Official Records.

10. Terms and conditions as set forth in the Notice of Dedication, wherein My Legacy Limited Partnership c/o Joe Kirkwood, Jr., dedicates the premises described herein for agricultural use for a period of 10 years effective January 1, 2000. Said Notice was recorded January 28, 2000 as Regular System Document No. 2000-012163 of Official Records.

11. A Right-of-Entry, in favor of Kauai Island Utility Cooperative, a cooperative association, and Verizon Hawaii Inc. (now Hawaiian Telcom, Inc.), recorded March 11, 2004 as Regular System Document No. 2004-050666 of Official Records.

12. Easements A-1, A-2 and A-3 for Agricultural Activity Purposes, as described in or disclosed by instrument recorded June 17, 2008 as Regular System Document No. 2008-098015 of Official Records.

13. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawaii Revised Statutes, as contained in the Master Declaration of Covenants, Conditions, Restrictions and Easements for Kahu'aina Plantation recorded September 2, 2008 as Regular System Document No. 2008-138198 of Official Records.

Supplemental Declaration of Covenants, Conditions, Restrictions and Easements for Kahu'aina Plantation II recorded November 9, 2010 as Regular System Document No. 2010-172169 of Official Records.

14. A Grant of Easement for agricultural activity purposes over and across Easement A-1, Easement A-2 and Easement A-3, in favor of Falko Partners, LLC, a California limited liability company, recorded September 2, 2008 as Regular System Document No. 2008-138199 of Official Records.

15. Regular System Condominium Map No. 4702.
The foregoing Condominium Map was amended by instrument recorded April 7, 2009 as Regular System Document No. 2009-052113 and recorded December 1, 2010 as Regular System Document No. 2010-185605 of Official Records.

16. The terms and provisions contained in or incorporated by reference in the Declaration of Condominium Property Regime of Kahu'aina Farms. Said Declaration was recorded September 3, 2008 as Regular System Document No. 2008-138986 of Official Records.

The foregoing Declaration was amended by instrument recorded April 7, 2009 as Regular System Document No. 2009-052114 and recorded December 1, 2010 as Regular System Document No. 2010-185604 of Official Records.

17. The terms and provisions contained in or incorporated by reference in the Condominium By-Laws of the Association of Apartment Owners of Kahu'aina Farms, as may be amended. Said By-Laws were recorded September 3, 2008 as Regular System Document No. 2008-138987 of Official Records.

18. Designation of the following easements as shown on File Plan No. 2458:

Easement 9 (30 ft. wide) for electrical purposes affecting Lot 1.
Easement 10 (20 ft. wide) for electrical purposes affecting Lot 3.
Easement 17 (10 ft. wide) for access purposes affecting Lot 4.
Easement 22 for retention basin purposes affecting Lot 4.
Easement 23 for retention basin purposes affecting Lot 5.
Easement 42 (30 ft. wide) for landscaping purposes affecting Lot 1.
Easement 43 (30 ft. wide) for landscaping purposes affecting Lot 2.
Easement 45 (30 ft. wide) for landscaping purposes affecting Lot 3.
Easement 46 (30 ft. wide) for landscaping purposes affecting Lot 4.
Easement 47 (30 ft. wide) for landscaping purposes affecting Lot 15.
Easement 48 (30 ft. wide) for landscaping purposes affecting Lot 5.
Easement 56 (30 ft. wide) for landscaping purposes affecting Lot 10.
Easement 58 (30 ft. wide) for landscaping purposes affecting Lot 11.
Easement 60 (30 ft. wide) for landscaping purposes affecting Lot 12.
Easement 61 (30 ft. wide) for landscaping purposes affecting Lot 13.

Easement 62 (30 ft. wide) for landscaping purposes affecting Lot 14.
Flood and building setback lines affecting Lots 12, 13 and 14.

19. AS TO LOT 6-A:

Designation of the following matters as set forth in that certain Affidavit of Wayne T. Wada (Kahu'aina Plantation II) recorded November 9, 2010 as Regular System Document No. 2010-172167 of Official Records:

Easement 11 for electrical purposes.
Easements 49 and 50 for landscaping purposes
Water Service is not available from the Department of Water, County of Kauai.
Building setback.

20. AS TO LOT 7-A:

Designation of the following matters as set forth in that certain Affidavit of Wayne T. Wada (Kahu'aina Plantation II) recorded November 9, 2010 as Regular System Document No. 2010-172167 of Official Records:

Easement 32 for drainagel purposes.
Easements 50 and 51 for landscaping purposes
Water Service is not available from the Department of Water, County of Kauai.
Building setback.

21. AS TO LOT 15-C:

Designation of the following matters as set forth in that certain Affidavit of Wayne T. Wada (Kahu'aina Plantation II) recorded November 9, 2010 as Regular System Document No. 2010-172167 of Official Records:

Easements 33 and 36 for drainage purposes.
Easements 47, 52 and 54 for landscaping purposes.
Easements A and B for acccess and utility purposes.
Water Service is not available from the Department of Water, County of Kauai.
Building setback.

22. AS TO LOT 15-D:

Designation of the following matters as set forth in that certain Affidavit of Wayne T. Wada (Kahu'aina Plantation II) recorded November 9, 2010 as Regular System Document No. 2010-172167 of Official Records:

Easement 13 for public pedestrial access purposes.
Easements 37 and 38 for drainage purposes.
Easements 57, 59 and 63 for landscaping purposes.
Easements C and D for acccess and utility purposes.
Water Service is not available from the Department of Water, County of Kauai.
Building setback.

23. AS TO LOT 15-J:

Designation of the following matters as set forth in that certain Affidavit of Wayne T. Wada (Kahu'aina Plantation II) recorded November 9, 2010 as Regular System Document No. 2010-172167 of Official Records:

Easement 6 for waterline purposes.
Easement 31 for drainage purposes.
Easement 41 for landscaping purposes.
Easement 64 for archeological purposes.
Water Service is not available from the Department of Water, County of Kauai.
Building setback.

24. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawaii Revised Statutes, as contained in the Declaration Releaseing Rights to Three-Phase Power Installation recorded November 20, 2008 as Regular System Document No. 2008-176925 of Official Records.

25. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawaii Revised Statutes, as contained in the Declaration of Grant and Reservation of Easements for the Kahu'aina Plantation Subdivision recorded November 20, 2008 as Regular System Document No. 2008-176927 of Official Records.

Amended and Restated Declaration of Grant and Reservation of Easements for the Kahu'aina Plantation I and II Subdivisions recorded November 9, 2010 as Regular System Document No. 2010-172296 of Official Records.

26. AS TO LOTS 6A, 7A, 15-C, 15-D AND 15-J:

a. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawaii Revised Statutes, as contained in the Declaration Incorporating Conditions of Approval into Instruments of Conveyance (CDUP No. KA-3448) recorded November 20, 2008 as Regular System Document No. 2008-176926 of Official Records.

b. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawaii Revised Statutes, as contained in the In Situ Agreement recorded December 2, 2008 as Regular System Document No. 2008-181952 of Official Records.

27. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawaii Revised Statutes, as contained in the Agricultural Subdivision Agreement recorded January 13, 2009 as Regular System Document No. 2009-004158 of Official Records.

28. The terms and provisions contained in the Agreement to Incorporate Agricultural Restrictions into Instruments of Conveyance recorded November 9, 2010 as Regular System Document No. 2010-172166 of Official Records.

29. The terms and provisions contained in the Housing Agreement (In-Lieu Fees/Lien Applicable to Subdivision No. S-2009-16) recorded November 9, 2010 as Regular System Document No. 2010-172168 of Official Records.

END OF EXHIBIT