CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Martin J. Kahn and Carole Ann Kahn, Trustees
Address 4569 Kukui Street, Kapaa, Kauai, Hawaii 96746

Project Name (*): NIULANI BEACHFRONT CONDOMINIUM
Address: Lot 7 of Waipouli Beach Lots, portion of RP 7373,LC Award 8559-B Apana 42 to W.C. Lunalilo, Waipouli, District of Kawaihau, Kauai, Hawaii

Registration No. 4676 (Conversion)

Effective date: **November 1, 2001**
Expiration date: **December 1, 2002**

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports: Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

____ **PRELIMINARY: (yellow)** The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

_X_ **FINAL: (white)** The developer has legally created a condominium and has filed complete information with the Commission.
[X] No prior reports have been issued.
[ ] This report supersedes all prior public reports.
[ ] This report must be read together with _____

____ **SUPPLEMENTARY: (pink)** This report updates information contained in the:
[ ] Preliminary Public Report dated: _____
[ ] Final Public Report dated: _____
[ ] Supplementary Public Report dated: _____

And
[ ] Supersedes all prior public reports.
[ ] Must be read together with _____
[ ] This report reactivates the _____ public report(s) which expired on _____

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[X] Required and attached to this report as Exhibit "J" [ ] Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

[X] No prior reports have been issued by the developer.

[ ] Changes made are as follows:

SPECIAL ATTENTION

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

1. There are presently TWO RESIDENTIAL STRUCTURES, each of which may be defined as an "apartment", under the condominium property act.

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

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

SPECIAL ATTENTION (CONTINUED):

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

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENT REFERENCED IN THIS PUBLIC FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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EXHIBIT J: DISCLOSURE ABSTRACT

General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

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

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Martin J. Kahn and Carole Ann Kahn, Trustees
Name*
Phone: (808) 822-5281 (Business)

4569 Kukui Street
Business Address
Kapaa, Hawaii 96746

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):
N/A

Real Estate Broker*: Sleeping Giant Realty, Inc. (For sale of Apartment 1)
Name
Phone: (808) 245-8831 (Business)

4480 Ahukini Road
Business Address
Lihue, Hawaii

Escrow: Security Title Corporation
Name
Phone: (808) 245-6975 (Business)

4370 Kukui Grove Street, Suite 203
Business Address
Lihue, Hawaii 96766

General Contractor*: N/A
Name
Phone: _____ (Business)

Business Address

Condominium Managing Agent*: Self Managed by the Association of Apartment Owners
Name
Phone: _____ (Business)

Business Address

Attorney for Developer: Patrick J. Childs
Name
Phone: (808) 245-2863 (Business)

4365 Kukui Grove Street, Suite 104
Business Address
Lihue, Hawaii 96766

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

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

The Declaration for this condominium is:

[ ] Proposed
[X] Recorded - Bureau of Conveyances: Document No. 2001-049689
Book _____ Page _____
[ ] Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

[ ] Proposed
[X] Recorded - Bureau of Conveyances Condo Map No. 3241
[ ] Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

[ ] Proposed
[X] Recorded - Bureau of Conveyances: Document No. 2001-049690
Book _____ Page _____
[ ] Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

First Amendment to the Bylaws of the Association of Apartment Owners of NIULANI BEACHFRONT CONDOMINIUM recorded on Sept. 19, 2001 at the Bureau of Conveyances as Document No. 2001-146914.

D. **House Rules.** The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

[ ] Proposed [ ] Adopted [X] Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents** Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of common interest which must vote for or give written consent to changes:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	100%
Bylaws	65%	65%
House Rules	---	N/A

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. Developer:

[ ] No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

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

The Developer may amend the Declaration (and, when applicable, any exhibits to the Declaration and the Condominium Map) (a) as may be provided in the Declaration and (b) to file the "as built" statement required by Section 514A-12 of the Act (i) so long as such verified statement is a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed or being filed simultaneously with such amendment, fully and accurately depict the layout, location, apartment numbers and the dimensions of the apartments as built, or (ii) so long as the plans filed therewith involve only minor changes to the layout, location or dimensions on the apartments, as built, or any change in any apartment number.

III. THE CONDOMINIUM PROJECT

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

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

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

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

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

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

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

Exhibit _____ contains a schedule of the lease rent for each apartment per: [ ] Month [ ] Year

For Sub-leaseholds:

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

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

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

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

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

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

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

Exhibit _____ contains a schedule of the lease rent for each apartment per: [ ] Month [ ] Year

[ ] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. **Underlying Land:**

Address: Lot 7 of Waipouli Beach lots, portion of R.P. 7373, L.C. Award 8559-B, Apana to William C, Lunalilo, Waipouli, District of Kawaihau, Kauai, Hawaii

Tax Map Key (TMK): (4) 4-3-09-3

[ ] Address [ ] TMK is expected to change because _____

Land Area: 10,427 [X] square feet [ ] acre(s) Zoning: Open

Fee Owner: ~~Martin J. Kahn and Carole Ann~~ Kahn, Trustees of their respective trusts
Name

~~4569 Kukui Street~~
Address

~~Kapaa, Hi. 96746~~

Lessor: N/A
Name

Address

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 2 Floors Per Building: 1

[ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[ ] Concrete [ ] Hollow Tile [X] Wood

[ ] Other _____

4. Uses Permitted by Zoning:

		No. of Apts.	Use Permitted By Zoning	
[X]	Residential	1	[X] Yes	[ ] No
[ ]	Commercial		[ ] Yes	[ ] No
[ ]	Mix Res/Comm		[ ] Yes	[ ] No
[ ]	Hotel		[ ] Yes	[ ] No
[ ]	Timeshare		[ ] Yes	[ ] No
[X]	Ohana	1	[X] Yes	[ ] No
[ ]	Industrial		[ ] Yes	[ ] No
[ ]	Agricultural		[ ] Yes	[ ] No
[ ]	Recreational		[ ] Yes	[ ] No
[ ]	Other		[ ] Yes	[ ] No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
[X] Yes [ ] No

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

[X] Pets: See Article V, Section 3(h) of Bylaws

[ ] Number of Occupants: _____

[X] Other: See restrictions on use and occupancy in Article V, Section 3 of By-laws

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
1	1	4/2	1274	58	porches
2	1	3/2	998	72	porches

Total Number of Apartments: 2

*** Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.**

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

PERIMETER WALL TO PERIMETER WALL, FLOOR TO EXPERIOR OF ROOF.

Permitted Alterations to Apartments:

ANY ALTERATIONS PERMITTED BY LAW.

Apartments Designated for Owner-Occupants Only:
Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has not elected to provide the information in a published announcement or advertisement.

7. Parking Stalls: *EACH APATMENT HAS MORE THAN SUFFICIENT AREA APPURTENANT THERETO TO ACCOMODATE PARKING.

Total Parking Stalls: *_____

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

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

[ ] Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

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

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

[X] Other: shared cesspool

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

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

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

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

APARTMENT 2 was completely remodeled in 1992. The systems and components of the structure, 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 structure and related systems and components have an expected useful life in excess of 55 years.

11. Conformance to Present Zoning Code

a. [X] No variances to zoning code have been granted.

[ ] Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. **Common Elements, Limited Common Elements, Common Interest:**

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

[X] described in Exhibit A.

[ ] as follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

[ ] There are no limited common elements in this project.

[X] The limited common elements and the apartments which use them, as described in the Declaration, are:

[X] described in Exhibit A.

[ ] as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

[ ] described in Exhibit _____.

[X] as follows:

Apartment 1 common interest 50%

Apartment 2 common interest 50%

E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit B describes the encumbrances against the title contained in the title report dated June 4, 2001 and issued by Old Republic National Title Insurance Co.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

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

[X] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed **Prior to Conveyance**
MORTGAGES	THE UNDERLYING MORTGAGES ARE SUPERIOR TO AND TAKE PRECENDENCE OVER THE SALES CONTRACT. IF THE DEVELOPER DEFAULTS, BUYER SHALL LOSE HIS OPTION TO CONSUMATE HIS PURCHASE OF THE PROPERTY AND BUYER'S MONEY SHALL BE REFUNDED, LESS ESCROW CANCELLATION FEE.

F. **Construction Warranties:**

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

NONE.

2. Appliances:

NONE.

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

APARTMENT 1 WAS COMPLETED IN 1999.

APARTMENT 2 WAS COMPLETED IN 1992.

H. **Project Phases:**

The developer [ ] has [X] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

IV. CONDOMINIUM MANAGEMENT

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

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

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

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

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

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

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

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

C. **Utility Charges for Apartments:**

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

[ ] None [ ] Electricity (___ Common Elements only ___ Common Elements & Apartments)

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

[X] Water [X] Sewer [ ] Television Cable

[X] Other Shared cesspool (See item 2 page 20)

V. MISCELLANEOUS

A. **Sales Documents Filed With the Real Estate Commission:**

Sales documents on file with the Real Estate Commission include but are not limited to:

[ ] Notice to Owner Occupants

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

[X] Escrow Agreement dated March 23, 2001
Exhibit E contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other _____

B. **Buyer's Right to Cancel Sales Contract:**

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to $250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

A) The Developer delivers to the buyer a copy of:
   1) Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
   2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); **AND**

C) One of the following has occurred:
   1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
   2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
   3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**

B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
B) Declaration of Condominium Property Regime, as amended.
C) Bylaws of the Association of Apartment Owners, as amended.
D) House Rules, if any.
E) Condominium Map, as amended.
F) Escrow Agreement.
G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
H) Other _____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 4676 filed with the Real Estate Commission on June 28, 2001.

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

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

C. Additional Information Not Covered Above

1. Unit 1 of this project is subject to Easement A as shown on the Condominium Map, in favor of Unit 2 for cesspool purposes.

2. The current wastewater system, which is a cesspool, is shared by both apartments. The cost and maintenance of which shall be shared equally by both units. Should the County require that the cesspool be replaced by a septic system in the future, both units shall share equally in the costs of installation and maintenance of the new system, and agree to place the system as suggested by the wastewater systems engineer. Unless in the opinion of a wastewater systems engineer, one unit is placing a disproportionate burden on the wastewater system, then said unit shall be responsible for a proportionate share of expenses, costs of repair and/or replacement of the wastewater system as ascertained by the aforesaid engineer. In the event either party cannot agree upon a qualified professional to make aforesaid determination, or at the request of either owner, the professional shall be designated by the developer, or in his absence a Judge of the Fifth Circuit Court.

3. It is the Developers' intent not to sell Unit 2. This Public Report shall not bind a purchaser of Unit 2 to the sale of Unit 2 until the Developers submit to the Real Estate Commission a duly executed disclosure abstract identifying the designated sales agent, a copy of which shall be attached to this Public Report, and a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker, as applicable.

4. Pursuant to sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Developer/Owner(s), Martin J. Kahn, RS 26588, is a current and inactive Hawaii licensed real estate salesperson,. Pursuant to section 18-99-11(c), HAR, "No licensee shall be allowed to advertise 'For Sale By Owner'. 'For Rent by Owner', 'For Lease by Owner', 'For Exchange by Owner'."

5. The condominium interest created hereby is on open zoned land and, as such, is subject to all restrictions associated therewith. This is not residentially zoned property and the Developer does not warrant that any residence will be permitted by the County of Kauai within any specific limited common element. Open zoned properties are subject to density requirements that may change. Any such change will effect the number of allowable units that may be placed on the underlying land.

6. Unit 1 is also subject to Easement B as shown on the condominium map, in favor of Unit 2 for a pedestrian access to the ocean.

7. Unit 1 is subject to the location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance and its effect, if any, upon the area of the land herein described. Exhibit "A" of the Declaration notes an erosion area of 1,573 square feet.

8. Maintenance fees. All costs of every kind pertaining to each apartment 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 owner. Section 514A-86, Hawaii Revised Statutes, requires the Association of Apartment Owners purchase fire insurance to cover the improvements of the Project, and that premiums be common expenses. Developer anticipates that the Association will elect to permit individual apartment owners to obtain and maintain separate policies of fire insurance and name the Association as an additional insured. In such case, fire insurance premiums will be the responsibility of individual apartment owners and not common expenses. Developer estimates such annual premium expense to be about **$600.00** per year each unit. This estimate was prepared in accordance with generally accepted accounting principles.

D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-] (The developer is required to make this declaration for issuance of an effective date for a final public report.)

E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

Martin J. Kahn	Carole Ann Kahn
Printed Name of Developer	Printed Name of Developer
By: _____ 5/11/01	By: _____ 5/11/01
Duly Authorized Signatory* Date	Duly Authorized Signatory* Date
Martin J. Kahn, Trustee of the Martin J. Kahn Revocable Trust dated Feb. 29, 1984, as amended	Carole Ann Kahn, Trustee of the Carole Ann Kahn Revocable Trust dated February 29, 1984, as amended
Printed Name & Title of Person Signing Above	Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Kauai

Planning Department, County of Kauai

**Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership(LLP) by the general partner; Limited Liability Company(LLC) by the manager or member; and for an individual by the individual.*

"EXHIBIT A'

1. Common Elements. The common elements of the Project consist only of the following:

(i) all of the Land, in fee simple, subject to the division of the same as limited common elements;

(ii) the limited common elements described below, subject to the limitations and uses provided for therein;

(iii) all pipes, wires, wastewater systems, conduits, or other utility or service lines, which are located outside the buildings and which are utilized for or serve more than one apartment.

(iv) the current wastewater system, which is a cesspool, is shared by both apartments. The cost and maintenance of which shall be shared equally by both units. Should the County require that the cesspool be replaced by a septic system in the future, both units shall share equally in the costs of installation and maintenance of the new system, and agree to place the system as suggested by the wastewater systems engineer. Unless in the opinion of a wastewater systems engineer, one unit is placing a disproportionate burden on the wastewater system, then said unit shall be responsible for a proportionate share of expenses, costs of repair and/or replacement of the wastewater system as ascertained by the aforesaid engineer. In the event either party cannot agree upon a qualified professional to make aforesaid determination, or at the request of either owner, the professional shall be designated by the developer, or in his absence a Judge of the Fifth Circuit Court.

2. Limited Common Elements. The limited common elements of the Project consist only of the following:

(i) that portion of the Land which is designated as Limited Common Element 1, consisting of 6,610 square feet, on the Condominium Map, is reserved for the exclusive use of Unit 1 for the support of the building and other improvements comprising Unit 1 and for residential yard, driveway and parking purposes;

(ii) that portion of the Land which is designated as Limited Common Element 2, consisting of 3,817 square feet, on the Condominium Map, is reserved for the exclusive use of Unit 2 for the support of the building and other improvements comprising Unit 2 and for residential yard, driveway and parking purposes;

The limited common elements do not include the common elements identified in clause (iii) of paragraph 1 above.

Each apartment owner, at his expense, shall maintain the limited common elements appurtenant to his apartment in good order and in a neat and attractive condition. All limited common elements costs and expenses shall be borne by the apartment owners in the following equitable manner: All limited common elements costs and expenses, including, but not limited to, maintenance, repair, land taxes, replacement, additions and improvements of or to the limited common elements, shall be borne by and charged to the owner of the apartment to which the limited common element is appurtenant.

****

NOTICE: This is not a subdivision. The Limited Common Elements that are reserved for the exclusive use of individual units are not subdivided parcels. As such they do not fall within the ordinances of the County of Kauai as the same pertain to subdivision nor do they derive any benefits therefrom.

****

EXHIBIT "B"

ENCUMBRANCES AGAINST TITLE

1. TAXES: Tax Map Key: KAUAI 4-3-9-3

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance and its effect, if any, upon the area of the land herein described.

4. The terms and provisions of that certain Martin J. Kahn Revocable Trust, dated February 29, 1984, as amended, and that certain Carole Ann Kahn Revocable Trust, dated February 29, 1984, as amended, to which reference is hereby made.

5. MORTGAGE

Mortgagor:	Martin J. Kahn, Trustee of that certain Martin J. Kahn Revocable Trust, dated February 29, 1984, as amended, for the benefit of Martin J. Kahn, and Carole Ann Kahn, Trustee of that certain Carole Ann Kahn Revocable Turst, dated February 29, 1984, as amended, for the benefit of Carole Ann Kahn
Mortgagee:	Bank of Hawaii, a Hawaii corporation, which is organized and existing under the laws of the State of Hawaii
Dated:	June 23, 2000
Recorded:	June 30, 2000
Document No.	2000-090377
To Secure:	$379,050.00 And any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to

6. MORTGAGE

Mortgagor:	Martin J. Kahn, Trustee of that certain Martin J. Kahn Revocable Trust, dated February 29, 1984, as amended, for the benefit of Martin J. Kahn, and Carole Ann Kahn, Trustee of that certain Carole Ann Kahn Revocable Trust, dated February 29, 1984, as amended, for the benefit of Carole Ann Kahn
Mortgagee:	Bank of Hawaii, a corporation formed and existing under the laws of the State of Hawaii
Dated:	June 23, 2000
Recorded:	June 30, 2000
Document No.	2000-090328
To Secure:	$221,000.00 And any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to

7. Covenants, conditions, restrictions, reservations, easements, liens of assessments, options, powers of attorney, limitations on title and all other provisions contained or incorporated by reference in the Declaration of Condominium Property Regime dated February 28, 2001, recorded in the Bureau of Conveyances as Document No. 2001-049689 Bylaws thereto dated February 28, 2001 recorded in the Bureau of Conveyances as Document No.2001-049690, further amended by Document No. 2001-146914, Condominium Map No. 3241: any instruments creating the estate or interest herein set forth; and in any other allied instrument referred to in any of the instruments aforesaid.

EXHIBIT C

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee x 12 months = Yearly Total
1	$78.50 x 12 = $942.00
2	$78.50 x 12 = $942.00

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency

Estimate of Maintenance Fee Disbursements:

	Monthly Fee x 12 months = Yearly Total
Utilities and Services	
Air Conditioning	
Electricity	
[ ] common elements only	
[ ] common elements and apartments	
Elevator	
Gas	
[ ] common elements only	
[ ] common elements and apartments	
Refuse Collection	
Telephone	
Water and Sewer	$57.00 x 12 = $684.00
Maintenance, Repairs and Supplies	
Building	
Grounds	
Management	
Management Fee	
Payroll and Payroll Taxes	
Office Expenses	
Insurance	$100.00 x 12 = $1200.00
Reserves(*)	
Taxes and Government Assessments	
Audit Fees	
Other	
TOTAL	$157.00 x 12 = $1,884.00

I, Martin J. Kahn, Trustee, and Carole Ann Kahn, Trustee, the condominium managing agent/developer for the Niulani Beachfront Condominium condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Signature Date

Signature Date

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

Developer discloses no reserve study was done in accordance with Chapter 514A-83.6, HRS, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules.

EXHIBIT "D"

SUMMARY OF SALES CONTRACT:

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

Among other things, the sales contract and addendum:

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

2. Identifies the escrow agent and states that Buyer's deposit will be held in escrow until the sales contract 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 sales contract:

by Buyer:

a. Seller may bring an action against Buyer for breach of contract;
b. Seller may retain Buyer's initial deposit;
c. Buyer shall be responsible for expenses incurred.

By Seller:

a. Buyer may bring an action against Seller for breach of contract;
b. Buyer may bring an action compelling Seller to perform under contract;
c. Seller shall be responsible for expenses incurred.

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

5. Allocation of payment of closing costs.

EXHIBIT "E"

SUMMARY OF ESCROW AGREEMENT:

An escrow Agreement allows the Condominium Buyers' money to be held by a neutral party, the Escrow Agent, until the Seller can deliver good and marketable title to the Condominium. The Escrow Agreement for this project provides for, among other things:

1. That SECURITY TITLE CORPORATION is the Escrow Agent.

2. That, upon execution of a Sales Contract, the Developer shall deliver all money received over to the Escrow Agent.

3. That there shall be no disbursement of the purchaser's deposit until: [a] Escrow receives a copy of "Receipt for Public Report(s) and Notice of Right to Cancel", in the form specified by Section 514A-62 of the Condominium Act for the Final and any Supplementary Public Reports, executed by the purchaser; [b] Escrow has received a certification that the requirements of Section 514A-39 and 514A-63 have been met and [c] until the purchaser's apartment deed is filed in the Bureau of Conveyances of the State of Hawaii.

4. That the Buyer shall receive all public documents relating to the project.

5. That a Buyer's money shall be returned to him under the following conditions: [a] Escrow receives a written request from the Developer and purchaser for the return of purchaser's funds or [b] Developer and purchaser notify Escrow of a rescission or [c] Developer and purchaser notify Escrow that the conditions for a refund under Sections 514A-62 and 514A-63 of the Condominium Act have been met.

6. That, upon the Seller providing good title to the Condominium, the Buyer's money shall be turned over to the Seller.

7. That the Escrow Agent will record with the State of Hawaii all documents requiring such.

8. That, if the Buyer is unable to perform and has money on deposit in escrow, these monies will be turned over to the Seller.

EXHIBIT "F"

STEPHEN W. LONG, AIA & ASSOCIATES, INC.
P.O. BOX 1428
HANALEI, HAWAII 96714

ARCHITECT'S CONDITION REPORT
"NIULANI BEACHFRONT CONDOMINIUM"

The undersigned, being a licensed architect within the State of Hawaii and bearing Registration Number AR7801, has inspected Unit 2 of the condominium project "Niulani Beachfront Condominium". Unit 2 was completely remodeled with all new systems in 1992, and may be occupied for residential use, situated at Kapaa, Kauai, and identified as Tax Map Key No. (4) 4-3-9:03.

The inspection included the exterior roof, foundation, visible electrical and plumbing systems, and I find that the systems and components of the structure, 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 structure and related systems and components have an expected useful life in excess of 55 years.

DATED: December 28, 2000 Kauai, Hawaii

Stephen W. Long, AIA

•THIS WORK WAS PREPARED BY
ME OR UNDER MY SUPERVISION

STEPHEN W LONG
REGISTERED
PROFESSIONAL
ARCHITECT
AR 7801
HAWAII USA

12/28/00

•CONSTRUCTION OF THIS PROJECT
WILL BE UNDER MY SUPERVISION

EXHIBIT "G"

NIULANI BEACHFRONT CONDOMINIUM
UNIT 1

All of that certain parcel of land being the Limited Common Element containing condominium Unit "1", Niulani Beachfront Condominium, situate at Waipouli, Kawaihau, Kauai, Hawaii.

Being a portion of Lot 7 of the "Waipouli Beach Lots". Being, also, a portion of R.P. 7373, L.C. Aw. 8559-B, Ap. 42 to William C. Lunalilo, and more particularly described as follows:

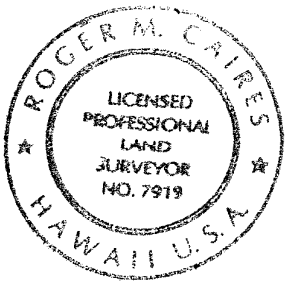
Beginning at the Northwest corner of this parcel of land on the East side of Niulani Street, the coordinates of said point of beginning referred to Government Survey Triangulation Station "NONOU" being 1,387.08 feet North and 12,351.80 feet East, thence running by azimuths measured clockwise from true South:

1.	284°	17'	137.00	feet along Lot 8 to the vegetation line at the shoreline;
				thence along the vegetation line at the shoreline as of June 19, 1999 for the next two (2) courses, the direct azimuths and distances between points on the vegetation line being:
2.	12°	18'	47.07	feet;
3.	4°	24'	28.38	feet;
4.	104°	17'	75.50	feet along Lot K;
5.	194°	17'	48.15	feet along the remainder of Lot 7 (Unit 2);
6.	158°	34'	10.28	feet along the remainder of Lot 7 (Unit 2);
7.	104°	17'	62.00	feet along the remainder of Lot 7 (Unit 2);
8.	194°	17'	18.50	feet along the East side of Niulani Street to the point of beginning and containing an area of 6,610 square feet.

SUBJECT, HOWEVER, to the following as shown on condominium map dated January 16, 2001;

1. Easement "A" (120 square feet) for cesspool purposes, in favor of Unit 2, affecting Unit 1.

2. Easement "B" (375 square feet) for pedestrian beach access purposes, in favor of Unit 2, affecting Unit 1.



Kalaheo, Hawaii 96741
January 16, 2001

DESCRIPTION PREPARED BY:
CAIRES LAND SURVEYING

ROGER M. CAIRES
Licensed Professional Land Surveyor
Certificate Number 7919

NIULANI BEACHFRONT CONDOMINIUM
UNIT 2

All of that certain parcel of land being the Limited Common Element containing condominium Unit "2", Niulani Beachfront Condominium, situate at Waipouli, Kawaihau, Kauai, Hawaii.

Being a portion of Lot 7 of the "Waipouli Beach Lots". Being, also, a portion of R.P. 7373, L.C. Aw. 8559-B, Ap. 42 to William C. Lunalilo, and more particularly described as follows:

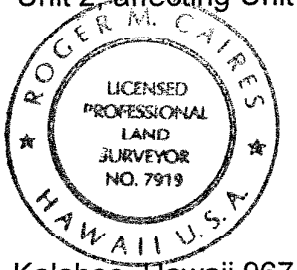
Beginning at the Southwest corner of this parcel of land on the East side of Niulani Street, the coordinates of said point of beginning referred to Government Survey Triangulation Station "NONOU" being 1,314.40 feet North and 12,333.30 feet East, thence running by azimuths measured clockwise from true South:

1.	194°	17'	56.50	feet along the East side of Niulani Street;
2.	284°	17'	62.00	feet along the remainder of Lot 7 (Unit 1);
3.	338°	34'	10.28	feet along the remainder of Lot 7 (Unit 1);
4.	14°	17'	48.15	feet along the remainder of Lot 7 (Unit 1);
5.	104°	17'	68.00	feet along Lot K to the point of beginning and containing an area of 3,817 square feet.

TOGETHER WITH, the following as shown on condominium map dated January 16, 2001;

1. Easement "A" (120 square feet) for cesspool purposes, in favor of Unit 2, affecting Unit 1.

2. Easement "B" (375 square feet) for pedestrian beach access purposes, in favor of Unit 2, affecting Unit 1.



DESCRIPTION PREPARED BY:
CAIRES LAND SURVEYING

Kalaheo, Hawaii 96741
January 16, 2001

ROGER M. CAIRES
Licensed Professional Land Surveyor
Certificate Number 7919

EXHIBIT "H"

MARTIN J. KAHN REVOCABLE TRUST

MARTIN J. KAHN (the "Grantor") hereby declares that he has transferred to himself, as "Trustee," the property described in the attached Exhibit "A". That property and all other property hereafter added to the trust estate which is subject to this instrument shall be held, administered and distributed as follows:

Article I

The Grantor alone reserves the right to revoke this agreement at any time by an instrument in writing signed by him, acknowledged before a notary public, and delivered to the trustee. No guardian, committee, conservator or similar legal representative shall have any power of revocation. Upon revocation the trustee shall return any and all property which may have been transferred to the trust during the lifetime of the Grantor.

Article II

The Grantor and the trustee acting jointly may amend this agreement at any time by changing the beneficiaries of the trust estate hereby created, by changing the dispositive provisions or in any other respect.

Article III

During the life of the Grantor the trustee shall pay all the net income of the trust to the Grantor or as the Grantor otherwise directs in writing, and the trustee shall pay any part of the principal of the trust as the Grantor directs in writing. However, during any period in which the Grantor is in the opinion of the trustee incapable of managing his own affairs, the trustee may in its discretion pay to or use for the benefit of the Grantor so much of the income and principal of the trust as the trustee determines to be required for the Grantor's support, comfort and welfare, in the Grantor's accustomed manner of living, or for any other purposes the trustee believes to be for the Grantor's best interest. Any excess income shall be added to principal at the discretion of the trustee.

Article IV

After the Grantor's death, to the extent that cash and marketable securities in the Grantor's estate are certified by his personal representative or legal representatives to be insufficient pursuant to a written instrument or instruments

delivered to the trustee, the trustee shall pay the Grantor's funeral expenses; legally enforceable claims against the Grantor or the Grantor's estate; reasonable expenses of administration of the estate; any allowances by court order for those dependent upon the Grantor, any deficiencies needed to complete the payment of any legacies; and all inheritance, estate, succession and death taxes, including but not limited to the taxes on the testamentary estate, payable by reason of the Grantor's death (other than generation-skipping taxes), together with any interest or other additions to the tax. The trustee shall not attempt to recover any such payments except to the extent the trustee has the right by law or otherwise to recover taxes payable by reason of property over which the Grantor has a power of appointment or by reason of property in which the Grantor has an income interest for life for which a marital deduction was previously elected and allowed. Subject to any limitations set forth herein or in the Grantor's will, all such payments shall be charged generally against the trust property; provided, however, that if the Grantor's spouse survives the Grantor, (1) all inheritance, estate, succession and death taxes, payable by reason of the Grantor's death, together with any interest or other additions to the tax and (2) any expenses of administration which are claimed as deductions upon any Federal income tax return and not as estate tax deductions, shall be charged against the maximum amount of the Exemption Share as defined in Article VI, and to the extent that such maximum amount is insufficient fully to discharge such taxes, interest and additions, the amount of such insufficiency shall be apportioned against and paid by the persons entitled to or benefitting from the property occasioning such taxes, interest and additions, in the manner provided by law. Written statements by the personal representative or administrator of the sums to be paid shall be sufficient evidence of the amount and propriety for the protection of the trustee, and the trustee shall be under no duty to see to the application of any payments. The trustee shall have no responsibility with respect to the fixing, ascertainment and determination of the estate, inheritance, succession and death taxes and is not required to take any steps to protest or bring legal proceedings with respect to the determination of such taxes. Anything to the contrary notwithstanding, to the extent that any U.S. Treasury Bonds, redeemable at par and directly

applicable to the payment of Federal estate taxes ("Flower Bonds") are held by the trust at the time of the Grantor's death, any and all such bonds shall be utilized to pay Federal estate taxes payable by reason of the Grantor's death.

Article V

The trustee shall, until the final settlement of the Grantor's estate, maintain separate and apart from all other assets of this trust proceeds of qualified pension or profit-sharing plans and such death benefits as are exempt from inclusion in the Grantor's gross estate for Federal estate tax purposes under Section 2039(c) of the Internal Revenue Code of 1954 or any successor provisions of the tax laws of the United States in effect at the Grantor's death, and no amount shall be paid to the Grantor's personal representative from such exempt funds for the purposes specified in Article IV, but this sentence shall not limit the power of the trustee to purchase assets from or loan money to the Grantor's estate.

Article VI

Subject to the terms of Article V, after the Grantor's death, the trustee shall hold and dispose of the trust property as follows: If the Grantor's spouse survives the Grantor, the trustee shall divide and set apart the trust property (including any property devised, bequeathed or transferred to the trustee by the Grantor and any proceeds of life insurance on the Grantor's life received by the trustee) into two separate shares.

1. (A) One such share, herein called the Exemption Share, shall be held, administered and distributed as a separate trust, called the Exemption Trust, in the manner hereinafter provided in Article VII. The Exemption Share shall consist of the maximum pecuniary amount which can pass free of Federal estate tax in the Grantor's estate by reason of the unified credit and the state death tax credit (provided use of this credit does not require an increase in the state death taxes paid) allowable against such tax, herein sometimes referred to as the "maximum amount", diminished by the value of all other property and interests in property, if any, which shall be included in the Grantor's gross estate for Federal estate tax purposes and which do not qualify for the Federal estate tax marital deduction or the Federal estate tax charitable deduction, and further diminished by the amount of any charges to principal in the Grantor's estate which are not allowed as deductions in computing the Federal estate tax

by agreement, litigation or otherwise, in the Federal estate tax proceeding in the Grantor's estate shall be used. It is recognized that it is possible no sum may be disposed of by this subparagraph (A) and that any sum so disposed of may be affected by the action of the Grantor's personal representative in exercising certain tax elections. As used in this subparagraph (A), the words "unified credit", "gross estate", "marital deduction" and "charitable deduction", shall have the same meaning as said words shall have under the provisions of the United States Internal Revenue Code applicable to the Grantor's estate.

(B) In setting apart the Exemption Share, the trustee is authorized to make allocations in cash or in kind, or partly in cash and partly in kind, and each item of property or interest in property allocated in kind is to be valued at the date of its allocation; provided, however, that in all events such allocation to the Exemption Share shall include all property and interests in property which does not qualify for the Federal estate tax marital deduction and the proceeds of the sale or other disposition of any such property or interest in property and, to the extent practicable, (a) any property or interest in property located outside the United States of America and subject to any foreign death tax, including securities issued by, or other evidences of interest in Corporations organized outside of the United States of America, or the proceeds of the sale or other disposition of any such property or interest in property and (b) any property or interest in property, including any right to receive income, which shall be eligible in any way for a tax credit or deduction because it shall be subject to both the Federal income tax and the Federal estate tax under the provisions of the Internal Revenue Code applicable to the Grantor's estate.

2. The remaining share, herein called the Marital Share, shall be paid over and delivered to the Grantor's spouse. The Marital Share shall consist of all trust property not set apart as the Exemption Share.

Article VII
Exemption Trust

From the date of the Grantor's death until the termination of this trust, the trustee shall pay to or for the benefit of those who shall be surviving from time to time of the Grantor's spouse and issue such portions or all of the net income and principal of the Exemption Trust as the trustee shall deem advisable, in accordance with their needs as determined by the trustee in its discretion, with or without considering other resources available to them and without being required to keep the payments equal or proportionate, and the trustee shall add all surplus net income to the principal of the trust estate. Regardless of anything to the contrary contained in this paragraph (a), the trustee shall, from the date of the Grantor's death until the death of the Grantor's spouse, pay to or for the benefit of the Grantor's spouse, for her health, education, support or maintenance, such portions or all of the principal of the trust estate as the Grantor's spouse shall direct in writing from time to time for her health, education, support or maintenance. The Grantor's spouse shall also have the power, if she shall survive the Grantor, to appoint from the principal of the trust estate to whomever she may designate, including herself, in each calendar year after the Grantor's death during which the Grantor's spouse shall be surviving, up to, but not exceeding, the greater of (i) five thousand dollars or (ii) five per cent of the aggregate value at the end of the calendar year of the principal of the trust estate. Said amounts may only be appointed by an instrument signed by the Grantor's spouse and received by the trustee. The foregoing power shall lapse at the end of each calendar year as to all amounts which the Grantor's spouse could have appointed during that year but failed to appoint during that year.

Article VIII

Upon the death of the Grantor's spouse after the Grantor's death, the trustee shall hold the Exemption Trust, as then constituted, and shall dispose of the same, or upon the Grantor's death, if the Grantor's spouse does not survive the Grantor, the trustee shall hold and dispose of the trust property, in either case as follows:

1. While any child of the Grantor is under the age of twenty-five years, the trustee shall pay to or use for the

benefit of any one or more of the Grantor's children so much of the income as the trustee determines to be required, in addition to each such child's other income from all sources known to the trustee, for each such child's health, education, maintenance and support, adding any excess income to principal.

2. Whenever the trustee determines that the income of any child of the Grantor from all sources known to the trustee is not sufficient for said child's health, education, maintenance and support, and that of said child's immediate family, the trustee may pay to said child, or use for said child's benefit, so much of the principal of said trust as the trustee determines to be required for those purposes. The term "education" as used in this paragraph and in the above paragraph shall include, but not be limited to, undergraduate, graduate, postgraduate, college, university, technical or trade schools and private lessons in musical instruments and the arts, whether directed toward the attainment of a specific degree or not.

3. The trust shall terminate when all of the Grantor's children shall have attained the age of twenty-five years or the last survivor of the Grantor's said children shall have died prior to attaining said age. Upon such termination, the trustee shall transfer, convey or deliver, absolutely free from any trust, the principal of the trust, together with any unpaid income, in equal shares to those who shall be then surviving of the Grantor's children, and to the issue of any of the Grantor's children who shall be dead, such issue to take per stirpes.

Article IX

1. If any person to whom the trustee is directed in a preceding provision to distribute any share of trust principal is under the age of majority when the distribution is to be made, and if no other trust or custodial account is then to be held under this instrument for the primary benefit of such minor, the share of such minor shall vest in interest in the minor indefeasibly, but the trustee may, in its discretion, continue to hold it as a separate trust for such period of time as the trustee deems advisable, but not after the time such minor reaches majority. In the meantime the trustee may use for the minor's benefit so much of the income and principal as the trustee determines to be required, in addition to the minor's other income from all sources known to the trustee, for the

minor's reasonable health, education, maintenance and support, adding any excess income to principal at the discretion of the trustee.

2. (A) If at any time any beneficiary to whom the trustee is directed in this instrument to pay any income is under legal disability or is in the opinion of the trustee incapable of properly managing his affairs, the trustee may use such income and may in its discretion, use principal for the beneficiary's health, education, maintenance and support.

(B) Upon the death of any beneficiary, any accrued or undistributed income shall be held and accounted for, or distributed, in the same manner as if it had been received and accrued after the beneficiary's death.

3. The trustee either may expend directly any income or principal which it is authorized in this instrument to use for the benefit of any person, or may pay it over to him or for his use to his parent or guardian, or to any person with whom he is residing, without responsibility for its expenditure.

4. No interest under this instrument shall be transferable or assignable by any beneficiary, or be subject during his life to the claims of his creditors. This paragraph shall not restrict the exercise of any power of appointment.

5. In determining whether and to what extent a power of appointment has been exercised by will, the trustee may rely upon any instrument admitted to probate as the will of the holder of the power. The trustee may act as if the holder of the power died intestate if the trustee has no notice of a will within three months after the holder's death. This paragraph shall not affect the rights of an appointee or beneficiary against any distributee.

6. No one dealing with the trustee shall be bound to inquire into the propriety of its action or to see the application of any money paid to the trustee.

7. This instrument and the dispositions under it shall be construed and regulated and their validity and effect shall be determined by the law of Hawaii.

8. Notwithstanding anything to the contrary, the trusts under this instrument shall terminate not later than twenty-one years after the death of the last survivor of the Grantor's spouse and the Grantor's descendants living on the date of the

Grantor's death, at the end of which period the trustee shall distribute each remaining portion of the trust property in equal shares to those who shall be then surviving of Grantor's children and of the issue per stirpes of any of Grantor's children who shall not be then surviving.

Article X

1. (A) No trustee or successor trustee shall be required to give any bond as trustee to qualify before, or be appointed by any court; or in the absence of breach of trust, account to any court; or to obtain the order of approval of any court in the exercise of any power or discretion. The trustee shall furnish an account annually to each adult income beneficiary and to a parent or guardian of each minor income beneficiary. If within sixty (60) days after the receipt of such account, no notice of any objection is filed, said account shall be an account stated and such account shall be deemed to be conclusive between and among all persons having or claiming to have any interest in any trust herein.

(B) Any trustee shall be entitled to reasonable compensation for services in administering and distributing the trust property, and to reimbursement for expenses. The trustee shall receive, in addition to the commissions provided by statute, reasonable compensation for special or extraordinary services including but not limited to the preparation of tax returns and the adjustment and payment of income taxes. In computing said commissions and fees, the amount of any income of the trust estate which shall be withheld by the payor pursuant to any income tax law or regulation shall be considered to be income received by the trustee.

(C) The trustee may rely upon any notice, certificate, affidavit, letter, telegram or other paper or document believed by it to be genuine, or upon any evidence deemed by it to be sufficient, in making any payment or distribution. The trustee shall incur no liability for any payment or distribution made in good faith and without actual notice or knowledge of a changed condition or status affecting any person's interest in the trust.

(D) Whenever necessary in this agreement and where the context permits, the singular term and the related pronoun shall include the plural, the masculine, the feminine and the neuter.

2. The trustee, its successor or substitute, shall have the following powers, and any others that may be granted by law, with respect to each trust, to be exercised as the trustee in its discretion determines to be to the best interest of the beneficiaries:

(A) To buy and/or sell, invest and reinvest the trust estate in bonds (including but not limited to United States Treasury "Flower Bonds"), notes, stocks of corporations, real estate or any interests in real estate, and interests in trusts, including common trust funds, or in any other property or undivided interests in property, wherever located;

(B) To lease any real property for such term or terms as it may deem advisable, without the authorization of any court and whether or not any such term may extend beyond the period of any trust, and in connection with any such lease to enter into any agreements and covenants which it may deem advisable with respect thereto or with respect to any improvements which may then or thereafter be erected thereon; to make repairs, alterations, and improvements on any real property, including the right to demolish and replace buildings, and to erect new buildings and employ architects and contractors in connection therewith; to execute and deliver consents to assign leases or to the placing of mortgages on leases; to subdivide real estate, to grant easements, to accept the surrender of any leases or leasehold interests and buildings or improvements thereon; to purchase buildings on any real property and the right, title, and interest of tenants in such buildings; to demand, receive, collect, sue for, and compromise rents, debts, claims, and demands of any nature in connection with any real property, and to execute and deliver releases, discharges, and other instruments relating thereto, including satisfaction of any judgment recovered therefor; to institute summary proceedings for the recovery of any real property or possession thereof; to prosecute or defend any actions, claims, or proceedings affecting any real property, and to compromise, settle, and discontinue the same; to insure such real properties against fire and any other risk whatsoever, and to make proof of loss under such insurance; to adjust losses and collect the proceeds; to mortgage for such amounts, rates of interest, rates of amortization, and terms as may be deemed wise, including the right to mortgage for terms

which may extend beyond the period of any trust, and to receive the proceeds of such mortgages; to extend the time of payment of any mortgages and to make agreements modifying, assigning, or satisfying such mortgages; to file protests against the taxes or assessments on such real property; to make applications for reduction of assessed valuations thereon and to bring certiorari proceedings to obtain the reduction of such assessed valuations; and to adjust and compromise any real estate taxes or tax valuations;

(C) To sell any trust property, for cash or on credit, at public or private sales; to exchange any trust property for other property; to grant options to purchase or acquire any trust property; and to determine the prices and terms of sales, exchanges and options;

(D) To borrow money for any purpose and to mortgage or pledge any trust property;

(E) To make loans in such amounts, upon such terms, secured or unsecured, at such rates of interest, and to such persons, firms, or corporations as it may deem advisable;

(F) To employ attorneys, accountants, auditors, depositories and agents, with or without discretionary powers; to exercise in person or by proxy all voting and other rights with respect to stocks or other securities; and to keep any property in bearer form or in the name of the trustee or a nominee, with or without disclosure of any fiduciary relationship;

(G) To select and employ any person, firm, or corporation engaged in rendering investment counsel, and real estate management; to be advised by them in making investments, managing securities, or making decisions with reference to the purchase, retention, sale, or other disposition of real property, securities, or other property held by the trustee, but nothing herein shall be construed to require the trustee to follow the advice of any such investment counsel;

(H) To determine the allocation of apportionment of all receipts and disbursements between income and principal in accordance with "The Revised Uniform Principal and Income Act" as adopted by Hawaii;

(I) To take any action with respect to conserving or realizing upon the value of any trust property, and with respect to foreclosures, reorganizations or other changes affecting the

trust property; to collect, pay, contest, compromise or abandon demands of or against the trust estate wherever situated; and to execute contracts, notes, conveyances and other instruments, including instruments containing covenants and warranties binding upon and creating a charge against the trust estate, and containing provisions excluding personal liability;

(J) To receive additional property from any source and add it to the trust estate;

(K) To keep any or all of the trust property at any place or places in the United States or abroad, or with a depository or custodian at such place or places;

(L) To enter into any transaction authorized by this Article with trustees, personal representatives or administrators of other trusts or estates in which any beneficiary has any interest, even though any such trustee or representative is also trustee under this instrument; and in any such transaction to purchase property, or make loans on notes secured by property, even though similar or identical property constitutes all or a large proportion of the balance of the trust estate, and to retain any such property or note with the same freedom as if it has been an original part of the trust estate;

(M) To hold, manage, invest, and account for the separate trusts in one or more consolidated funds, in whole or in part, as it may determine. As to each consolidated fund, the divisions into the various shares comprising such fund need be made only on the trustee's books of account, in which each trust shall be allotted its proportionate part of the principal and income of the fund and charged with its proportionate part of the expenses thereof. No such holding shall, however, defer the vesting in possession of any estate created herein;

(N) To buy, sell and trade in securities of any nature, including short sales, on margin, and for such purposes may maintain and operate margin accounts with brokers, and may pledge any securities held or purchased by it with such brokers as security for loans and advances made to the trustee;

(O) To establish out of income and credit to principal reasonable reserves for the depreciation of tangible and intangible property.

Article XI

If said MARTIN J. KAHN shall resign, die or become incompetent, NORMAN J. PARR shall become and be the Trustee, and he shall be vested with and may exercise all of the rights, powers, duties and discretion herein given to the Trustee. If Norman J. Parr shall resign, dies or is unable or refuses to act, FIRST HAWAIIAN BANK shall become and be the Trustee. Martin J. Kahn may resign as Trustee by an instrument delivered to Norman J. Parr, to take effect upon the date stated therein, but not sooner than the date of receipt of the instrument. PROVIDED, HOWEVER, to the extent practical, it is the Settlor's wish and desire that in the event the beneficiaries of the trust reside in a state other than Hawaii, that the trustee convey all the property and accounts to a corporate trustee qualified to transact trust business in the state of residence of the Settlor's beneficiaries.

1. If the Corporate Trustee at any time resigns, or is unable or refuses to act, another corporation authorized under the laws of the United States or of any state to administer trusts may be appointed trustee by an instrument delivered to it and signed by a majority in number of the beneficiaries to whom the trustee is to or may distribute the income at the time of appointment.

2 (A) The guardian or conservator of the estate of a beneficiary under legal disability or the parents or guardian of the person of a minor beneficiary for whose estate no guardian has been appointed may, in carrying out the provisions of this Article, act and receive notice for the beneficiary and sign any instrument for him.

(B) The resignation of any trustee must be by written notice, specifying the effective date of the resignation, but no sooner than sixty (60) days from the date of delivery of such notice to the beneficiaries to whom my trustee is to, or may, distribute the income and any other trustee who are then acting as trustee with the resigning trustee.

3. No administrative power, right to control, distribute or receive income or principal, right to change any trustee or any other right herein granted shall give to the Grantor's spouse, either personally or in the capacity of trustee or as other fiduciary, a general power of appointment as defined in Section

2041 of the Internal Revenue Code of 1954, as amended, over the Exemption Trust created hereunder or the income or principal thereof, except for the "5 and 5" power granted to the Grantor's spouse. Any power over or right of disbursement, receipt or withdrawal that might otherwise create a general power of appointment shall be specifically limited to the health, education, maintenance and support of the Grantor's spouse and descendants, or such other "ascertainable standard" within the meaning of said Section 2041, except as provided herein. Any other power of control or administration in the Grantor's spouse, either personally or as trustee, as would create a general power of appointment shall be null and void, and this trust shall be deemed to be amended accordingly.

4. No successor-trustee shall be personally liable for any act or omission of any predecessor trustee. Any successor-trustee shall accept without examination or review the accounts rendered and the property delivered by or for a predecessor trustee without incurring any liability or responsibility. Any successor-trustee shall have all the title, powers, and discretion of the trustee succeeded, without the necessity of any conveyance, transfer, or order of any court.

5. The trustee may make such elections under the tax laws applicable to the estate of the Grantor and to the trust estate as the trustee determines should be made. No compensating adjustments between principal and income, nor with respect to any trust, shall be made even though the elections made under the tax laws by the trustee may affect (beneficially or adversely) the interests of the beneficiaries. The action of the trustee shall be binding upon all beneficiaries.

6. In determining the meaning of the words "children", "grandchildren", and "issue" for the purpose of this trust, adopted children of any person, including the Grantor, shall be treated as though they were natural born children of that person.

7. If Grantor's spouse and Grantor should die simultaneously or in circumstances which make it difficult to determine which died first, Grantor's spouse shall be deemed to have survived Grantor for the purpose of this trust and that the provisions of this trust shall be construed upon that assumption and basis. If any other beneficiary under the trust dies within thirty days of Grantor's death, he shall be deemed not to have survived Grantor.

IN WITNESS WHEREOF, the Grantor has signed this agreement this 29th day of February, 1984.

MARTIN J. KAHN

Grantor

STATE OF HAWAII)
: ss.
COUNTY OF KAUAI)

On this 29th day of February, 1984, before me personally appeared MARTIN J. KAHN, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

LS

Alice S. Chung
Notary Public, State of Hawaii

My commission expires: 3-29-86

IN WITNESS WHEREOF, NORMAN J. PARR, as Individual Trustee, has signed this agreement this _____ day of _____, 19____.

NORMAN J. PARR

Individual Trustee

STATE OF HAWAII)
: ss.
COUNTY OF KAUAI)

On this _____ day of _____, 19____, before me personally appeared NORMAN J. PARR, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Notary Public, State of Hawaii

My commission expires:

EXHIBIT "A"

1. $10.00 in cash and such other amounts either in cash, personal or real property, or as proceeds from insurance covering the Grantor's life which may be added to the trust property from time to time by the Grantor or any other person.

desire that in the event that a majority of the beneficiaries of the trust reside in a single state other than Hawaii, that the Trustee convey all the property and accounts to a corporate trustee qualified to transact trust business in the state of residence of the majority of Settlor's beneficiaries.

All other articles and provisions of the aforesaid Trust Agreement shall remain in full force and effect.

The Grantor and Trustee have executed this First Amendment to Martin J. Kahn Revocable Trust Agreement to be effective as of the day and year first above written.

GRANTOR AND TRUSTEE:

MARTIN J. KAHN

STATE OF HAWAII)
) SS:
COUNTY OF KAUAI)

On this 11th day of ~~September~~ October, 1996, before me personally appeared **MARTIN J. KAHN** to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Notary Public, Fifth Judicial Circuit, State of Hawaii

My commission expires: 9/17/97

EXHIBIT "I"

CAROLE ANN KAHN REVOCABLE TRUST

CAROLE ANN KAHN (the "Grantor") hereby declares that she has transferred to herself, as "Trustee," the property described in the attached Exhibit "A". That property and all other property hereafter added to the trust estate which is subject to this instrument shall be held, administered and distributed as follows:

Article I

The Grantor alone reserves the right to revoke this agreement at any time by an instrument in writing signed by her, acknowledged before a notary public, and delivered to the trustee. No guardian, committee, conservator or similar legal representative shall have any power of revocation. Upon revocation the trustee shall return any and all property which may have been transferred to the trust during the lifetime of the Grantor.

Article II

The Grantor and the trustee acting jointly may amend this agreement at any time by changing the beneficiaries of the trust estate hereby created, by changing the dispositive provisions or in any other respect.

Article III

During the life of the Grantor the trustee shall pay all the net income of the trust to the Grantor or as the Grantor otherwise directs in writing, and the trustee shall pay any part of the principal of the trust as the Grantor directs in writing. However, during any period in which the Grantor is in the opinion of the trustee incapable of managing her own affairs, the trustee may in its discretion pay to or use for the benefit of the Grantor so much of the income and principal of the trust as the trustee determines to be required for the Grantor's support, comfort and welfare, in the Grantor's accustomed manner of living, or for any other purposes the trustee believes to be for the Grantor's best interest. Any excess income shall be added to principal at the discretion of the trustee.

Article IV

After the Grantor's death, to the extent that cash and marketable securities in the Grantor's estate are certified by her personal representative or legal representatives to be insufficient pursuant to a written instrument or instruments

delivered to the trustee, the trustee shall pay the Grantor's funeral expenses; legally enforceable claims against the Grantor or the Grantor's estate; reasonable expenses of administration of the estate; any allowances by court order for those dependent upon the Grantor, any deficiencies needed to complete the payment of any legacies; and all inheritance, estate, succession and death taxes, including but not limited to the taxes on the testamentary estate, payable by reason of the Grantor's death (other than generation-skipping taxes), together with any interest or other additions to the tax. The trustee shall not attempt to recover any such payments except to the extent the trustee has the right by law or otherwise to recover taxes payable by reason of property over which the Grantor has a power of appointment or by reason of property in which the Grantor has an income interest for life for which a marital deduction was previously elected and allowed. Subject to any limitations set forth herein or in the Grantor's will, all such payments shall be charged generally against the trust property; provided, however, that if the Grantor's spouse survives the Grantor, (1) all inheritance, estate, succession and death taxes, payable by reason of the Grantor's death, together with any interest or other additions to the tax and (2) any expenses of administration which are claimed as deductions upon any Federal income tax return and not as estate tax deductions, shall be charged against the maximum amount of the Exemption Share as defined in Article VI, and to the extent that such maximum amount is insufficient fully to discharge such taxes, interest and additions, the amount of such insufficiency shall be apportioned against and paid by the persons entitled to or benefitting from the property occasioning such taxes, interest and additions, in the manner provided by law. Written statements by the personal representative or administrator of the sums to be paid shall be sufficient evidence of the amount and propriety for the protection of the trustee, and the trustee shall be under no duty to see to the application of any payments. The trustee shall have no responsibility with respect to the fixing, ascertainment and determination of the estate, inheritance, succession and death taxes and is not required to take any steps to protest or bring legal proceedings with respect to the determination of such taxes. Anything to the contrary notwithstanding, to the extent that any U.S. Treasury Bonds, redeemable at par and directly

applicable to the payment of Federal estate taxes ("Flower Bonds") are held by the trust at the time of the Grantor's death, any and all such bonds shall be utilized to pay Federal estate taxes payable by reason of the Grantor's death.

Article V

The trustee shall, until the final settlement of the Grantor's estate, maintain separate and apart from all other assets of this trust proceeds of qualified pension or profit-sharing plans and such death benefits as are exempt from inclusion in the Grantor's gross estate for Federal estate tax purposes under Section 2039(c) of the Internal Revenue Code of 1954 or any successor provisions of the tax laws of the United States in effect at the Grantor's death, and no amount shall be paid to the Grantor's personal representative from such exempt funds for the purposes specified in Article IV, but this sentence shall not limit the power of the trustee to purchase assets from or loan money to the Grantor's estate.

Article VI

Subject to the terms of Article V, after the Grantor's death, the trustee shall hold and dispose of the trust property as follows: If the Grantor's spouse survives the Grantor, the trustee shall divide and set apart the trust property (including any property devised, bequeathed or transferred to the trustee by the Grantor and any proceeds of life insurance on the Grantor's life received by the trustee) into two separate shares.

1. (A) One such share, herein called the Exemption Share, shall be held, administered and distributed as a separate trust, called the Exemption Trust, in the manner hereinafter provided in Article VII. The Exemption Share shall consist of the maximum pecuniary amount which can pass free of Federal estate tax in the Grantor's estate by reason of the unified credit and the state death tax credit (provided use of this credit does not require an increase in the state death taxes paid) allowable against such tax, herein sometimes referred to as the "maximum amount", diminished by the value of all other property and interests in property, if any, which shall be included in the Grantor's gross estate for Federal estate tax purposes and which do not qualify for the Federal estate tax marital deduction or the Federal estate tax charitable deduction, and further diminished by the amount of any charges to principal in the Grantor's estate which are not allowed as deductions in computing the Federal estate tax

in the Grantor's estate. For the purpose of establishing the amount of the Exemption Share, the final determination, whether by agreement, litigation or otherwise, in the Federal estate tax proceeding in the Grantor's estate shall be used. It is recognized that it is possible no sum may be disposed of by this subparagraph (A) and that any sum so disposed of may be affected by the action of the Grantor's personal representative in exercising certain tax elections. As used in this subparagraph (A), the words "unified credit", "gross estate", "marital deduction" and "charitable deduction", shall have the same meaning as said words shall have under the provisions of the United States Internal Revenue Code applicable to the Grantor's estate.

(B) In setting apart the Exemption Share, the trustee is authorized to make allocations in cash or in kind, or partly in cash and partly in kind, and each item of property or interest in property allocated in kind is to be valued at the date of its allocation; provided, however, that in all events such allocation to the Exemption Share shall include all property and interests in property which does not qualify for the Federal estate tax marital deduction and the proceeds of the sale or other disposition of any such property or interest in property and, to the extent practicable, (a) any property or interest in property located outside the United States of America and subject to any foreign death tax, including securities issued by, or other evidences of interest in Corporations organized outside of the United States of America, or the proceeds of the sale or other disposition of any such property or interest in property and (b) any property or interest in property, including any right to receive income, which shall be eligible in any way for a tax credit or deduction because it shall be subject to both the Federal income tax and the Federal estate tax under the provisions of the Internal Revenue Code applicable to the Grantor's estate.

2. The remaining share, herein called the Marital Share, shall be paid over and delivered to the Grantor's spouse. The Marital Share shall consist of all trust property not set apart as the Exemption Share.

Article VII
Exemption Trust

From the date of the Grantor's death until the termination of this trust, the trustee shall pay to or for the benefit of those who shall be surviving from time to time of the Grantor's spouse and issue such portions or all of the net income and principal of the Exemption Trust as the trustee shall deem advisable, in accordance with their needs as determined by the trustee in its discretion, with or without considering other resources available to them and without being required to keep the payments equal or proportionate, and the trustee shall add all surplus net income to the principal of the trust estate. Regardless of anything to the contrary contained in this paragraph (a), the trustee shall, from the date of the Grantor's death until the death of the Grantor's spouse, pay to or for the benefit of the Grantor's spouse, for his health, education, support or maintenance, such portions or all of the principal of the trust estate as the Grantor's spouse shall direct in writing from time to time for his health, education, support or maintenance. The Grantor's spouse shall also have the power, if he shall survive the Grantor, to appoint from the principal of the trust estate to whomever he may designate, including himself, in each calendar year after the Grantor's death during which the Grantor's spouse shall be surviving, up to, but not exceeding, the greater of (i) five thousand dollars or (ii) five per cent of the aggregate value at the end of the calendar year of the principal of the trust estate. Said amounts may only be appointed by an instrument signed by the Grantor's spouse and received by the trustee. The foregoing power shall lapse at the end of each calendar year as to all amounts which the Grantor's spouse could have appointed during that year but failed to appoint during that year.

Article VIII

Upon the death of the Grantor's spouse after the Grantor's death, the trustee shall hold the Exemption Trust, as then constituted, and shall dispose of the same, or upon the Grantor's death, if the Grantor's spouse does not survive the Grantor, the trustee shall hold and dispose of the trust property, in either case as follows:

1. While any child of the Grantor is under the age of twenty-five years, the trustee shall pay to or use for the

benefit of any one or more of the Grantor's children so much of the income as the trustee determines to be required, in addition to each such child's other income from all sources known to the trustee, for each such child's health, education, maintenance and support, adding any excess income to principal.

2. Whenever the trustee determines that the income of any child of the Grantor from all sources known to the trustee is not sufficient for said child's health, education, maintenance and support, and that of said child's immediate family, the trustee may pay to said child, or use for said child's benefit, so much of the principal of said trust as the trustee determines to be required for those purposes. The term "education" as used in this paragraph and in the above paragraph shall include, but not be limited to, undergraduate, graduate, postgraduate, college, university, technical or trade schools and private lessons in musical instruments and the arts, whether directed toward the attainment of a specific degree or not.

3. The trust shall terminate when all of the Grantor's children shall have attained the age of twenty-five years or the last survivor of the Grantor's said children shall have died prior to attaining said age. Upon such termination, the trustee shall transfer, convey or deliver, absolutely free from any trust, the principal of the trust, together with any unpaid income, in equal shares to those who shall be then surviving of the Grantor's children, and to the issue of any of the Grantor's children who shall be dead, such issue to take per stirpes.

Article IX

1. If any person to whom the trustee is directed in a preceding provision to distribute any share of trust principal is under the age of majority when the distribution is to be made, and if no other trust or custodial account is then to be held under this instrument for the primary benefit of such minor, the share of such minor shall vest in interest in the minor indefeasibly, but the trustee may, in its discretion, continue to hold it as a separate trust for such period of time as the trustee deems advisable, but not after the time such minor reaches majority. In the meantime the trustee may use for the minor's benefit so much of the income and principal as the trustee determines to be required, in addition to the minor's other income from all sources known to the trustee, for the

minor's reasonable health, education, maintenance and support, adding any excess income to principal at the discretion of the trustee.

2. (A) If at any time any beneficiary to whom the trustee is directed in this instrument to pay any income is under legal disability or is in the opinion of the trustee incapable of properly managing his affairs, the trustee may use such income and may in its discretion, use principal for the beneficiary's health, education, maintenance and support.

(B) Upon the death of any beneficiary, any accrued or undistributed income shall be held and accounted for, or distributed, in the same manner as if it had been received and accrued after the beneficiary's death.

3. The trustee either may expend directly any income or principal which it is authorized in this instrument to use for the benefit of any person, or may pay it over to him or for his use to his parent or guardian, or to any person with whom he is residing, without responsibility for its expenditure.

4. No interest under this instrument shall be transferable or assignable by any beneficiary, or be subject during his life to the claims of his creditors. This paragraph shall not restrict the exercise of any power of appointment.

5. In determining whether and to what extent a power of appointment has been exercised by will, the trustee may rely upon any instrument admitted to probate as the will of the holder of the power. The trustee may act as if the holder of the power died intestate if the trustee has no notice of a will within three months after the holder's death. This paragraph shall not affect the rights of an appointee or beneficiary against any distributee.

6. No one dealing with the trustee shall be bound to inquire into the propriety of its action or to see the application of any money paid to the trustee.

7. This instrument and the dispositions under it shall be construed and regulated and their validity and effect shall be determined by the law of Hawaii.

8. Notwithstanding anything to the contrary, the trusts under this instrument shall terminate not later than twenty-one years after the death of the last survivor of the Grantor's spouse and the Grantor's descendants living on the date of the

Grantor's death, at the end of which period the trustee shall distribute each remaining portion of the trust property in equal shares to those who shall be then surviving of Grantor's children and of the issue per stirpes of any of Grantor's children who shall not be then surviving.

Article X

1. (A) No trustee or successor trustee shall be required to give any bond as trustee to qualify before, or be appointed by any court; or in the absence of breach of trust, account to any court; or to obtain the order of approval of any court in the exercise of any power or discretion. The trustee shall furnish an account annually to each adult income beneficiary and to a parent or guardian of each minor income beneficiary. If within sixty (60) days after the receipt of such account, no notice of any objection is filed, said account shall be an account stated and such account shall be deemed to be conclusive between and among all persons having or claiming to have any interest in any trust herein.

(B) Any trustee shall be entitled to reasonable compensation for services in administering and distributing the trust property, and to reimbursement for expenses. The trustee shall receive, in addition to the commissions provided by statute, reasonable compensation for special or extraordinary services including but not limited to the preparation of tax returns and the adjustment and payment of income taxes. In computing said commissions and fees, the amount of any income of the trust estate which shall be withheld by the payor pursuant to any income tax law or regulation shall be considered to be income received by the trustee.

(C) The trustee may rely upon any notice, certificate, affidavit, letter, telegram or other paper or document believed by it to be genuine, or upon any evidence deemed by it to be sufficient, in making any payment or distribution. The trustee shall incur no liability for any payment or distribution made in good faith and without actual notice or knowledge of a changed condition or status affecting any person's interest in the trust.

(D) Whenever necessary in this agreement and where the context permits, the singular term and the related pronoun shall include the plural, the masculine, the feminine and the neuter.

2. The trustee, its successor or substitute, shall have the following powers, and any others that may be granted by law, with respect to each trust, to be exercised as the trustee in its discretion determines to be to the best interest of the beneficiaries:

(A) To buy and/or sell, invest and reinvest the trust estate in bonds (including but not limited to United States Treasury "Flower Bonds"), notes, stocks of corporations, real estate or any interests in real estate, and interests in trusts, including common trust funds, or in any other property or undivided interests in property, wherever located;

(B) To lease any real property for such term or terms as it may deem advisable, without the authorization of any court and whether or not any such term may extend beyond the period of any trust, and in connection with any such lease to enter into any agreements and covenants which it may deem advisable with respect thereto or with respect to any improvements which may then or thereafter be erected thereon; to make repairs, alterations, and improvements on any real property, including the right to demolish and replace buildings, and to erect new buildings and employ architects and contractors in connection therewith; to execute and deliver consents to assign leases or to the placing of mortgages on leases; to subdivide real estate, to grant easements, to accept the surrender of any leases or leasehold interests and buildings or improvements thereon; to purchase buildings on any real property and the right, title, and interest of tenants in such buildings; to demand, receive, collect, sue for, and compromise rents, debts, claims, and demands of any nature in connection with any real property, and to execute and deliver releases, discharges, and other instruments relating thereto, including satisfaction of any judgment recovered therefor; to institute summary proceedings for the recovery of any real property or possession thereof; to prosecute or defend any actions, claims, or proceedings affecting any real property, and to compromise, settle, and discontinue the same; to insure such real properties against fire and any other risk whatsoever, and to make proof of loss under such insurance; to adjust losses and collect the proceeds; to mortgage for such amounts, rates of interest, rates of amortization, and terms as may be deemed wise, including the right to mortgage for terms

which may extend beyond the period of any trust, and to receive the proceeds of such mortgages; to extend the time of payment of any mortgages and to make agreements modifying, assigning, or satisfying such mortgages; to file protests against the taxes or assessments on such real property; to make applications for reduction of assessed valuations thereon and to bring certiorari proceedings to obtain the reduction of such assessed valuations; and to adjust and compromise any real estate taxes or tax valuations;

(C) To sell any trust property, for cash or on credit, at public or private sales; to exchange any trust property for other property; to grant options to purchase or acquire any trust property; and to determine the prices and terms of sales, exchanges and options;

(D) To borrow money for any purpose and to mortgage or pledge any trust property;

(E) To make loans in such amounts, upon such terms, secured or unsecured, at such rates of interest, and to such persons, firms, or corporations as it may deem advisable;

(F) To employ attorneys, accountants, auditors, depositories and agents, with or without discretionary powers; to exercise in person or by proxy all voting and other rights with respect to stocks or other securities; and to keep any property in bearer form or in the name of the trustee or a nominee, with or without disclosure of any fiduciary relationship;

(G) To select and employ any person, firm, or corporation engaged in rendering investment counsel, and real estate management; to be advised by them in making investments, managing securities, or making decisions with reference to the purchase, retention, sale, or other disposition of real property, securities, or other property held by the trustee, but nothing herein shall be construed to require the trustee to follow the advice of any such investment counsel;

(H) To determine the allocation of apportionment of all receipts and disbursements between income and principal in accordance with "The Revised Uniform Principal and Income Act" as adopted by Hawaii;

(I) To take any action with respect to conserving or realizing upon the value of any trust property, and with respect to foreclosures, reorganizations or other changes affecting the

trust property; to collect, pay, contest, compromise or abandon demands of or against the trust estate wherever situated; and to execute contracts, notes, conveyances and other instruments, including instruments containing covenants and warranties binding upon and creating a charge against the trust estate, and containing provisions excluding personal liability;

(J) To receive additional property from any source and add it to the trust estate;

(K) To keep any or all of the trust property at any place or places in the United States or abroad, or with a depository or custodian at such place or places;

(L) To enter into any transaction authorized by this Article with trustees, personal representatives or administrators of other trusts or estates in which any beneficiary has any interest, even though any such trustee or representative is also trustee under this instrument; and in any such transaction to purchase property, or make loans on notes secured by property, even though similar or identical property constitutes all or a large proportion of the balance of the trust estate, and to retain any such property or note with the same freedom as if it has been an original part of the trust estate;

(M) To hold, manage, invest, and account for the separate trusts in one or more consolidated funds, in whole or in part, as it may determine. As to each consolidated fund, the divisions into the various shares comprising such fund need be made only on the trustee's books of account, in which each trust shall be allotted its proportionate part of the principal and income of the fund and charged with its proportionate part of the expenses thereof. No such holding shall, however, defer the vesting in possession of any estate created herein;

(N) To buy, sell and trade in securities of any nature, including short sales, on margin, and for such purposes may maintain and operate margin accounts with brokers, and may pledge any securities held or purchased by it with such brokers as security for loans and advances made to the trustee;

(O) To establish out of income and credit to principal reasonable reserves for the depreciation of tangible and intangible property.

2041 of the Internal Revenue Code of 1954, as amended, over the Exemption Trust created hereunder or the income or principal thereof, except for the "5 and 5" power granted to the Grantor's spouse. Any power over or right of disbursement, receipt or withdrawal that might otherwise create a general power of appointment shall be specifically limited to the health, education, maintenance and support of the Grantor's spouse and descendants, or such other "ascertainable standard" within the meaning of said Section 2041, except as provided herein. Any other power of control or administration in the Grantor's spouse, either personally or as trustee, as would create a general power of appointment shall be null and void, and this trust shall be deemed to be amended accordingly.

4. No successor-trustee shall be personally liable for any act or omission of any predecessor trustee. Any successor-trustee shall accept without examination or review the accounts rendered and the property delivered by or for a predecessor trustee without incurring any liability or responsibility. Any successor-trustee shall have all the title, powers, and discretion of the trustee succeeded, without the necessity of any conveyance, transfer, or order of any court.

5. The trustee may make such elections under the tax laws applicable to the estate of the Grantor and to the trust estate as the trustee determines should be made. No compensating adjustments between principal and income, nor with respect to any trust, shall be made even though the elections made under the tax laws by the trustee may affect (beneficially or adversely) the interests of the beneficiaries. The action of the trustee shall be binding upon all beneficiaries.

6. In determining the meaning of the words "children", "grandchildren", and "issue" for the purpose of this trust, adopted children of any person, including the Grantor, shall be treated as though they were natural born children of that person.

IN WITNESS WHEREOF, the Grantor has signed this agreement this 29th day of February, 1984.

CAROLE ANN KAHN

Grantor

STATE OF HAWAII)
: ss.
COUNTY OF KAUAI)

On this 29th day of February, 1984, before me personally appeared CAROLE ANN KAHN, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

LS

Alice S. Chung
Notary Public, State of Hawaii

My commission expires: 3-29-86.

IN WITNESS WHEREOF, NORMAN J. PARR, as Individual Trustee, has signed this agreement this _____ day of _____, 19____.

NORMAN J. PARR
Individual Trustee

STATE OF HAWAII)
: ss.
COUNTY OF KAUAI)

On this _____ day of _____, 19____, before me personally appeared NORMAN J. PARR, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Notary Public, State of Hawaii

My commission expires:

EXHIBIT "A"

1. $10.00 in cash and such other amounts either in cash, personal or real property, or as proceeds from insurance covering the Grantor's life which may be added to the trust property from time to time by the Grantor or any other person.

FIRST AMENDMENT TO CAROLE
ANN KAHN REVOCABLE TRUST

THIS AMENDMENT made this 4th day of October ~~September,~~ 1996, by and between **CAROLE ANN KAHN**, of the County of Kauai, State of Hawaii, as the Grantor and settlor, and **CAROLE ANN KAHN** as Trustee of that Carole Ann Kahn Revocable Trust executed February 29, 1984.

Article X of the aforesaid Trust Agreement, is hereby amended to add a paragraph (2)(P) to Article X, as follows:

> (P) To indemnify or execute any agreement of indemnity in which the assets of the trust are pledged to indemnify a surety or sureties arising out of any bonds which a surety or sureties may issue on behalf of any person or corporation wholly or partially owned or controlled by this trust, Grantor, settlor or Trustee. This provision may not be revoked or amended in any way without the approval of such sureties.

The first paragraph of Article XI of the Carole Ann Kahn Revocable Trust is also deleted and replaced in its entirety, with the following provision:

> If said **CAROLE ANN KAHN** shall resign, die or become incompetent, **WILLIAM R. HANCOCK** shall become and be the Trustee, and he shall be vested with and may exercise all of the rights, powers, duties and discretion herein given to the Trustee. If **WILLIAM R. HANCOCK** shall resign, dies or is unable or refuses to act, **HAWAIIAN TRUST** shall become and be the Trustee. **CAROLE ANN KAHN** may resign as Trustee by an instrument delivered to **WILLIAM R. HANCOCK**, to take effect upon the date stated therein, but not sooner than the date of receipt of the instrument. PROVIDED, HOWEVER, to the extent practical, it is the Settlor's wish and

desire that in the event that a majority of the beneficiaries of the trust reside in a single state other than Hawaii, that the Trustee convey all the property and accounts to a corporate trustee qualified to transact trust business in the state of residence of the majority of Settlor's beneficiaries.

All other articles and provisions of the aforesaid Trust Agreement shall remain in full force and effect.

The Grantor and Trustee have executed this First Amendment to Carole Ann Kahn Revocable Trust Agreement to be effective as of the day and year first above written.

GRANTOR AND TRUSTEE:

CAROLE ANN KAHN

STATE OF HAWAII)
) SS:
COUNTY OF KAUAI)

On this 4th day of ~~September~~ October, 1996, before me personally appeared **CAROLE ANN KAHN** to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

Notary Public, Fifth Judicial Circuit, State of Hawaii

My commission expires: 9/17/97

EXHIBIT "I"
NUILANI BEACHFRONT CONDOMINIUM
REGISTRATION NO. 4676

DISCLOSURE STATEMENT AS OF October 15, 2001

1. Name and Address of Project: Niulani Beachfront Condominium, Lot 7 of Waipouli Beach Lots, Portion of R.P. Grant 7371, L.C. Award 8559-B, Apana 42 to William C. Lunalilo, Waipouli, District of Kawaihau, Island and County of Kauai, State of Hawaii.

2. Name, Address and Telephone number of Developer: Martin J. Kahn and Carole Ann Kahn, 4569 Kukui Street, Kapaa, Kauai, Hawaii 96746.

3. Managing Agent of Project: Self Management by Owners.

4. Maintenance Fees. The maintenance fees for each unit are currently $57.00 per month, all for the maintenance of the water system. The pedestrian easement to the beach is unimproved and incurs no expense.

5. Warranties: There are no warranties as to Apartments 1 and 2.

6. Use. The project consists of 2 units to be utilized for residential and other uses permitted under the zoning ordinances of the County of Kauai.

7. Reserve Study. Developer has not conducted a formal reserve study in accordance with Section 514A-83.6, Hawaii Revised Statute, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Dated: Kapaa, Kauai, Hawaii, this 15th day of October, 2001.

Martin J. Kahn

Carole Ann Kahn

Subscribed and sworn to
Before me this 15th day of
October, 2001.

NOTARY PUBLIC, STATE OF HAWAII

My Commission expires: 9/17/2005