

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Condiotti Investment Partnership
Address 2880 Cleveland Avenue, Santa Rosa, California 95406

Project Name(*): Kalapaki Villas
Address: 4121 Rice Street, Lihue, Kauai, Hawaii

Registration No. 1236

Effective date: February 7, 1996

Expiration date: March 7, 1997

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: 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.
(yellow)

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

 X THIRD SUPPLEMENTARY: This report updates information contained in the:
(pink)
[] Preliminary Public Report dated: _____
[] Final Public Report dated: _____
[X] Supplementary Public Report dated: 9/8/95

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

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

1. A new Developer (Condiotti Investment Partnership) is involved because the Purchase and Sale Agreement by and between Arthur Howard, as buyer, and Condiotti Investment Partnership, as seller, for the purchase of seventy-seven (77) units covered under this public report, has been cancelled by the parties. Because there is a new Developer, a new escrow agreement dated January 26, 1996, form apartment deed, and a new form sales contract agreement (Hawaii Association of Realtors' July 1995 Standard Form DROA) reflecting such fact will be used.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Condiotti Investment Partnership Phone: 415-578-9055
Name 2880 Cleveland Avenue (Business)
Business Address Santa Rosa, California 95406

Names of officers or general partners of developers who are corporations or partnerships:

A. Condiotti, Trustee of the Condiotti Revocable Trust, a general partner
Debra Investment Corporation, a general partnership

Real Estate Broker: Hawaiian Asset Management and Investments Corporation Phone: 808-524-8700
Name 225 Queen Street, Suite 200 (Business)
Business Address Honolulu, Hawaii 96813

Escrow: Security Title Corporation Phone: 808-521-9511
Name 1001 Bishop Street, Suite 1200 (Business)
Business Address Honolulu, Hawaii 96813

General Contractor: Not applicable Phone: _____ (Business)
Name _____
Business Address _____

Condominium Managing Agent: Hawaiian Asset Management and Investments Corporation Phone: 808-524-8700
Name 225 Queen Street, Suite 200 (Business)
Business Address Honolulu, Hawaii 96813

Attorney for Developer: Chun Kerr Dodd Beaman & Wong Phone: 808-528-8200
Name Attn: Kyong-su Im (Business)
Business Address 745 Fort Street, 9th Floor
Honolulu, Hawaii 96813

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.

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

described in Exhibit _____.

as follows: Each apartment has for its exclusive use at least one (1) parking stall and one (1) mailbox having the same number as the respective apartment. The following apartments have the exclusive use of an additional stall:

<u>APARTMENT NO.</u>	<u>STALL NO.</u>	<u>APARTMENT NO.</u>	<u>STALL NO.</u>
101	3199	407	3147
102	3200	408	3148
107	3197	2403	3056
108	3198	2405	3057
201	3196	2405	3063
202	3195	2406	3062
207	3184	2801	3003
208	3185	2802	3004
401	3164	2807	3043
402	3163	2808	3044

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 B.

as follows:

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 C describes the encumbrances against the title contained in the title report dated January 8, 1996 and issued by Title Guaranty of Hawaii, Inc.

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 January 26, 1996
Exhibit E contains a summary of the pertinent provisions of the escrow agreement.

[X] Other Apartment Deed

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.

D. 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.

Condiotti Investment Partnership
Name of Developer

By: Arthur Howard
Duly Authorized Signatory

1-26-96
Date

Arthur Howard, Vice President of Debra Investment Corporation,

print name & title of person signing above

a general partner of
Condiotti Investment
Partnership

Distribution:

Department of Finance, County of Kauai
Planning Department, County of Kauai
Federal Housing Administration

EXHIBIT E

SUMMARY OF EXECUTED ESCROW AGREEMENT

A copy of the executed Escrow Agreement, dated January 26, 1996, between Security Title Corporation as Escrow, and the Owner has been filed with the Commission. The Escrow Agreement provides for the deposit of Purchaser's funds pursuant to the Sales Contract and also provides for the retention or disbursement of the funds. The Escrow Agreement provides in part that any interest earned on money on deposit belongs to the Owner. In the event that the Sales Contract or Chapter 514A, Hawaii Revised Statutes, as amended, entitles a Purchaser to a refund of Purchaser's deposits held by Escrow, then Escrow, upon instruction from the Owner, will refund Purchaser's deposits, without interest earned and less certain cancellation fees and costs (e.g., escrow cancellation fees, loan processing fees, cost of credit reports, etc.) as provided in the Sales Contract and Chapter 514A, Hawaii Revised Statutes, as amended.

By law, the total amount of such cancellation fees shall not exceed Two Hundred Fifty and No/100 Dollars (\$250.00). Under the Escrow Agreement, no disbursement of funds can be made to the Owner until the Sales Contract becomes effective under the provisions of Chapter 514A, Hawaii Revised Statutes, as amended.

It is incumbent upon a prospective Purchaser to read the executed Escrow Agreement with care.