

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Russell L. Barlow, Special Trustee of the unrecorded Art and Elizabeth Charitable Remainder Unitrust dated December 27, 1996
Address: 2880 Cleveland Avenue, #8, Santa Rosa, CA 95406

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

Registration No. 1236

Effective date: March 10, 1997

Expiration date: April 10, 1998

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.

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

X FOURTH SUPPLEMENTARY: (pink) This report updates information contained in the:
[] Preliminary Public Report dated: _____
[] Final Public Report dated: _____
[X] Supplementary Public Report dated: 1/26/96 (eff. date 2/7/96)

And [] Supersedes all prior public reports.
[X] Must be read together with First, Second and Third
[] This report reactivates the Supplementary Report
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 (Russell L. Barlow, Special Trustee of the unrecorded Art and Elizabeth Charitable Remainder Unitrust dated December 27, 1996), is involved because Abe Condiotti and Elizabeth Condiotti, who received their interest in the subject apartments from the Condiotti Investment Partnership under that certain Quitclaim Deed dated December 27, 1996, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 96-184220, conveyed their interest in the remaining 73 units of Kalapaki Villas to the above-mentioned trust. Because there is a new Developer, a new escrow agreement, and management and leasing agreement were executed. Also, a new form apartment deed reflecting the new Developer will be used.

2. The Third Supplementary Public Report effective February 7, 1996, should have read "Must be read together with Second and First Supplementary Public Report."

3. The Encumbrances Against Title has been updated by Title Report dated March 3, 1997, issued by Title Guaranty of Hawaii.

Note: In reviewing the Preliminary, Final and Supplementary Reports, reference to the Table of Contents in the Supplementary Reports should be referred to when making comparisons between reports.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Russell L. Barlow,
Special Trustee Phone: (415) 578-9055
Name (Business)
2880 Cleveland Avenue, #8
Business Address
Santa Rosa, CA 95406

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

The Special Trustee under the Art and Elizabeth
Charitable Remainder Unitrust dated December 27, 1996
and recorded in the Bureau of Conveyances of the State
of Hawaii as Document Number 96-184337

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

Escrow: Title Guaranty Escrow Services, Inc. Phone: 808-521-0211
Name (Business)
235 Queen Street
Business Address
Honolulu, Hawaii 96813

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

Business Address

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

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

Fee Owner: Russell L. Barlow, Special Trustee of the unrecorded Art and Elizabeth Charitable Remainder Unitrust dated December 27, 1996

Name
2880 Cleveland Avenue, #8
Address
Santa Rosa, CA 95406

Lessor: N/A
Name
Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: 9 (including Floors Per Building 2
a two story cabana/manager's office and maintenance building)
 Exhibit A contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other Glass and gypsum board

4. Uses Permitted by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Permitted By Zoning
<input checked="" type="checkbox"/> Residential	<u>88</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: _____	___	<input type="checkbox"/> Yes <input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

Yes No

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:

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 _____.

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 March 3, 1997 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
- Specimen Sales Contract
Exhibit _____ contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated 2/19/97
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. 1236 filed with the Real Estate Commission on January 29, 1980.

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

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

- 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.

Russell L. Barlow, Special Trustee of the unrecorded Art and
Elizabeth Charitable Remainder Unitrust dated December 27, 1996
Printed Name of Developer

By: Russell L. Barlow 2/23/1997
Duly Authorized Signatory Date

Russell L. Barlow, Special Trustee
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Kauai
Planning Department, County of Kauai

EXHIBIT C

1. Any and all Real Property Taxes that may be due and owing. *

Tax Key: 3-6-003-026 (4)

* For further information, check with the County Tax Assessor.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. A perpetual right of way as an easement appurtenant to Tax Key parcel 3-6-03-65 for ingress and egress, drainage and pipeline purposes over a portion of the land described herein, containing an area of 1,189 square feet, more or less, as granted to the County of Kauai, by instrument dated November 14, 1961, recorded in Liber 4181 at Page 385, as amended by instrument dated August 24, 1965, recorded in Liber 5165 at Page 1.
4. Grant in favor of Citizens Utilities Company, dated December 4, 1978, recorded in Liber 13351 at Page 721; granting a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines and/or underground lines, etc., over, under, upon, across and through a portion of the land described herein, said easement being designated as Easement "11" containing an area of 1,189 square feet, more or less, and being more particularly described therein.
5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DEED

DATED : December 28, 1978

RECORDED : Liber 13379 Page 41

6. Easement "A" (area 0.376 acre) for water pipeline purposes, as shown on the map prepared by Jerry S. Nakagawa, Registered Professional Land Surveyor, dated April 13, 1981.
7. Easement "B" (area 0.073 acre) for water pipeline purposes, as shown on the map prepared by Jerry S. Nakagawa, Registered Professional Land Surveyor, dated April 13, 1981.
8. Easement "C-1" (area 0.213 acre) for water pipeline purposes.
9. Easement "C-2" (area 0.112 acre) for water pipeline purposes.
10. Easement "D-1" (area 0.029 acre) for water pipeline purposes.
11. Grant in favor of the County of Kauai, by its Department of Water, dated February 6, 1987, recorded in Liber 20706 at Page 742; granting a perpetual easement on, over and under said Easements "A", "B", "C-1", "C-2" and "D-1".
12. Grant in favor of Citizens Utilities Company and GTE Hawaiian Telephone Company Incorporated, dated October 6, 1987, recorded in Liber 21257 at Page 200; granting a perpetual nonexclusive right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate underground lines, etc., for the transmission and distribution of electricity, over, under, upon, across and through Easement "E-1", containing an area of 0.224 acre, more or less.

13. Easement "G" (10 feet wide, area 0.318 acre) for sewer purposes, as shown on the map prepared by Jerry S. Nakagawa, Registered Professional Land Surveyor, dated April 13, 1981.
14. Grant in favor of the County of Kauai dated February 6, 1987, recorded in Liber 20507 at Page 404; granting an easement to construct, install, maintain, operate, replace and remove an underground sewer pipeline or pipelines, etc., under, across and through said Easement "G".
15. Easement "G-1" (area 0.063 acre) for sewer purposes in favor of Lot E-2B, as granted by instrument dated October 7, 1987, recorded in Liber 21257 at Page 261.
16. Perpetual, non-exclusive easement for ingress and egress over portion of the land described herein in favor of Lot E-2B for the purpose of providing access to all existing and future easements which serve said Lot E-2B, as granted by instrument dated October 7, 1987, recorded in Liber 21257 at Page 261.
17. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DECLARATION OF HORIZONTAL PROPERTY REGIME
FOR THE "KALAPAKI VILLAS" CONDOMINIUM
PROJECT AND BY-LAWS

DATED : February 3, 1981
RECORDED : Liber 15325 Page 500
MAP : 785 and any amendments thereto

Said Declaration was amended by instruments dated December 28, 1981, recorded in Liber 16070 at Page 622, dated January 8, 1982, recorded in Liber 16095 at Page 759, dated January 8, 1982, recorded in Liber 16098 at Page 495, dated October 7, 1987, recorded in Liber 21257 at Page 217, dated November 11, 1987, recorded in Liber 21319 at Page 95, and dated March 31, 1989, recorded in Liber 23022 at Page 129.

18. Grant in favor of KPG II, a Hawaii general partnership, dated November 11, 1987, recorded in Liber 21319 at Page 107; granting a perpetual, nonexclusive easement and right of way for pedestrian and vehicular access, ingress and egress over the roadways, walkways and driveways, now or in the future in existence on Lot E-2A.

19. Grant in favor of Citizens Utilities Company, dated March 31, 1989, recorded in Liber 23022 at Page 141; granting a non-exclusive perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate underground lines, etc., for the transmission and distribution of electricity, etc., over and across Easement "E-2" (10 feet wide), containing an area of 1,567 square feet, more or less, and being more particularly described therein.

20. -AS TO ITEM I:- The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Apartment Deed dated December 11, 1985, recorded in Liber 19167 at Page 383.

21. -AS TO ITEM II:- The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Apartment Deed dated March 15, 1982, recorded in Liber 16271 at Page 414.

22. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the unrecorded Art and Elizabeth Charitable Remainder Unitrust dated December 27, 1996, a short form of which is recorded as Document No. 96-184337.

EXHIBIT E

SUMMARY OF EXECUTED ESCROW AGREEMENT

A copy of the executed Escrow Agreement, dated February 19, 1997, between Title Guaranty Escrow Services, Inc., 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.