

CONDOMINIUM PUBLIC REPORT

Prepared & issued by:

Developer DOUGLAS F. STUART
Address P. O. Box 350, Makaweli, HI, 96769

Project Name (*): PINEAPPLE RIDGE CONDCMINIUM
Address: Lot 10, (por. Lot 136, Kalaheo Homestads 2nd Series)
Kalaheo, Koloa, Kauai, Hawaii
Registration No. 4569
Effective date: March 23, 2001
Expiration date: April 23, 2002

Preparation of this Report:

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

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

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

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

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

Type of Report:

- PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
SUPPLEMENTARY: (pink) This report updates information contained in the:
And [] Supersedes all prior public reports.

(*) Exactly as named in the Declaration
This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

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:

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, not a subdivision. There are County restrictions on the number of residential dwelling units, or other structures, which may be built on the property. Therefore, unless the Purchaser is buying an existing residential dwelling, there is no assurance that the Purchaser will be able to build a residential dwelling on the property. There is also no assurance that the Purchaser will be able to convert an existing non-residential structure to a residential use. The Purchaser should consult with the appropriate County agencies to determine whether the Purchaser may build a residential dwelling, or any other type of structure, on the property.

1. There are presently two agricultural sheds on this property, each of which may be defined as an "apartment" under the Condominium Property Act.

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

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

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

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

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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 the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

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 interest 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%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>N/A</u>

* 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:

Developer has reserved the right to amend the Declaration and Map without the consent and joinder of any apartment owner or any other party for the purpose of adjusting the plan or description of any apartment which may be improved, enlarged or altered, upon the condition that no such amendment shall in any way alter any apartment or common interest thereof which has been conveyed by the Developer prior to such amendment being recorded at the Bureau of Conveyances, State of Hawaii.

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. **Underlying Land:**

Address: Lot 10 (por. Lot 136, Kalaheo Homesteads,
2nd Series), Kalaheo, _____ Tax Map Key (TMK): (4) 2-3-009-102
Koloa, Kauai, Hawaii _____

Address TMK is expected to change because each apartment is
entitled to receive a street address from the Dept. of Public Works,
County of Kauai.

Land Area: 3.393 square feet acre(s) Zoning: Agriculture

Fee Owner: DOUGLAS F. STUART
 Name
P. O. Box 350
 Address
Makaweli, HI, 96769

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
 Exhibit _____ contains further explanations.

3. Principal Construction Material:
 Concrete Hollow Tile Wood
 Other metal posts and shade cloth

4. Uses Permitted by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>
<input type="checkbox"/> Residential	_____	<input 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 checked="" type="checkbox"/> Agricultural	<u>2 (Sheds)</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No See Note
<input type="checkbox"/> Recreational	_____	<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

NOTE: The subject property is within the State Land Use Agricultural District and is zoned Agricultural by the County of Kauai. "Farm Dwellings" and other structures appropriate to agricultural usage are permitted, subject to certain guidelines. See disclosures on Page 2 (Special Attention) and Page 20 (Additional Information Not Covered Above) of this Final Public Report.

5. Special Use Restrictions:

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

[X] Pets: Poultry, pigs and hunting dogs are not permitted. See Page 27 of the Bylaws for further information.

[] Number of Occupants: _____

[X] Other: See Exhibit E to this Public Report.

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>A</u>	<u>1</u>	<u>0/0</u>	<u>0</u>	<u>187</u>	<u>Shed</u>
<u>B</u>	<u>1</u>	<u>0/0</u>	<u>0</u>	<u>20</u>	<u>Shed</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

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: Each apartment shall be deemed to include the building comprising the apartment, including all perimeter walls, floors, foundations and roof of such building and all pipes, wires, conduits or other utility and service lines in such building, if the same are not utilized by or serve more than one apartment.

Permitted Alterations to Apartments: Additions, replacements and other improvements to the apartments are permitted in accordance with the Declaration of Condominium Property Regime and applicable law.

Apartments Designated for Owner-Occupants Only: N/A

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 _____ elected to provide the information in a published announcement or advertisement.

*There is ample area within the limited common element of each apartment for the parking of at least two vehicles.

7. Parking Stalls:

Total Parking Stalls: 0*

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

residential
Each/apartment will have the exclusive use of at least two 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

11. Conformance to Present Zoning Code

a. 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.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u> X </u>	<u> </u>	<u> </u>
Structures	<u> X </u>	<u> </u>	<u> </u>
Lot	<u> X </u>	<u> </u>	<u> </u>

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

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

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

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

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

described in Exhibit A .

as follows:

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

There are no limited common elements in this project.

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

described in Exhibit A.

as follows:

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

described in Exhibit _____.

as follows:

Apartment A = 50%

Apartment B = 50%

100%

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

Exhibit B describes the encumbrances against the title contained in the title report dated January 22, 2001 and 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.

[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. 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 Date of Completion:**

Construction is complete. Apartments A and B received final building approval on June 14, 2000.

H. **Project Phases:**

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): N/A

IV. CONDOMINIUM MANAGEMENT

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

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

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

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

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

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

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

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

Maintenance Fees have not been established. See Page 20.

C. **Utility Charges for Apartments:**

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

None Electricity (___ Common Elements only ___ Common Elements & Apartments)
 Gas (___ Common Elements only ___ Common Elements & Apartments)
 Water Sewer Television Cable
 Other _____

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 C contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated January 8, 2001
Exhibit D 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 Declaration of Restrictive Covenants and Conditions

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. 4569 filed with the Real Estate Commission on February 2, 2001.

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

YELLOW paper stock

WHITE paper stock

PINK paper stock

C. **Additional Information Not Covered Above**

This condominium project is situated on agriculturally zoned land and, as such, is subject to all restrictions associated therewith. This is not residentially-zoned property and the Developer does not warrant that any residence will be permitted by the County of Kauai within any specific limited common element. Agriculture properties are subject to density requirements that may change. Any such change will affect the number of allowable units that may be placed on the underlying land.

Maintenance fees for this project have not been established at this time. In the event the Developer elects to establish maintenance fees prior to entering into a binding contract for the sale of an apartment in this project, Developer shall: (1) submit to the Real Estate Commission a duly executed Disclosure Abstract identifying such maintenance fees; and (2) provide a copy of the Disclosure Abstract to the Purchaser together with a copy of this Public Report.

The Developer has not selected a real estate broker for the sale of condominium units in the project at this time. In the event the Developer elects to use a real estate broker for the sale of a condominium unit, prior to entering into a binding contract for such sale the Developer shall: (1) submit to the Real Estate Commission a duly executed copy of a broker listing agreement with a Hawaii- licensed real estate broker, together with a duly executed Disclosure Abstract identifying the designated broker and Developer as owner, as defined under HRS Section 467-2(1); and (2) provide a copy of the Disclosure Abstract to the purchaser together with a copy of this Public Report.

- 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.

DOUGLAS F. STUART

Printed Name of Developer

By:  01-16-01
 Duly Authorized Signatory* Date

DOUGLAS F. STUART, 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.*

EXHIBIT "A"

COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

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

(i) All the land in fee simple.

(ii) The limited common elements hereinafter described, subject to the provisions set forth in Paragraph 6.

(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 apartments and which are utilized for or serve more than one apartment.

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

(i) That portion of the Land which is designated as Limited Common Element A, being 1.457 acre in area, 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, or attendant thereto, and for parking, yard, driveway, agricultural and residential purposes.

(ii) That portion of the Land which is designated as Limited Common Element B, being 1.936 acre in area, on the Condominium Map, is reserved for the exclusive use of Apartment B for the support of the building and other improvements comprising Apartment B, or attendant thereto, and for parking, yard, driveway, agricultural and residential purposes.

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

LIMITED COMMON ELEMENT
FOR UNIT A

LAND SITUATED AT KALAHEO, KAUAI, HAWAII

Being a Portion of Lot 10 of Dynasty Acres

Beginning at the northwest corner of this parcel of land on the west side of Papalina Road, the coordinates of said point of beginning referred to Government Survey Triangulation Station "WAHIAWA" being 658.25 feet South and 5,739.67 feet East, thence running by azimuths measured clockwise from true South:

- | | | | |
|----|----------|--------|---|
| 1. | 324° 10' | 160.22 | feet along the west side of Papalina Road; |
| | | | thence along the west side of Papalina Road on a curve to the right with a radius of 225.00 feet, the direct azimuth and distances being: |
| 2. | 351° 02' | 203.36 | feet; |
| 3. | 17° 54' | 95.49 | feet along the west side of Papalina Road; |
| 4. | 122° 44' | 279.10 | feet along Lot 9 of Dynasty Acres; |
| 5. | 207° 07' | 304.15 | feet along the remainder of Lot 10 of Dynasty Acres to the point of beginning and containing an area of 1.457 acres. |

SUBJECT, HOWEVER, to a 13 feet wide Future Road Widening Reserve along Papalina Road. There shall be no new structures permitted within the reserve; new structures shall be setback from the reserve.



Lihue, Hawaii
January 2001

DESCRIPTION PREPARED BY:
ESAKI SURVEYING AND MAPPING, INC.

Wayne T. Wada

Wayne T. Wada
Licensed Professional Land Surveyor
Certificate Number 4596

LIMITED COMMON ELEMENT
FOR UNIT B

LAND SITUATED AT KALAHEO, KAUAI, HAWAII

Being a Portion of Lot 10 of Dynasty Acres

Beginning at the northeast corner of this parcel of land on the west side of Papalina Road, the coordinates of said point of beginning referred to Government Survey Triangulation Station "WAHIAWA" being 658.25 feet South and 5,739.67 feet East, thence running by azimuths measured clockwise from true South:

- | | | | |
|----|----------|--------|--|
| 1. | 27° 07' | 304.15 | feet along the remainder of Lot 10 of Dynasty Acres; |
| 2. | 122° 44' | 174.26 | feet along Lot 9 of Dynasty Acres; |
| 3. | 190° 56' | 475.44 | feet along Lot 8 of Dynasty Acres; |
| 4. | 327° 01' | 238.05 | feet along the west side of Papalina Road; |
| 5. | 324° 10' | 111.80 | feet along the west side of Papalina Road to the point of beginning and containing an area of 1.936 acres. |

SUBJECT, HOWEVER, to a 13 feet wide Future Road Widening Reserve along Papalina Road. There shall be no new structures permitted within the reserve; new structures shall be setback from the reserve.



Lihue, Hawaii
January 2001

DESCRIPTION PREPARED BY:
ESAKI SURVEYING AND MAPPING, INC.

Wayne T. Wada

Wayne T. Wada
Licensed Professional Land Surveyor
Certificate Number 4596

6. WAIVER AND RELEASE

DATED : WAIVER AND RELEASE
RECORDED : Document No. 2000-055239
BY : DOUGLAS STUART
WITH : Building Division of the Department
of Public Works of the County of
Kauai
RE : water service(s)

7. WAIVER AND RELEASE

DATED : June 29, 2000
RECORDED : Document No. 2000-104818
BY : DOUGLAS STUART
WITH : County of Kauai, through its
Department of Water
RE : water meter service(s)

8. 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 OF PINEAPPLE RIDGE
CONDOMINIUM
DATED : December 16, 2000
RECORDED : Document No. 2001-003914
Condominium Map No. 3207

9. 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 OF PINEAPPLE RIDGE
CONDOMINIUM
DATED : December 16, 2000
RECORDED : Document No. 2001-003915

EXHIBIT "C"

SUMMARY OF SALES CONTRACT

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

Among other things, the sales contract includes:

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

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

3. Requires that Buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

4. Provides the following remedies, in the event of default under the sales contract:

By Buyer:

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

By Seller:

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

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

5. Allocation of payment of closing costs.

6. Provides that the property is sold "as is".

EXHIBIT "D"

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.

EXHIBIT "E"

DECLARATION OF RESTRICTIVE COVENANTS AND CONDITIONS

90-085932

STATE OF HAWAII
REGISTRAR OF DEEDS

NOV 8 AM 8 01

S. FURUKAWA, REGISTRAR

LAND COURT SYSTEM	REGULAR SYSTEM
Return by Mail (<input checked="" type="checkbox"/>) Pickup () To:	
DYNASTY DEVELOPMENTS P. O. BOX 1727 LIHUE, HI 96766	TG: 31584 TGE: 2940102540004 FAY RAPOZO

DECLARATION OF RESTRICTIVE COVENANTS AND CONDITIONS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, DYNASTY DEVELOPMENTS, a Hawaii general partnership, whose principal place of business is Lihue, Kauai, Hawaii, and whose mailing address is P. O. Box 1727, Lihue, HI 96766, hereinafter called the "Declarant", is the owner in fee simple and developer of that certain land situate at Kalaheo Homesteads Second Series, Kalaheo, Island and County of Kauai, State of Hawaii, more particularly identified as Kauai Tax Map Key: 2-3-09-21, containing an area of 22.97 acres, more or less; and

WHEREAS, the Declarant is developing the parcel into an agricultural subdivision known as "Dynasty Acres"; and

WHEREAS, the Declarant desires to impose certain restrictive covenants and conditions upon all lots in the said subdivision for the purpose of enhancing and protecting the value, desirability and attractiveness of the subdivision and the surrounding environment,

NOW, THEREFORE, the Declarant does hereby declare that Lots 4 through 10, inclusive, of Dynasty Acres resulting from the subdivision of the above-described property shall be subject to the following conditions, covenants and restrictions from the date hereof until removed as contained herein:

1. General Restrictive Covenants. Each lot within Dynasty Acres and any private or co-tenancy area appurtenant thereto shall be for the exclusive use and benefit of the Owner thereof subject, however, to all of the following limitations and restrictions:

(a) No improvement or other work which in any way significantly alters any lot from its natural or improved state existing on the date such lot was first conveyed by the Declarant to an Owner shall be made or done except upon

strict compliance with and within the restrictions of this Declaration;

(b) So long as the zoning of the lots in Dynasty Acres remains unchanged, only farm dwellings, as may be permitted by applicable law, shall be constructed on any lot. In keeping with the intent of the State Land Use Law (Chapter 205, Hawaii Revised Statute, as may be amended), agricultural activity must be established before any additional farm dwellings in excess of one (1) per parcel will be permitted by the County of Kauai;

(c) To protect views and to maximize a blending of structures with the natural environment, no structure erected on any of the said lots shall exceed a building height limit of thirty (30) feet, measured from grade at all points along the structure to the roof peak. All utility lines on the lots shall be placed underground.

(d) Notwithstanding any other law to the contrary, there shall be no more than two (2) farm dwellings permitted on any lot within the subdivision, except in accordance with the terms and conditions of this Declaration. For the purposes of this Declaration, farm dwelling units shall mean a detached dwelling unit designed for the use and occupancy of a single family (as opposed to a multi-family unit), and includes an "ohana" unit if permitted by the appropriate governmental authorities. However, farm dwelling unit shall not include a guest house, as the same is defined and may be permitted by the appropriate governmental authorities;

(e) One of the two permitted farm dwellings on the lot shall contain not less than 2,000 square feet of liveable floor area, exclusive of lanais, patios, servant's quarters, attached guest house or facility, garage, storage space, and workshop. The second of the two permitted farm dwellings on the lot shall contain not less than 1,000 square feet of liveable floor area, exclusive of lanais, patios, servant's quarters, attached guest house or facility, garage, storage space, and workshop. Each farm dwelling shall have appurtenant to it a garage designed to accommodate at least two automobiles which is architecturally harmonious with the farm dwelling to which it is appurtenant;

(f) All structures must not exceed two stories, and the total floor area (including lanais, decks and balconies) of the second story on any such structure shall not exceed fifty percent (50%) of the floor area under roof of the first story, it being the intention of the Declarant to create a stairstep effect for 2-story structures. A third level, or basement, may be permitted if the same is cut below the existing grade and the completed structure does not exceed the 30 height limit measured from grade at all points around the structure;

(g) All structures shall be built entirely of new materials, and no old and/or "quonset" or "geodesic dome" type of building shall be erected, placed or maintained on any of said lots. The structures existing as of the date of

this Declaration on Lot 8 shall be removed either upon the construction of the first farm dwelling on Lot 8, or the third (3rd) anniversary date of this Declaration, whichever shall first occur;

(h) No structure erected on the lots shall use mirrored glass, reflective sun screens, or other highly reflective materials for any exterior windows;

(i) The roofs of all structures erected on the lots shall be surfaced with wood shakes or tile. The use of any roofing materials such as corrugated iron, metal, rolled or build-up composition roof, Architect 80, and the like shall be prohibited;

(j) All structures erected on the lots, including the roof, shall have an earthen tone exterior color, or have a finish or earthen tone color;

(k) The area around each structure exceeding 2,000 square feet in floor area shall be landscaped with trees, shrubbery, and/or plantings in an appropriate fashion so as to minimize the visual intrusion of such structure to the neighboring lots in the subdivision;

(l) Any bare areas resulting from excavation or fill shall be revegetated immediately to avoid erosion and visual impacts;

(m) No fences, corrals, and the like shall be painted or contain a finish other than earthen tones;

(n) No chain link fences shall be permitted except minimally around the vicinity of the farm dwelling as may reasonably be necessary to confine pets or for security purposes, provided, however, that any such chain link fence shall be screened through hedges and other plantings so as not to be visible to the neighboring property;

(o) Each farm dwelling shall be occupied and used only as a farm dwelling by the respective owner thereof, his tenants (other than transient vacation renters), family, employees and guests, and for no other purpose. The dwellings shall not be used for any bed and breakfast or other short term or transient vacation rental business;

(p) Each farm dwelling and any and all improvements from time to time located thereon shall be maintained by the Owner thereof in good and clean condition and repair and in such manner as not to create any fire, safety or health hazard to Dynasty Acres or any part thereof, all at such Owner's sole cost and expense;

(q) No signs whatsoever, including without limitation, commercial, political or similar signs, visible from neighboring property, shall be erected or maintained upon any lot except:

(1) Such signs as may be required by legal proceedings;

(2) Residential identification signs of combined total face area of three (3) square feet or less for each dwelling;

(3) During the time of construction of any farm dwelling or other improvement, job identification signs having a maximum face area of six (6) square feet per sign and of the type usually employed by contractors, subcontractors and tradesmen; and

(4) Not more than one (1) "For Sale" or "For Rent" sign having a maximum face area of two (2) square feet, such sign to refer only to the premises on which it is situated;

(r) No house trailer, mobile home, permanent tent or similar facility or structure shall be kept, placed or maintained upon any lot at any time, provided, however, that the provisions of this paragraph shall not apply to temporary construction shelters or facilities maintained for a period not to exceed one (1) year during and used exclusively in connection with the construction of any work or improvement permitted on the lot;

(s) No vehicle of more than one (1) ton capacity shall be kept, placed or maintained upon any lot in such a manner that such vehicle is visible from the adjoining street and neighboring property, unless such vehicle is necessary to and regularly used for agricultural activities conducted on the lot, provided, however, that the provisions of this paragraph shall not apply to construction equipment maintained for a period not to exceed one (1) year during and used exclusively in connection with the construction of any work or improvement permitted on the lot;

(t) No accessories, structures or buildings shall be constructed, placed or maintained upon any lot prior to the construction of the main structure of the farm dwelling, provided, however, that the provisions of this paragraph shall not apply to temporary construction shelters or facilities maintained for a period not to exceed one (1) year during and used exclusively in connection with the construction of the main structure of the farm dwelling, nor apply to facilities reasonably required in the conducting of agricultural activities on the lot or the maintaining of the lot in its natural state. Guest houses (as allowed by law) may be permitted to be constructed prior to the construction of the main structure of the farm dwelling if, and only if, such guest house is part of the master plan for the construction of the farm dwelling(s) on the lot and the farm dwelling(s) shown on such master plan is built in accordance therewith within a reasonable time not to exceed two (2) years;

(u) No trailer, vehicle or boat shall be constructed, reconstructed or repaired upon any lot in such a manner that such construction, reconstruction or repair is visible from the neighboring properties, nor shall any vehicle, trailer or boat not in good operating condition be maintained upon any lot so as to be visible from any adjoining street or neighboring properties in the

subdivision, provided that nothing in this paragraph shall prevent an Owner from performing minor maintenance work and minor repairs on his own trailer, vehicle or boat in his garage;

(v) No open storage of boats, vehicles, furniture, fixtures, appliances and other goods and chattels will be permitted. These items may only be stored in an enclosed structure. No outside clothes line or other outside clothes drying or airing facilities shall be permitted except within a fenced service yard and not visible from the neighboring property;

(w) No garbage or trash shall be permitted on any lot except in closed receptacles screen from view from any adjoining street and neighboring property, and no accumulated waste plant materials will be permitted on any lot, except as part of an established compost pile maintained in such a manner as not to be visible from neighboring property or as a necessary part of the agricultural activities conducted on such lot;

(x) No Owner shall violate or permit the violation on his lot of any applicable law or ordinance pertaining to zoning, building, fires, signs or other matter relating to the use and development of his lot or farm dwelling.

(y) No garage shall be for other than the parking of vehicles and boats, unless the same be enclosed so as not to be visible from neighboring properties by a partition, wall, door or screen, normally kept closed. Specifically, and without limiting the generality of the foregoing, no garage not so enclosed shall be used for laundry or for storage purposes;

(z) All driveways between the street and the farm dwelling(s) on any lot in the subdivision shall be of concrete or asphalt. No dirt, coral or gravel driveways shall be permitted, provided that this paragraph shall not apply to temporary driveways and access for a period not to exceed one (1) year during and used exclusively in connection with the construction of the farm dwelling on the lot;

(aa) Dogs, cats and other typical household pets may be kept but only in reasonable numbers and under reasonable conditions so as not to become a nuisance to the neighboring lot owners. All animals kept or maintained on a lot, whether domestic pets, livestock, game and fish or any other animal or aquatic life propagated for economic or personal use shall be kept and maintained only in a density compatible with the neighboring residential and agricultural use and shall be cared for in conformance with practices of good animal husbandry, including but not limited to: (a) prompt removal of excess amounts of manure and other waste; (b) disposal in an ecologically sound manner of any effluent from the practice of agriculture or other processes; (c) control of flies, insects, worms and other pests; (d) control of weeds and other noxious grasses; (e) adequate fencing and animal housing facilities adequate to restrict

such animals to the lot where maintained; and (f) control of noise and noxious odors to levels which are customary under practices of good animal husbandry and which are compatible with neighboring residential and agricultural use. Storage of hay, fodder and other food supplies shall be accomplished in such manner as to prevent scattering of such materials by the wind and water runoff. Notwithstanding the foregoing, the keeping and maintaining of pigs, chickens (except in limited numbers for personal use and consumption), fighting chickens and exotic birds are expressly prohibited as being incompatible with the neighboring residential and agricultural use;

(bb) No noxious or offensive activities shall be carried on upon any lot in the subdivision, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. All occupants shall exercise extreme care about making noise and in the use of musical instruments, radios, televisions, and amplifiers that may disturb the neighboring occupants;

(cc) Cottage industries and businesses which can be conducted within the confines of structures on any lot; which do not result in increased noise, fumes, odors and waste generation; which do not require the presence of customers and employees on site with resulting additional traffic; and which does not pose a nuisance to the neighboring lots in the subdivision, may be permitted if also allowed by the governmental authorities having jurisdiction thereover;

(dd) The right of an Owner to construct, reconstruct, refinish or alter any improvement upon, under or above any lot or to make or create any excavation or fill thereon for any improvements, or to make any change in the natural or existing surface drainage thereof, or to install any wiring for electrical, telephone or other utility line, television antenna, machines or air-conditioning units, or other equipment or appurtenances whatsoever on the lot or protruding through the walls, windows or roof of any improvement constructed thereon, is prohibited until and unless the Owner of such lot has obtained prior written approval therefor from the Design Committee as herein provided and has otherwise complied with all of the provisions of this Section;

(ee) Any Owner proposing to perform any work which under the provisions of paragraph (dd) above requires prior approval of the Design Committee shall apply to the Design Committee for approval thereof as follows:

(1) The Owner shall submit to the Design Committee for approval prior to commencing such work preliminary plans for the proposed work, prepared by an architect, unless otherwise permitted by the Design Committee, and showing in detail with dimensions the nature of the improvements. The Design Committee shall review any such preliminary plans within forty-five (45) days after the submission of them to it and shall return such plans to the Owner either with approval or with disapproval, in which latter case the general nature of the objections shall be

indicated. Failure to make such return within said forty-five (45) day period shall be deemed to mean that the plans are approved.

(2) Thereafter and still prior to commencement of such work, the Owner shall submit three (3) sets of the final plans and specifications of the proposed work to the Design Committee, including where appropriate and without limitation, a plot plan showing easements and set back and contour lines, the location of all existing and/or proposed improvements, the proposed drainage plan, the proposed sanitary disposal facilities, the location of all existing trees having a height in excess of twenty-five (25) feet and a trunk measuring eighteen (18) inches or more in diameter at ground level and indicating which (if any) the Owner plans to remove, and the location of all proposed utility installations. The plans and specifications shall indicate all exterior materials, finishes and colors to be used. Also, the Owner shall indicate his proposed construction schedule.

(3) The Design Committee shall review the final plans and specifications submitted to it pursuant to subparagraph (2) and shall either approve the same or disapprove the same in writing within forty-five (45) days. Any disapproval shall set forth in writing the reasons for disapproval. Failure to so approve or disapprove within said forty-five (45) day period shall be deemed approval. On request of an Owner, at any time, the chairman or any member of the Design Committee shall give to the Owner a certificate in writing evidencing the approval of any plans which have been so approved.

(4) Nothing herein shall be deemed to require an Owner to obtain approval from the Design Committee as to any interior improvements or alterations, or as to any exterior alterations or improvements which are not visible from neighboring property, nor shall an Owner be required to obtain approval from the Design Committee when simply reconstructing or refinishing in accordance with the color and design of previous improvements made by the Declarant or previously approved by the Design Committee.

(5) Approval as hereinbefore provided shall be effective for a period of one (1) year and shall be deemed revoked if the Owner shall not have commenced such work within said one (1) year period and shall not thereafter complete the same within one (1) year after the commencement of such construction. If the Owner shall not so commence within said one (1) year period, the Owner shall be required to resubmit said final plans and specifications for approval, and the Design Committee shall not be bound by any previous decision in reviewing again such plans and specifications, but shall either approve or disapprove the same in writing within forty-five (45) days after such resubmission.

(6) Upon the completion of any work for which approved plans are required pursuant to this Section, the Owner shall give written notice thereof to the Design Committee which shall within thirty (30) days inspect such

work to determine whether it was completed in substantial compliance with the approved plans and specifications. If the Design Committee finds that such work was not done in substantial compliance with such approved plans and specifications, it shall notify the Owner of such noncompliance and require the Owner to remedy such noncompliance. If the Owner shall have failed to remedy such noncompliance within sixty (60) days from the date of such notification, or such longer time as may reasonably be required, provided that the Owner has in good faith commenced action to remedy within said sixty (60) day period, the Design Committee may either remove the improvement or remedy the noncompliance, and the Owner shall reimburse the Design Committee for all expenses incurred in connection therewith. If for any reason the Design Committee shall fail to notify the Owner of any such noncompliance within thirty (30) days after receipt of such notice of completion thereof from the Owner, the improvement shall be deemed to have been completed in accordance with said approved plans.

(7) The Design Committee shall have no power either deliberately or through inadvertence to vary any of the standards and restrictions set forth in this Declaration, except as may be specifically permitted therein, and in the event of violation of any of such standards and restrictions by an Owner, whether or not the Design Committee shall have approved the plans and specifications, any other Owner shall have the right to commence and pursue any remedy provided in this Declaration for the violation by an Owner of any such restrictions.

(8) In reviewing plans and specifications, the Design Committee shall consider the requirements and restrictions set forth in this Declaration and also shall consider whether the proposed improvement:

(i) is compatible and in harmony as to quality and type of materials and workmanship and as to external design and appearance with reference to existing structures and other improvements in the area and with reference to the location of the proposed improvement with respect to topography and ground elevations;

(ii) constitutes a suitable and adequate development of the homesite;

(iii) will not, because of its design unreasonably interfere with the light and air or view of adjoining lots.

(ff) The condominiumizing of any lot within the Dynasty Acres subdivision may be permitted if such condominiumizing does not result in a number of units or interest larger than the maximum number of two (2) farm dwellings permitted under this Declaration, notwithstanding that a larger number of units or interests than two may be permitted by law;

(gg) For a period of twenty (20) years from the date hereof, no Owner of any lot within the Dynasty Acres

subdivision shall apply for or seek, directly or indirectly, any land use reclassification, zoning amendment, subdivision, variance or other governmental approval which would permit or result in a greater density of more than two (2) farm dwellings on the lot. After the said 20 year period, no Owner of any lot within the Dynasty Acres subdivision shall apply for or seek, directly or indirectly, any land use reclassification, zoning amendment, subdivision, variance or other governmental approval which would permit or result in a greater density of more than two (2) farm dwellings on the lot without first obtaining the written approval of no less than ninety percent (90%) of the then owners of Lots 4 through 10, inclusive, of the Dynasty Acres subdivision;

2. Design Committee: Organization, Power of Appointment and Removal of Members:

(a) There shall be a Design Committee consisting of three (3) members. No member shall be required to meet any qualification for membership on the Design Committee.

(b) The following persons are hereby designated as the initial members of the Design Committee:

- (1) Wayne R. Daniel
- (2) Walton D. Y. Hong
- (3) Charles Nagata

Each of the said persons shall hold his office until such time as he has resigned or he has been removed or his successor has been appointed, as herein set forth.

(c) Except as provided in paragraph (d) below, the right from time to time to appoint and remove all members of the Design Committee shall be and is hereby reserved and vested solely in the Declarant.

(d) The majority of the then owners of Lot 4 through 10 of the Dynasty Acres Subdivision (based on 1 lot, 1 vote) shall have the right to appoint and remove all members of the Design Committee from and after fifteen (15) years from the date of this Declaration, provided, however, that if the Declarant fails to exercise its rights under paragraph (c) above, or records a declaration waiving such rights, the then majority of the owners of Lots 4 through 10 shall thereupon and thereafter have the right to appoint and remove all members of the Design Committee.

(e) Any member of the Design Committee may at any time resign from the Design Committee upon written notice delivered to the Declarant, or to the lot owners, whichever then has the right to appoint and remove members.

(f) It shall be the duty of the Design Committee to consider and act upon such proposals or plans from time to time submitted to it, pursuant to the provisions of paragraphs 1(dd) and 1(ee) above.

(g) The Design Committee shall meet from time to time as necessary properly to perform its duties hereunder. The vote or written consent of any two (2) members shall constitute the act of the Design Committee, unless the unanimous action of its members is otherwise required by this Declaration. The Design Committee shall keep and maintain a record of all actions from time to time taken by the Design Committee at such meetings or otherwise. The members of the Design Committee shall not receive any compensation for services rendered. All members shall be entitled to reimbursement for reasonable expenses incurred by them in connection with the performance of any design Committee function.

(h) The approval by the Design Committee of any plans and specifications for any work done or proposed or in connection with any other matter requiring the approval of the Design Committee shall not be deemed to constitute a waiver of any right to withhold approval as to any similar plan, drawing, specification or matter whatever subsequently or additionally submitted for approval.

(i) Neither the Design Committee nor any member thereof shall be liable to any Owner or to any person for any damage, loss or prejudice suffered or claimed on account of (a) the approval of any plans, drawings and specifications, whether or not defective, (b) the construction or performance of any work whether or not pursuant to approved plans, drawings and specifications, or (c) the development or manner of development of any property within the Dynasty Acres Subdivision, provided, however, that such member has, with the actual knowledge possessed by him, acted in good faith. Without in any way limiting the generality of the foregoing, the Design Committee, or any member thereof may, but is not required to, consult with or hear any owner or his architect with respect to any plans, drawings or specifications or any other proposals submitted to the Design Committee.

3. Agricultural Uses Pursuant to Chapter 205: Pursuant to Act 199, Session Laws of Hawaii 1976, the use of lots within the Dynasty Acres subdivision shall be primarily in pursuit of agricultural activities and only for those uses permissible in an agricultural district as contained in Chapter 205, Hawaii Revised Statutes, as amended, as set forth in Exhibit "A", attached hereto and made a part hereof;

4. Papalina Road Road Widening Setback: Lots 1, 2, 3, 4, 5, 7, 8, 9, and 10 of the Dynasty Acres Subdivision shall be subject to a thirteen (13) feet road widening setback along Papalina Road fronting the respective lots. No new structures shall be permitted to be constructed within the 13 feet setback. All new structures to be constructed on the said lots shall be placed an appropriate distance from the 13 feet setback so as to conform to all applicable zoning setback requirements as though the 13 feet setback was part of the County road.

5. Mutual Utility Easements - Lots 2 and 3: There shall be joint and mutual utility access easements over and

across the pole portions of Lots 2 and 3 of the Dynasty Acres Subdivision in favor of the each lot for the purposes of providing utilities to Lots 2 and 3. The utility access easements shall be non-exclusive and in perpetuity;

6. Future Road Reserve For Lohe Street Extension: Lot 6 shall be subject to a forty-four (44) feet wide future road reserve, for the future extension of Lohe Street to Papalina Road, as shown on the subdivision map for the Dynasty Acres Subdivision. Lots 7 and 8 shall be subject to a twenty-two (22) feet future road reserve, for the future extension of Lohe Street to Papalina Road, as also shown on the subdivision map for the Dynasty Acres Subdivision. If a private developer is required to construct the Lohe Street extension as a result of further development, the then owners of Lots 6, 7 and 8 shall not refuse the sale of the land upon their respective lots encompassed by the said road reserve to such private developer, provided that the sale price shall be reasonable and reflective of the fair market value of the land at that time. In the event that the County of Kauai desires to construct the Lohe Street extension as a public improvement, the then owners of Lots 6, 7 and 8 shall dedicate the land upon their respective lots encompassed by the said road reserve to the County of Kauai without compensation therefor.

7. Building Setback Line for Drainage: Lots 5, 6, 7 and 9 shall be subject to the building setback line shown on the subdivision map for the Dynasty Acres Subdivision for the purposes of preserving a drainageway for surface water runoff. With respect to the drainage setback, the following restrictions and conditions shall apply:

(a) The respective lot owners shall preserve and maintain the existing drainage pattern, and are prohibited from constructing any improvements within the setback area such as walls, which would be a barrier that may alter the drainage pattern;

(b) Periodic flooding within the setback areas during times of heavy storm and rain conditions may be possible, during which time due care and precaution shall be exercised;

(c) The respective lots owners shall accept storm runoff, shall preserve and maintain the drainage pattern through the setback area, and shall accept the consequences from the runoff through the setback area;

(d) The County of Kauai shall not assume any obligation for storm flowages, damages, or for installing an improved channel or culvert system;

8. Future Subdivision of Lot 6: With respect to Lot 6 only of the Dynasty Acres subdivision, the following supplemental restrictions and covenants shall apply:

(a) One of the maximum two farm dwellings permitted under this Declaration to be built on Lot 6 shall be confined to that portion of the said lot which is west (or above) the reserve for future roadway which bisects the

lot. The other permissible farm dwelling for Lot 6 shall be built below that portion of Lot 6 which is to the east (or below) the reserve for future roadway;

(b) In the event that the Lohe Street extension is constructed, the subdivision of Lot 6 into two resulting parcels from the Lohe Street extension shall not be prohibited under the restrictive covenants contained in this Declaration;

(c) In the event that the Lohe Street extension is constructed, resulting in the further subdivision of Lot 6 into two parcels, and notwithstanding any other law to the contrary, neither of the resulting two parcels shall be permitted more than one farm dwelling each to be constructed thereon. All other restrictive covenants contained in this Declaration not inconsistent with this Paragraph 8 and subparagraphs hereof shall continue to be applicable to the two parcels resulting from the construction of the Lohe Street extension and subdivision of Lot 6;

9. Reservation in Declarant for Future Easements: The Declarant reserves, and shall have the right to grant any further and other easements as may be deemed necessary by the appropriate public utility or utilities or governmental agency or agencies for the purposes of providing access or utility services to and from the lots in the Dynasty Acres Subdivision;

10. These covenants and restrictions are to run with the land and shall be binding upon all parties and all persons claiming under them from the date hereof until the first day of January, 2010, after which time said covenants and restrictions shall be automatically extended for successive periods of 10 years each unless an instrument signed by no less than ninety percent (90%) of the then owners of Lots 4 through 10, inclusive, in the Dynasty Acres subdivision has been recorded, agreeing to change said covenants in whole or in part;

11. Each and all of the foregoing covenants and restrictions shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest in and to any lot in the Dynasty Acres subdivision, and jurisdiction may be taken in equity at suit of the Declarant or its successors and assigns, or of any other owner of any of the said lots in the Dynasty Acres subdivision, to restrict or prevent by injunction, mandatory or restraining, any violation of any of said covenants upon the part of the lot owners to be observed and performed, without prejudice to the right of the Declarant or its successors and assigns, or of any other owner of any of the said lots in the subdivision, to adopt or pursue any other remedy simultaneously or 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; and

12. 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.

IN WITNESS WHEREOF, the Declarant has hereunto set forth its hand as of this 9th day of May, 1990.

DYNASTY DEVELOPMENTS

By Wayne R. Daniel
WAYNE R. DANIEL
Its General Partner

By Walton D. Y. Hong
WALTON D. Y. HONG
Its General Partner

STATE OF HAWAII)
) ss.
COUNTY OF KAUAI)

On this 15th day of June, 1990, before me appeared WAYNE R. DANIEL and WALTON D. Y. HONG, to me personally known, who, being by me duly sworn, did say that they are the General Partners of DYNASTY DEVELOPMENTS, a Hawaii general partnership; that said instrument was signed in behalf of the said partnership by authority of the partners; and they acknowledged the instrument to be the free act and deed of said partnership.

L.S

Charles K. Lugin
Notary Public, State of Hawaii

My commission expires: 7-9-91

WHG

EXHIBIT "A"

1. Pursuant to Act 199, Session Laws of Hawaii 1976, the use of the subject parcel shall be primarily in pursuit of agricultural activities and only for those uses permissible in an agricultural district as contained in Chapter 205, Hawaii Revised Statutes, as amended, which provides as follows:

"Section 205 - Permissible uses within the agricultural districts.

(a) Within the agricultural district all lands with soil classified by the Land Study Bureau's Detailed Land Classification as Overall (Master) Productivity Rating Class A or B shall be restricted to the following permitted uses:

- (1) Cultivation of crops, including but not limited to flowers, vegetables, foliage, fruits, forage and timber;
- (2) Game and fish propagation;
- (3) Raising of livestock, including but not limited to poultry, bees, fish or other animal or aquatic life that are propagated for economic or personal use;
- (4) Farm dwellings, employee housing, farm buildings, or activity or uses related to farming and animal husbandry;

Farm dwelling as used herein shall mean a single-family dwelling located on and used in connection with a farm or where agricultural activity provides income to the family occupying the dwelling;

- (5) Public institutions and buildings which are necessary for agricultural practices;
- (6) Public and private open area types of recreational uses including day camps, picnic grounds, parks and riding stables, but not including dragstrips, airports, drive-in theaters, golf courses, golf driving ranges, country clubs, and overnight camps;
- (7) Public, private, and quasi-public utility lines and roadways, transformer stations, solid waste transfer stations, and appurtenant small buildings such as booster pumping stations, but not including offices or yards for equipment, material, vehicle storage, repair or maintenance, treatment plants and major storage tanks not ancillary to agricultural practices, or corporation yards or other like structures;

- (8) Retention, restoration, rehabilitation or improvement of buildings or sites of historic or scenic interest;
- (9) Roadside stands for the sale of agricultural products grown on the premises;
- (10) Buildings and uses, including but not limited to mills, storage and processing facilities, maintenance facilities that are normally considered direct accessory to the above-mentioned uses; or
- (11) Agricultural parks."

2. All of the aforementioned restrictive covenants and conditions shall run with the land until such time as the land is reclassified to a Land Use District other than Agriculture.

3. Any violation of the above restrictive covenants and conditions shall be subject to a citation and a fine of not more than \$5,000 pursuant to Chapter 205, Hawaii Revised Statutes, as amended.

EXHIBIT "F"

MEMORANDUM FROM THE COUNTY OF KAUAI PLANNING DEPARTMENT

PLANNING DEPARTMENT
COUNTY OF KAUAI
4444 Rice Street, Suite 473, Bldg. A,
Lihue, Hawaii 96766

COPY

DATE: February 26, 2001

To: Senior Condominium Specialist
Real Estate Commission
P&VLD/DCCA
250 South King Street, Suite 702
Honolulu, Hawaii 96813

From: Dee M. Crowell, Planning Director 

Subject: Certification of Inspection of Existing Buildings

PROJECT NAME: PINEAPPLE RIDGE CONDOMINIUM PROJECT
TAX MAP KEY: (4) 2-3-09:102

The developer of the above-mentioned condominium project has requested that this office, as an agency of the County of Kauai, review the project for compliance with all ordinances, codes, rules, regulations and other requirements of the County of Kauai, (Section 515A-40 (b), (1), Hawaii Revised statutes. Subject to the disclosures and waivers (item "e" below) specified herein, we certify the following:

- a. The developer has contracted architect Avery H. Youn to certify that the existing buildings on the proposed project referred to as Pineapple Ridge Condominium Unit A and Unit B are in compliance with all ordinances, codes, rules, regulations and other requirements in force at the time of its construction, and to that extent, and subject to the conditions of waiver herein, the Planning Department adopts that certification as it pertains to the rules and regulations administered solely by the department.
- b. There were no variances approved for the subject property.
- c. The parcel does not contain any outstanding nonconforming uses or structures as a result of the adoption or amendments of any ordinances or codes.
- d. There are no notices of violation of County Building or zoning codes outstanding according to our records.

Senior Condominium Specialist
Page 2
February 26, 2001

e. **WAIVER**

The foregoing certification is not a warranty to any compliance with applicable County and State rules and regulations. The sole reason for the execution hereof is to comply with statutory requirements relating to the regulations of condominiums under Subsection 515A-40, (b), (1), Hawaii Revised Statutes.

If you have any questions, please contact Alvin Fukushima of my staff at 241-6697.

cc: Patrick J. Childs