REAL ESTATE COMMISSION
STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
1010 Richards Street - P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

NAULU CONDOMINIUM

4345 Naulu Place
Koloa, HI 96756

Registration No. 2284 (conversion)

Issued: October 22, 1990
Expires: November 22, 1991

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of October 2, 19 90, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

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 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
[ ] Supersedes all prior public reports
[ ] Must be read together with _____

____ **SUPPLEMENTARY:** *(pink)* — Updates information contained in the

[ ] Prelim. Public Report dated _____
[ ] Final Public Report dated _____
[ ] Supp. Public Report dated _____

And [ ] Supersedes all prior public reports
[ ] Must be read together with _____

[ ] This report reactivates the _____ public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required [X] Not Required - disclosures covered in this report.

Summary of Changes from Earlier lic 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 Commission.

[ ] Changes made are as follows:

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Escrow Company
Managing Agent
Attorney for Developer

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GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's *"Condominium Property Act"* (Chapter 514A, Hawaii Revised Statutes) must be followed.

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 they 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 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.

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 owner/tenant) 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. The 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.

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 a vote of the owners. Some of these actions may significantly impact the quality of life for all 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 vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

[X] Fee simple interest in an apartment and an undivided fee hold interest in the common elements.
[ ] Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
[ ] Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

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

2. [X] Residential [ ] Commercial
   [ ] Mixed Residential and Commercial
   [ ] Other _____

3. [ ] High Rise (5 stories or more) [X] Low Rise

4. [ ] Single or [X] Multiple Buildings

5. Apartment Description

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
A	1	3	2525(includes	enclosed porch)
B	1	2	1232	

Total 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.

6. Parking:

	Number of Stalls
Assigned Stalls (Individual Units)	3
Guest Stalls	0
Unassigned Stalls	0
Extra Stalls Available for Purchase	0
Other: _____	0
Total Parking Stalls	3

7. Recreational amenities: N/A

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: CASCADE Acceptance Corporation — Phone: 415-388-8431 (Business)
Name
P.O. Box 400
Business Address
Mill Valley, CA 94941

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

Barney G. Glaser, President

Fred W. Taylor, Vice President

Real Estate Sales Agent: Louis Abrams, ERA Charlee & Associates — Phone: 808-742-9537 (Business)
Name
5402 Koloa Road
Business Address
Koloa, HI 96756

Escrow: Title Guaranty Escrow Services, Inc. — Phone: 808-533-6262 (Business)
Name
235 Queen Street
Business Address
Honolulu, Hawaii

Managing Agent: Self-management — Phone: N/A (Business)
Name

Business Address

Attorney for Developer: Patrick J. Childs
Name
4365 Kukui Grove Street, #104
Business Address
Lihue, HI 96766

I. 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.

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 - ~~Book~~ Doc. No. 90-008667 ~~Page~~ --
[ ] Filed - Land Court - Document Number _____

Amendment date(s) 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 Conveyance Condo Map No. 1279
[ ] Filed - Land Court Condo Map No. _____

Amendment date(s) 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 way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

[ ] Proposed
[X] Recorded - Bureau of Conveyances - ~~Book~~ Doc. No. 90-008668 ~~Page~~ -
[ ] Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

The Condominium Statute (Chapter A, HRS), the Declaration, Bylaws, a louse Rules control the rights and obligations of the apartment owners with respect to 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.

D. House Rules. The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. 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%	80%
House Rules	—	N/A

The percentages for individual condominium projects may be more than the minimum set by law.

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

The Developer reserves the right to amend the Declaration and Condominium Map to reflect any corrections submitted by the architect, to correct any deficiencies in the description of the premises and to describe and redescribe any easements and restrictions appurtenant thereto.

I. THE CONDOMINIUM PROJECT

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

[X] Fee Simple: Individual apartments and the common elements which includes the underlying land will be in fee simple. This is not a Subdivision.

[ ] Leasehold or Subleasehold: Individual apartments and the common elements which includes the underlying land will be leasehold.

The leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (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.

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.

[ ] Individual Apartments in Fee Simple Common Interest in the Underlying Land in Leasehold or Subleasehold:

The 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; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations.

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:

For Subleaseholds:

[ ] Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
[ ] Cancelled [ ] 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 cancelled or foreclosed.

B. **Underlying Land:**

Address: 4345 Naulu Place, Koloa, Kauai, Hawaii — Tax Map Key (TMK): 4/2-07-04-60

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

Land Area: 21,782 [x] square feet [ ] acre(s) Zoning: Residential

Fee Owner: CASCADE Acceptance Corporation
Name

P.O. Box 400, Mill Valley, CA
Address

Sublessor: 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. Buildings: 2 Floors Per Building 2

   [ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

   [ ] Concrete [ ] Hollow Tile [X] Wood

   [ ] Other _____

4. Permitted Uses:

	No. of Apts.		No. of Apts.
[ ] Commercial		[ ] Industrial	
[X] Residential	2	[ ] Agricultural	
[ ] Timeshare/Hotel		[ ] Recreational	
[ ] Other: _____			

5. Special Use Restrictions:

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

[ ] Pets _____

[ ] Number of Occupants: _____

[X] Other: Single family residence

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 2

Elevators N/A Stairways 2 (interior apts) Trash Chutes N/A

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
A	1	3/2	2525 (includes enclosed porch)	
B	1	2/1	1232	

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:

Spaces within perimeter walls, floors, and ceilings of each apartment.

Permitted Alterations to Apartments:

Any alteration permitted by County authority.

7. Parking Stalls:

Total Parking Stalls: 3

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for individual units)		3					3
Guest							
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open	3						

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.

[X] There are no recreational or common facilities.

[ ] Swimming pool

[ ] Recreation Area

[ ] Tennis Court

[ ] Storage Area

[ ] Laundry Area

[ ] Trash Chute

[ ] Other: _____

_____

9. Present Condition of Improvements

(For conversions of residential apartments in existence for at least five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

The structural integrity of both units is sound. Electrical and plumbing systems are in working condition. The expected useful life of each unit is in excess of 25 years.

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

Please refer to Exhibit G. Purchasers are responsible for the construction of two car garage.

10. 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 intended to be used by all apartment owners. They are owned jointly by all apartment owners.

   [X] Exhibit A describes the common elements.

   [ ] 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 may use them 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 often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

   [ ] Exhibit _____ describes the common interests for each apartment.

   [X] As follows:

Apartment A	50%
Apartment B	50%
	100%

Common interest has been determined by apportioning an equal share to each Apartment.

E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property.

Exhibit B describes the encumbrances against the title contained in the title report dated April 19, 1990 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It 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.

[X] 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. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

Type of Lien	Effect on Buyer's Interest If Developer Defaults

F. **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 managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial 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 managing agent for this condominium is:

[ ] not affiliated with the Developer.

[ ] the Developer or the Developer's affiliate.

[X] self-managed by the Association of Apartment Owners.

[ ] other _____

3. **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, your apartment may be liened and 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 to each apartment.

Exhibit C contains a schedule of maintenance fees and maintenance fee disbursements.

4. **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:

[ ] Electricity
[ ] Television Cable
[ ] Gas
[ ] Water & Sewer
[ ] Other _____
[X] Not applicable

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

J. **Status of Construction and Estimated Completion Date:**

Completed November, 1985.

K. **Project Phases:**

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

Summary of Developer's Present Plans for Future Development:

L. **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 26, 1990

Exhibit F contains a summary of the pertinent provisions of the escrow contract.

[ ] Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Buyer's Right to Cancel Sales Co[illegible]ct:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer 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, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

1. The Developer delivers to the buyer a copy of:
   a. Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report;
      AND
   b. Any other public report issued by the Commission prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
2. The buyer is given an opportunity to read the report(s); and
3. One of the following has occurred:
   a. The buyer has signed a receipt for the report(s) and waived the right to cancel; or
   b. Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
   c. 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:

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

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Condominium Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other _____

If these documents are not in final form, the buyer should ask to see the most recent draft.

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 Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs.

This Public Report is a part of Registration No. 2284 filed with the Real Estate Commission on August 6, 1990.

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

[ ] yellow paper stock [X] white paper stock [ ] pink paper stock

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.

Peter N. Yanagawa

PETER N. YANAGAWA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances
Department of Finance, County of Kauai
Planning Department, County of Kauai
Federal Housing Administration
Escrow Agent

EXHIBIT A

I. COMMON ELEMENTS

The common elements of the Project consist only of the following:

(i) All of the Land, in fee simple, subject to limited common elements.

(ii) The limited common elements described below.

(iii) All pipes, wires, conduits, or other utility or service lines, drainage ditches or appurtenant drainage structures retaining walls (if any) and yard fences, which are located outside the buildings and which are utilized for or serve more than one apartment.

II. LIMITED COMMON ELEMENTS

(i) That portion of the Land which is designated as Area A, consisting of 9,629 square feet, on the Condominium Map, is reserved for the exclusive use of Apartment A for the support of the building and other improvements comprising Apartment A and for yard, driveway and parking purposes.*

(ii) That portion of the Land which is designated as Area B, consisting of 12,153 square feet, on the Condominium Map, is reserved for the exclusive use of Apartmentn B for the support of the building and other improvements comprising Apartment B and for yard, driveway and parking purposes,*

*Note: The portion of land designated for each apartment is not a legally subdivided area.

EXHIBIT B

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes have been fully paid up to and including June 30, 1990. (see tax statement attached)

   Tax Key: 2-7-004-060 (4) Area Assessed: 21,782 sq. ft.

2. "Excepting and Reserving the Omao Stream and all riparian and other rights in or to this stream and waters thereof."; as excepted and reserved in Land Patent Grant Number 7046.

3. Covenants, conditions and restrictions set forth in DEED dated October 20, 1909, recorded in Liber 319 at Page 270.

4. Covenants, conditions and restrictions set forth in DEED dated February 19, 1981, recorded in Liber 15394 at Page 709. See Exhibit F.

5. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Horizontal Property Regime dated December 8, 1989, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 90-008667, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1279.)

6. By-Laws of the Association of Apartment Owners of the Condominium Project known as "NAULU CONDOMINIUM" dated December 8, 1989, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 90-008668, as the same may hereafter be amended.

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
A	20.83	$250.00
B	20.83	$250.00

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

Estimate of Maintenance Fe ibursements:

	Monthly x 12 months = Yearly Total	
Utilities and Services		
Air Conditioning		
Electricity		
[ ] common elements only		
[ ] common elements and apartments		
Gas		
Refuse Collection		
Telephone		
Water and Sewer		
Maintenance, Repairs and Supplies		
Building		
Grounds		
Management		
Management Fee		
Payroll and Payroll Taxes		
Office Expenses		
Insurance	41.66	$500.00
Reserves		
Taxes and Government Assessments		
Audit Fees		
Other		
TOTAL	41.66	$500.00

I/We, Cascade Acceptance Corporation, as managing agents for the 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.

Mary A. Hansen

Date: 7/2/90

EXHIBIT "D"

SUMMARY OF SALES CONTRACT

A Sales Contract sets forth the terms and price of the purchase of a Condominium Apartment. Among other things the Sales Contract for this project states:

1. The purchase price.

2. That the Seller shall convey a marketable leasehold interest in the property.

3. That the Sale is subject to State laws and a variety of legal documents and property descriptions.

4. That the purchase is for full cash value, with no Seller financing.

5. That the cash shall be placed in escrow, at no interest. The Buyer shall be responsible for one-half of all escrow costs.

6. That prior to the issuance of the public report, the Buyer may rescind his obligation under the contract with no penalty.

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 Title Guaranty Escrow Services, Inc. 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 no money shall be released from escrow until the Real Estate Commission shall issue a final report.

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

5. That a Buyer's money shall be returned to him if he exercises certain rights he may have to cancel his Sales Contract as provided by law, if that is his wish, or if the Seller is unable to provide title to the Condominium.

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.

9. That if escrow is cancelled for any reason there may be a cancellation fee of not less than $25.00 payable by the Buyer.

EXHIBIT F

DECLARATION OF COVENANTS AND RESTRICTIONS

1. "The sale of all residential lots in OMAO GARDEN ESTATES shall be subject to the following conditions, covenants and restrictions from the date hereof until the 1st day of January, 1994:

(a) No building shall be located on the lot nearer than twenty (20) feet to the street lot line without the prior written consent of the grantor;

(b) Floor and foundations must be of concrete slab construction or of termite-treated lumber where all foundation timbers and joists, etc., are of treated material. If the building foundation structure is of timber, it shall be enclosed by masonry or wooden siding;

(c) The above-described premises shall be used for private residence purposes only, including private garage; and no building other than a private dwelling house designed and built for the use and occupancy of a single family, not exceeding TWO (2) stories in height, together with one outbuilding not exceeding ONE (1) story in height, shall be constructed, placed or maintained upon said premises;

(d) No dwelling house, excluding guest cottage, shall be erected upon said premises which shall contain less than 1,000 square feet of ground floor area, exclusive of storage space, lanais, and open porches, and a two-car enclosed garage either attached to or adjacent to the main dwelling with the garage entrance faced away from the street;

(e) All construction shall be of new masonry or lumber material free of dry rot and termites. No secondhand material can be used in the dwelling or garage structure. No existing, dwelling may be moved from a different location to a subdivision lot. No corrugated metal roofs or flat metal roofs will be permitted within the subdivision. Roof covering shall only be of jumbo wood shingles;

(f) No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between 2 and 6 feet above the roadways shall be placed or permitted to remain on any street property lines and a line connecting them at points 25 feet from the intersection of the street lines or in the case of a rounded property corner from the intersection of the street property lines extended. The same sightline limitations shall apply to any of said lots within 10 feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be planted within such distances of such intersections unless the foliage line is maintained at a sufficient height to prevent obstruction of such sight lines;

(g) No television pole or antennae shall remain on the grounds or residence after the installation of a public underground cable for television reception;

(h) No noxious or offensive activity shall be carried on upon any lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood; and no animals, livestock or poultry of any kind shall be raised, bred or kept on the lot, except that a reasonable number of dogs, cats, or other common household pets may be kept; provided, however, that they are not kept, bred, or maintained for any commercial purpose;

(i) No structure of a temporary character, trailer, tent, shack, garage or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently; no metal shack will be allowed in the subdivision;

(j) The lot or lots shall be fully maintained and kept free of weeds and other unsightly nuisances prior to construction and that no lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. Provisions for storage of refuse cans must be made within the plans of the house or garage and adjacent thereto and adequately screened from the road;

(k) Laundry facilities and any service or utility area, including any area for hanging clothes, must be completely screened from view from all sides;

(l) No deed, mortgage or lease shall be made or delivered by the Grantee conveying, mortgaging or leasing the above-described premises or any part thereof unless such deed, mortgage or lease shall contain or be subject to the restrictive terms, covenants and conditions as in this indenture set forth;

(m) Easements for the installation and maintenance of utilities and drainage facilities are reserved to the grantor or its assignee as shown on the final map of the OMAO GARDEN ESTATES subdivision on file with the Kauai County Planning Department. Within the easement areas no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may obstruct or retard the flow of water through drainage channels in the easement areas;

(n) Each and all of the foregoing covenants and restrictions shall run with the land, and jurisdiction may be taken in equity at suit of the Grantor, its successors or assigns, or of any other grantee of any of said lots, within said subdivision, to restrict or prevent by injunction, mandatory or restraining, any violation of any of said covenants upon the part of the Grantee to be observed and performed, without prejudice to the right of the Grantor, its successors or assigns, or any other grantee, to adopt or pursue any other remedy thereafter for the same breach or failure, or for any subsequent breach or failure, or to take any action to recover damages for any such breach or failure;

(o) Invalidation of any of these covenants by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

2. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Horizontal Property Regime dated December 8, 1989, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 90-008667, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1279.)

3. By-Laws of the Association of Apartment Owners of the Condominium Project known as "NAULU CONDOMINIUM" dated December 8, 1989, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 90-008668, as the same may hereafter be amended.

EXHIBIT G

STATEMENT OF DEVELOPER

CASCADE ACCEPTANCE CORPORATION, the developer for Naulu Condominium, does hereby certify that Naulu Condominium project and the residences that make up the same conform to the Covenants, Conditions and Restrictions dated February 19, 1981 recorded in Liber 15394 at Page 709 in the Bureau of Conveyances, State of Hawaii, in all respects except that both apartment units do not have two car enclosed garages as is required by said covenants in Paragraph (d) thereof. The construction of the requisite enclosed two garages shall be the responsibility of the respective owners of the Apartment units. The owner/purchaser shall assume all such risk.

CASCADE ACCEPTANCE CORPORATION

By _____
Its President

Subscribed and sworn to before me this 18th day of September, 1990.

_____
Notary Public, State of California

My commission expires: Jan 15, 1991

Official Seal
BOBBI BISHOP
NOTARY PUBLIC - CALIFORNIA
MARIN COUNTY
My Comm. Expires Jan. 15, 1991

JOANN A. YUKIMURA
MAYOR

PETER A. NAKAMURA
PLANNING DIRECTOR

ROLAND D. SAGUM, III
DEPUTY PLANNING DIRECTOR

TELEPHONE (808) 245-3919

COUNTY OF KAUAI
PLANNING DEPARTMENT
4280 RICE STREET
LIHUE, KAUAI, HAWAII 96766

August 27, 1990

Mr. Calvin Kimura, Executive Secretary
Real Estate Commission
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
P. O. Box 3469
Honolulu, Hawaii 96801

Subject: Comments on Naulu Condominium Report
Tax Map Key: 2-7-04:60
Omao, Kauai, Hawaii

After reviewing the subject document, we have the following comments to offer:

The amount of limited common elements corresponds to the allowable unit density permitted by the CZO. The subject property is zoned Residential District (R-2) and qualifies for one (1) unit, however, a second dwelling unit was approved for this property pursuant to Ordinance No. 551, relating to the construction of "additional dwelling units."

When applying for Zoning Permits with the Planning Department, the owners must be made aware that 75% of the owners, or their assignee, are required to sign the permit form(s). Should an assignee be designated, such assignee shall present proof of authorization from the 75% of the owners at the time a permit is applied for. This is a requirement because the Planning Department does not recognize the Condominium Report to be a legal subdivision of land.

There should be a disclosure provision written into this and all ensuing condominium reports stating that approval of the report should not be misconstrued to mean that all County Codes and Ordinances have been complied with. Subsequent development and use shall comply with all applicable County Codes and Ordinances. It should also be made clear that the

EXHIBIT H

Horizontal Property Regime (HPR) does not necessarily mean that all County requirements pertaining to subdivision of lands have been met. Therefore, such facilities/improvements that are normally associated with County-approved subdivisions such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emerging traffic, drainage facilities, etc., may not necessarily be provided for. Further, such services as County street maintenance and trash collection will not be available for interior road/driveways.

Should you have any questions, please feel free to contact Bryan Mamaclay of my staff at 245-3919.

PETER A. NAKAMURA
Planning Director

cc: Patrick J. Childs, Esq.