

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer: LORNA NISHIMITSU, COMMISSIONER
Address: [Redacted]

Project Name(*): NALU LAWAI
Address: KOLOA, LAWAI, KAUAI, HAWAII

Registration No. 2257

Effective date: January 6, 2003

Expiration date: February 6, 2004

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

X SUPPLEMENTARY: This report updates information contained in the:
(pink) [] Preliminary Public Report dated:
[X] Final Public Report dated: August 7, 1990
[] Supplementary Public Report dated:

And [] Supersedes all prior public reports
[X] Must be read together with The Final Public Report
[X] This report reactivates the Final Public Report
public report(s) which expired on September 7, 1991

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report
As Exhibit "G" 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:

PURSUANT TO SECTION 514A-36, HRS, THE REAL ESTATE COMMISSION'S (COMMISSION'S) ISSUANCE OF AN EFFECTIVE DATE FOR A DEVELOPER'S PUBLIC REPORT SHALL NOT BE CONSTRUED TO CONSTITUTE THE COMMISSION'S APPROVAL OR DISAPPROVAL OF A CONDOMINIUM PROJECT, OR THE COMMISSION'S REPRESENTATION THAT ALL MATERIAL FACTS CONCERNING THE CONDOMINIUM PROJECT HAVE BEEN FULLY OR ADEQUATELY DISCLOSED. THUS, THE CHANGES NOTED HERE ARE BEING PROVIDED TO THE DEVELOPER FOR INFORMATIONAL PURPOSES ONLY. PURSUANT TO SECTION 514A-41, HRS, THE DEVELOPER HAS THE RESPONSIBILITY TO UPDATE THE INFORMATION CONTAINED IN THE DEVELOPER'S PUBLIC REPORT TO AVOID HAVING THE DEVELOPER'S PUBLIC REPORT MISLEAD PURCHASERS IN ANY MATERIAL RESPECT.

AN APPROXIMATE (4,099) DAY'S LAPSE IN THE EFFECTIVE DATE FOR THE DEVELOPER'S FINAL PUBLIC REPORT FROM SEPTEMBER 7, 1991 TO NOVEMBER 30, 2002 (OR THE DATE OF THIS FILING) IS ACKNOWLEDGED. PURSUANT TO SECTION 16-107-19, HAWAII ADMINISTRATIVE RULES, SALES CONTRACTS EXECUTED DURING THE PERIOD THAT THE PUBLIC REPORT WAS NOT IN EFFECT MAY BE RESCINDED AT THE OPTION OF THE PURCHASER AND ALL MONIES REFUNDED TO PURCHASER. PURCHASER'S RIGHT TO RESCIND UNDER THIS RULE SHALL BE VOID THIRTY (30) CALENDAR DAYS AFTER RECEIPT OF WRITTEN NOTIFICATION OF THESE RIGHTS FROM THE DEVELOPER OR HIS AGENT.

NALU LAWAI CONDOMINIUM CONSISTS OF TWO RESIDENTIAL STRUCTURES. THIS REPORT COVERS UNIT 1 ONLY. SINCE THE TIME OF THE FINAL PUBLIC REPORT, AND AS A RESULT OF DEFAULT UNDER THE MORTGAGE OF THE DEVELOPER'S UNIT 1, A FORECLOSURE ACTION WAS FILED BY THE LENDER IN THE 5TH CIRCUIT COURT OF THE STATE OF HAWAII. LORNA NISHIMITSU WAS APPOINTED COMMISSIONER FOR THE SALE OF UNIT 1 AND ACTED AS DEVELOPER FOR THE PURPOSES OF THE SALE OF THE UNIT. A COPY OF THE RECORDED LIMITED WARRANTY COMMISSIONER'S APARTMENT DEED IS INCLUDED WITH THIS FILING ALONG WITH THE BUYER'S NOTICE OF RIGHT TO RESCIND.

RECORDING OF AMENDMENTS TO THE PROJECT DECLARATION AND CONDOMINIUM MAP CORRECTED THE APPARENT REVERSAL OF UNIT NUMBERS AND DESCRIPTIONS ON THE PROJECT DOCUMENTS AND PUBLIC REPORT. THE CORRECT DESIGNATIONS ARE IN THIS REPORT.

THE COMMISSIONER/DEVELOPER STATES THAT TO THE BEST OF HER KNOWLEDGE, THERE ARE NO OTHER MATERIAL CHANGES TO THE INFORMATION CONTAINED IN THE DEVELOPER'S FINAL PUBLIC REPORT WHICH IS BEING REINSTATED AS TO UNIT 1 OF THIS PROJECT.

SINCE THE FORECLOSURE SALE FOR UNIT 1 WAS ISSUED BY ORDER OF THE COURT, AN ESCROW AGREEMENT WAS NOT EXECUTED. SHOULD THERE BE A SALE OF UNIT 2 IN THE PROJECT AT A LATER DATE, AN ESCROW AGREEMENT WILL BE PREPARED, A BROKER CHOSEN AND A LISTING AGREEMENT AND DISCLOSURE ABSTRACT FILED WITH THE REAL ESTATE COMMISSION.

THE COMMISSIONER/DEVELOPER MAKES NO REPRESENTATIONS REGARDING THE PRIOR FILING OF THE ORIGINAL DEVELOPER, MR. MUNOS, NOR AS TO THE LEGAL EFFECT OF THE ORIGINAL CONDOMINIUM DOCUMENTS FOR THIS PROJECT WHICH WERE FILED BEFORE HER APPOINTMENT NOR FOR ANY MATTER DISCLOSED BY THE CURRENT TITLE REPORT FOR THE PROJECT.

SINCE ISSUANCE OF THE EFFECTIVE DATE FOR THE FINAL PUBLIC REPORT, THE FORMAT OF THE REPORT HAS CHANGED. PLEASE REVIEW BOTH OLD AND NEW PAGES CAREFULLY TO AVOID CONFUSION.

SINCE THE FORECLOSURE SALE, THERE ARE NO BLANKET LIENS ON THE PROPERTY, CONTRARY TO PAGE 15 OF THE FINAL PUBLIC REPORT.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: LORNA NISHIMITSU, COMMISSIONER** Name* Phone: Business Address

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: N/A Name Phone: Business Address

Escrow: Name Phone: Business Address

General Contractor: N/A Name Phone: Business Address

Condominium Managing Agent: SELF-MANAGED BY Name THE ASSOCIATION OF Business Address APARTMENT OWNERS Phone:

Attorney for Developer: STEVEN R. LEE, ESQ. Name 4473 PAHE'E ST., STE. L Business Address LIHUE, HAWAII 96766 Phone: (808) 246-1101

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

**SEE PAGE 2 FOR INFORMATION RELATED TO THE DEVELOPER AND ESCROW COMPANY

DECLARATION:

First Amendment to Declaration of Condominium Property Regime, Bylaws and Declaration of Protective Covenants and Building Rules of the Nalu Lawai Condominium dated September 7, 1990, recorded as Document No. 90-143464; indicates changes to the residence of Units 1 and 2; that the area of each limited common element is 9,075; the Bylaws now provide that no Director shall vote on a matter with a conflict of interest; and the Declaration of Protective Covenants now establish that each owner will execute a power of attorney in favor of the Developer or the President of the Association for the sole purpose of security building permits for all units by the Kauai County Ordinances.

Second Amendment to Declaration of Condominium Property Regime of the Nalu Lawai Condominium dated May 6, 1991, recorded as Document No. 91 059557; replaces the description of Unit 2.

Third Amendment to Declaration of Condominium Property Regime of the Nalu Lawai Condominium and Condominium Map No. 1328 dated April 11, 2002, recorded as Document No. 2002-068776; replaces the description of Unit 1; title to the units was deeded to the opposite couple and was corrected by reciprocal quitclaim deeds correcting public record; and the owners of Unit 1 were subjected to a foreclosure and transfer of title to Unit 1 which was pending at the time of this amendment.

Fourth Amendment to Declaration of Condominium Property Regime of the Nalu Lawai Condominium and Condominium Map No. 1328 dated August 27, 2002, recorded as Document No. 2002-162444; the amended Condominium Map was filed depicting the location of the improvements on Unit 1.

CONDOMINIUM MAP:

Third Amendment to Declaration of Condominium Property Regime of the Nalu Lawai Condominium and Condominium Map No. 1328 dated April 11, 2002, recorded as Document No. 2002-068776; indicates changes to the residence of Units 1 and 2; that the area of each limited common element is 9,075.

Fourth Amendment to Declaration of Condominium Property Regime of the Nalu Lawai Condominium and Condominium Map No. 1328 dated August 27, 2002, recorded as Document No. 2002-162444, the amended Condominium Map was filed depicting the location of the improvements on Unit 1.

BYLAWS:

First Amendment to Declaration of Condominium Property Regime, Bylaws and Declaration of Protective Covenants and Building Rules of the Nalu Lawai Condominium dated September 7, 1990, recorded as Document No. 90-143464; the Bylaws now provide that no Director shall vote on a matter with a conflict of interest.

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 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 interests which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	65%
House Rules	----	80%

*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.

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

Fee Owner: DEBBORRAI S. GIA
 Name
P.O. BOX 772
 Address
KALAHEO, HI 96741

CLYDE TAMOTSU SHIGEMATSU
 ALISON GALE HIRANO SHIGEMATSU
 P.O. BOX 193
 LAWAI, HI 96765

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: 2 Floors Per Building 1: 1-story
2: 2-story
 Exhibit 'A' contains further explanations.

3. Principal Construction Material:

- Concrete Hollow Tile Wood
 Other

4. Permitted Uses by Zoning:

	No. of Apts.	<u>Use Permitted by Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>2</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<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"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Other:	<u>*</u>	<input type="checkbox"/> Yes	<input type="checkbox"/> No

*Please delete reference to Page 18 because a residence was constructed.

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

- 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:

Pets: BULLS, PIT BULL DOGS, OR MORE THAN THREE DOGS, PEAFOWL OR OTHER NOISY ANIMALS ARE NOT PERMITTED. SEE EXHIBIT "F", DECLARATION OF PROTECTIVE COVENANTS AND BUILDING RULES FOR NAI'I IAWAI CONDOMINIUM

Number of Occupants:

Other: THE UNITS ARE RESTRICTED TO RESIDENTIAL USE ONLY.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: -0- Stairways: UNIT 2 - 1 Trash Chutes: -0-

Apt. Num.	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	Identify
1	1	4/2	1,228	583 15	GARAGE/ WORKSHOP/ ½ BATH ENTRY
2	1	1/1	624	704 288 480	LANAI CARPORT STORAGE

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: Per the Declaration of Condominium Property Regime, the boundaries of each apartment shall be the outer surface of the entire building. Wires or conduits, pipes or any utility lines running over, under or through any apartment which are utilized for or serve more than one unit shall not be deemed a part of the apartment, the same being deemed common elements.

Permitted Alterations to Apartments: Permitted alterations to apartments are as allowed by County of Kauai zoning ordinances and recorded restrictions on the project, if any. Upon construction of each permanent improvement, an amendment to the Declaration of Condominium Property Regime will be required to disclose actual improvements as a matter of public record. SEE SECTION XVI OF THE DECLARATION OF CONDOMINIUM PROPERTY REGIME.

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 N/A elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 4

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		TOTAL
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit)	2 EACH UNIT		-0-		-0-		4
Guest							
Unassigned							
Extra for Purchase							
Other:							
Total Covered & Open:	4		-0-		-0-		4

EACH UNIT IS ENTITLED TO AT LEAST TWO PARKING SPACES IN ITS LIMITED COMMON FIFMENT.

Each apartment will have the exclusive use of at least 1 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)
- Other:

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

- 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):

N/A. THIS WAS A PROJECT OF NEW CONSTRUCTION UNDERTAKEN IN CONDOMINIUM OWNERSHIP.

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 C.

as follows:

3. Common Interests: Each apartment will have an undivided fractional interests in all of the common elements. This interest is called the "common interests." 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 C.

as follows:

EACH UNIT AND ITS OWNER(S) SHALL HAVE APPURTENANT THERETO A ONE-HALF (½) FRACTIONAL INTEREST (50.0 PERCENTAGE INTEREST) IN THE COMMON ELEMENTS OF THE PROJECT, FOR ALL PURPOSES INCLUDING VOTING, SAID INTEREST BEING REFERRED TO AS THE "COMMON INTEREST."

- 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 on or your purchase and ownership of an apartment in the project.

Exhibit D describes the encumbrances against the title contained in the title policy dated April 12, 2002, issued by TITLE GUARANTY OF HAWAII, INC.

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.
- 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.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
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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 Completion Date:**

UNIT 1'S CONSTRUCTION OF A RESIDENCE WAS COMPLETED IN 1990 AND UNIT 2'S CONSTRUCTION OF A RESIDENCE WAS COMPLETED IN 1991.

II. **Project Phasing:**

The developer has 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):

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all the 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 given 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.

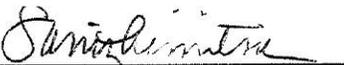
This Public Report is a part of Registration No. 2257 filed with the Real Estate Commission on AUGUST 7, 1990.

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

YELLOW paper stock WHITE paper stock PINK paper stock

- 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.

LORNA NISHIMITSU, COMMISSIONER
Name of Developer

By: 
Duly Authorized Signatory*

November 14, 2002

Date

LORNA NISHIMITSU, DEVELOPER
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.**

This work was prepared by me or under my supervision and completion of this project will be under my observation.
 Signature: *[Signature]*
 No. 3678
 LICENSED PROFESSIONAL ARCHITECT
 MEYER HYOKI
 HAWAII, U.S.A.

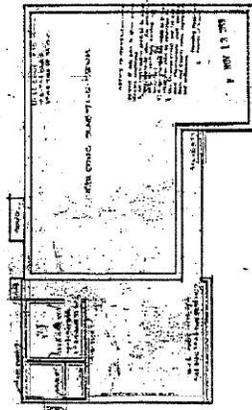
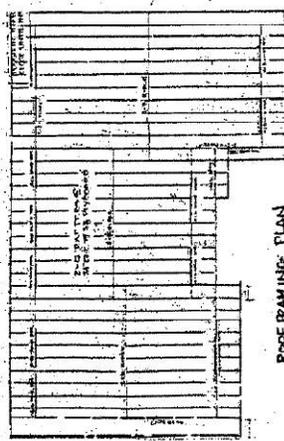
NALU LAWAI CONDOMINIUM - UNIT 1 DWELLING
 OWNERS: M/M CLIFFORD MUNOS
 T.M.K.: (4) 2-5-7: 19 LOT 14
 LAWAI, KAUAI, HAWAII

1

UNIT 1 DWELLING
 LIVING AREA 1,228 S.F.
 ENTRY 15 S.F.
 GARAGE WORKSHOP 583 S.F.
 TOTAL AREA 1,826 S.F.



NOTE: UNPAINTED PLASTIC EXPANDED TOP DECK, BRUSH GUMBER, BRUSH TREADS.



NOTE: FLOOR SLAB, REINFORCED CONCRETE WITH 4" DIA. BARS @ 12" O.C. DIMENSIONS.

NOTE: 4" A-TROSK 7/8" DIA. BARS.

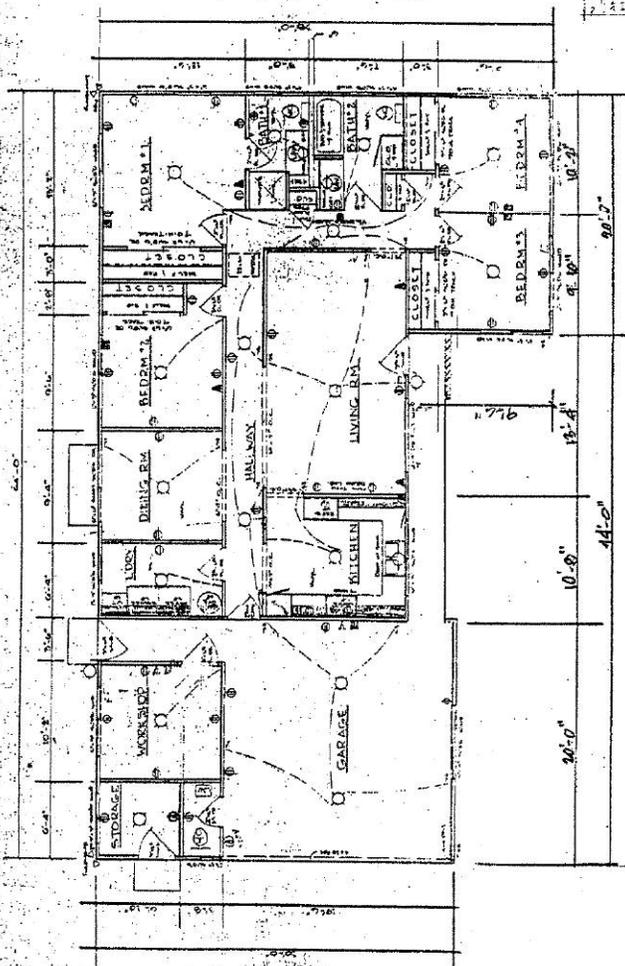
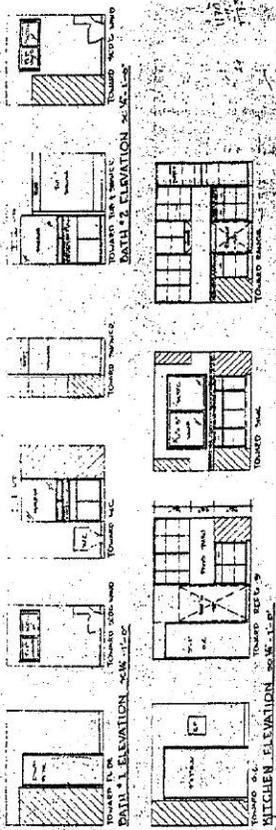


EXHIBIT "A"
 NALU LAWAI CONDOMINIUM
 UNIT 1
 FLOOR PLANS & ELEVATIONS
 PAGE 2 OF 5

2

NALU LAWAI CONDOMINIUM - UNIT 1 DWELLING
OWNERS: M/M CLIFFORD MUNOS
T.M.K.: (4) 2-5-7: 19 LOT 14
LAWAI, KAUAI, HAWAII

This work was prepared by me
or under my supervision and
construction of this project
will be under my observation.
Signature
4/12

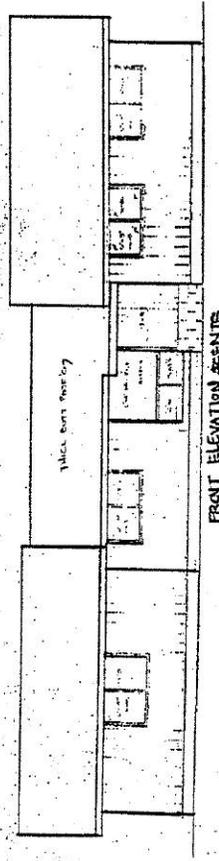
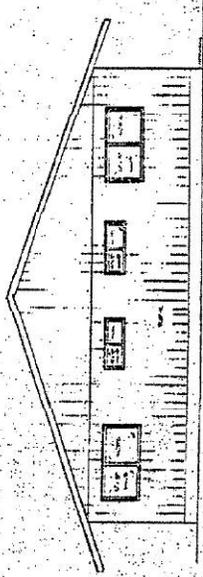
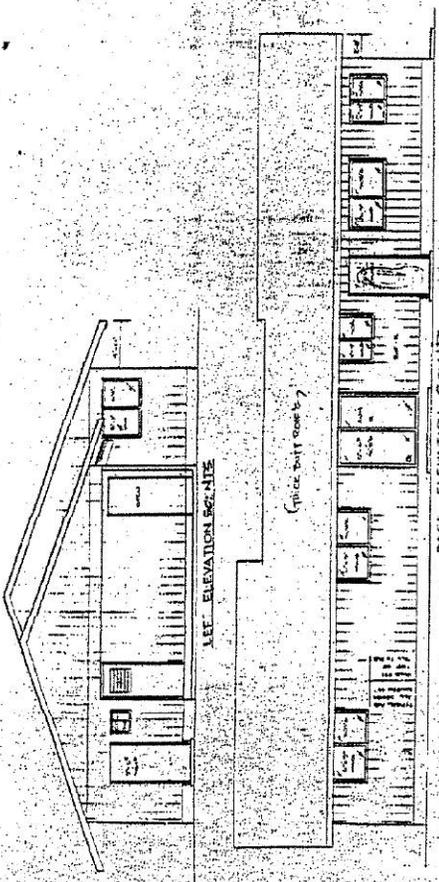


EXHIBIT "A"
NALU LAWAI CONDOMINIUM
UNIT 1
ELEVATIONS
PAGE 3 of 5

AMENDED EXHIBIT "B"

INDIVIDUAL UNIT DESCRIPTIONS

The Declaration of Condominium Property Regime, amendments thereto and plans submitted by the Developer indicated that NALU LAWAI is a fee simple condominium project consisting of a total of two condominium units, both units constructed with residences. The units are described as follows:

(a) Unit 1 is a 4-bedroom, 2-bath, one-story residence with a living room, kitchen and laundry room constructed of wood with 1,228 square feet of living area and 15 square feet of entry. The unit has a garage/workshop with 583 square feet of area in three rooms; the garage and storage, a workshop and a half-bath. It was completed in 1991. The improvements are located on the North side of the unit's 9,075 square foot limited common element.

(b) Unit 2 is a one-bedroom, one bath two-story residence with constructed of hollow tile and wood with 624 square feet of living area and 704 square feet of lanai on the top floor. The structure has a carport with 288 square feet and 480 square feet of storage area on the bottom floor. The residence is located on the central portion of the 9,075 square foot limited common element.

END OF EXHIBIT B

EXHIBIT "C"
COMMON ELEMENTS

One freehold estate is designated of all the remaining portions of the Project, herein referred to as "common elements", including specifically, but not limited to:

- (a) The land in fee simple;
- (b) all ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, sewage and telephone;
- (c) any and all other elements and facilities rationally in common use or necessary to the present or future existence, upkeep and safety of the Project.

The common elements shall remain undivided, and no right shall exist to partition or divided any part thereof, except as provided in the condominium Property Act. Any such partition or division shall be subject to the prior consent thereto by the holder(s) of all mortgage(s) of any condominium unit(s) which are filed of record.

LIMITED COMMON ELEMENTS

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

Unit Number	Area of Limited Common Element
1	9,075 sq. ft.
2	9,075 sq. ft.

Land areas referenced herein are not legally subdivided lots.

END OF EXHIBIT "C"

EXHIBIT "D"
ENCUMBRANCES AGAINST TITLE

1. The property described herein is subject to possible rollback taxes. Verification should be made with the County of Kauai, Real Property Tax Office.

2. GRANT

TO: CITIZENS UTILITIES COMPANY and VERIZON HAWAII, INC.

DATED: February 2, 1981

RECORDED: Liber 15552, Page 94

GRANTING: a perpetual right and easement for utility purposes

3. GRANT

TO: CITIZENS UTILITIES COMPANY

DATED: November 16, 1987

RECORDED: Liber 21414, Page 750

GRANTING: a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines and/or underground lines, etc., as may be necessary for the transmission and distribution of electricity, over, under, upon, across and through Easement "E-1", as shown on map attached thereto.

4. The terms and provisions, including the failure to comply with any covenants, conditions and reservations contained in the following:

INSTRUMENT: DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR NALU LAWAI CONDOMINIUM PROJECT

DATED: April 19, 1990

RECORDED: Document No. 90-075549

MAP: 1328 and any amendments thereto

said Declaration was amended by instruments dated September 7, 1990, recorded as Document No. 90-143464, dated May 6, 1991, recorded as Document No. 91-059557; dated April 11, 2002, recorded as Document No. 2002-068776; and dated August 27, 2002, recorded as Document No. 2002-162444.

5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations contained in the following:

INSTRUMENT: BYLAWS OF THE ASSOCIATION OF APARTMENT OWNERS

DATED: April 19, 1990

RECORDED: Document No. 90-075550.

said Bylaws were amended by instrument dated September 7, 1990, recorded as Document No. 90-143464.

6. The terms and provisions, including the failure to comply with any covenants, conditions and reservations contained in the following:

INSTRUMENT: Declaration of Protective Covenants and Building Rules for Nalu Lawai Condominium
DATED: April 19, 1990
RECORDED: Document No. 90-075551.

said Declaration of Protective Covenants and Building Rules were amended by instrument dated September 7, 1990, recorded as Document No. 90-143464.

7. The terms and provisions, including the failure to comply with any covenants, conditions and reservations contained in the following:

INSTRUMENT: ELEVATION AGREEMENT
DATED: May 3, 1990
RECORDED: Document No. 90-090613
PARTIES: CLIFFORD M. MUNOS, and the DEPARTMENT OF WATER, County of Kauai

8. The terms and provisions, including the failure to comply with any covenants, conditions and reservations contained in the following:

INSTRUMENT: DEED
DATED: November 6, 1990
RECORDED: Document No. 90-183709

END OF EXHIBIT "D"

EXHIBIT "E"

SUMMARY OF SALES CONTRACT

This Project utilized a Condominium Addendum to Sales Contract (the "Addendum") to be used in conjunction with a standard printed form contract provided by the Hawaii Association of Realtors. The Addendum protects the rights of the Purchasers and the handling of funds under the Condominium Property Act (the "Act"), as well as insuring compliance with the Act by all parties. Relevant portions of the Addendum are summarized as follows:

1. The fact that the Act controls over any provision of a contract to sell a condominium unit.

2. That an effective date for a final or supplementary public report must be in place and a receipt for same signed by the buyer to have an effective sale.

3. That all purchaser funds must be held in escrow until the law allows closing and disbursement of the funds.

4. The conditions precedent to release of funds are enumerated, including, in part:

(a) That Purchaser will receive a copy of the final public report for the project.

(b) Purchaser agrees that all payments made will be placed on deposit with escrow pursuant to the terms of the Escrow Agreement, and Purchaser is subject to all of the terms of the Escrow Agreement.

(c) If there is dual agency by a single broker, it will be disclosed in the contract.

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

END EXHIBIT "E"

EXHIBIT "G"

**AMENDED DISCLOSURE ABSTRACT FOR
NALU LAWAI**

Pursuant to Hawaii Revised Statutes, Section 514(A)-61, the new Commissioner/Developer of NALU LAWAI (herein the "Project") makes the following disclosures:

1. The original Developer of the Project was CLIFFORD MICHAEL KAMUELA MUNOS, of Lawai, Kauai, Hawaii. As a result of the default under a mortgage on Developer's unit, Unit 1, a foreclosure action was filed by the lender in Civil Action No. 01-1-0131 in the 5th Circuit Court, captioned HOUSEHOLD FINANCE CORPORATION OF HAWAII v. CLIFFORD MICHAEL KAMUELA MUNOS, et.al. As a result of the foreclosure, an Order was entered in that action on November 2, 2001, which appointed Lorna Nishimitsu as Commissioner to sell the said Unit 1. Thereafter an auction sale was conducted as ordered by the Court. As a result of the November 2, 2001 Order, a new "Developer" has been appointed for the sale of Unit 1: Lorna Nishimitsu, whose address is [REDACTED]. She is also a licensed attorney in Hawaii. A copy of the appointing order is on file with the Real Estate Commission.

2. A residence was constructed on Unit 2 by its owner and an amendment to the Project's Declaration of Condominium Property Regime has been recorded reflecting the construction of the structure completed in 1991. The house is described in the amendment to the declaration and depicted on the amended condominium map for the project.

3. There are no maintenance fees for this Project and no shared common elements. There are no warranties against defects of material and workmanship as to any Unit apartment, the common elements or any other areas by the Commissioner; and the purchaser buys his/her unit in an "as is" condition.

4. All of the apartments of the project are to be used for residential purposes only. No apartments shall be used for hotel or timeshare purposes. There will be no commercial use except those activities permitted by county ordinance.

5. There is no real estate broker for the sale of Unit 1, the foreclosure order coming from the court of jurisdiction in the mortgage action. Unit 2 is not currently for sale, but would be sold "By Owner". Although not anticipated, should a broker subsequently be employed for the sale of either Unit, a listing agreement and amended Disclosure Abstract for the Project shall be filed with the Real Estate Commission.

6. The Developer has not 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. **There are no depreciable common elements in the Project.**

7. The Commissioner/Developer makes no representation regarding the prior filing of the original Developer of the Project, Mr. Munos, nor as to the legal effect of the original condominium documents for this Project, which were filed before her appointment, nor for any matter disclosed by the current title report for the Project, which reflects no new encumbrances on the Unit other than the mortgage which will be extinguished by the foreclosure action. Title to the property will pass by a Limited Warranty Commissioner's Apartment Deed.

8. To the best of the knowledge of the Developer, there are no other material changes to the information contained in the Developer's Final Public Report which will be hereby reinstated as to Unit 1 only.



LORNA NISHIMITSU, COMMISSIONER

Date: November 14, 2002

RECEIPT

The undersigned has received a copy of the foregoing disclosure abstract this ___ day of _____, 2002.

Purchaser(s): _____

END OF EXHIBIT "G"