

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Stanley E. Irion
Address 5897 Kiinani Place, Kapaa, Hawaii 96746

Project Name (*): MAHINA ALA
Address: Being Lot 3, Golden Pond Estates, Kapaa Homesteads, 2nd Series, Kawaihau, Kauai, Hawaii

Registration No. 4731
Effective date: September 25, 2001
Expiration date: October 25, 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 UNIT 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 unit, 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 government 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 number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

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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EXHIBIT A: ESTIMATE OF INITIAL MAINTENANCE FEES AND DISBURSEMENTS

EXHIBIT B: ENCUMBRANCES AGAINST TITLE

EXHIBIT C: COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

EXHIBIT D: SUMMARY OF SALES CONTRACT

EXHIBIT E: SUMMARY OF ESCROW AGREEMENT

EXHIBIT F: RESTRICTIVE COVENANTS AND CONDITIONS FOR GOLDEN POND ESTATES

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.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Stanley E. Irion Phone: (808) 823-0617
Name* (Business)
5897 Kiinani Place
Business Address
Kapaa, Hawaii 96746

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):
N/A

Real Estate Broker*: Sleeping Giant Realty, Inc. (for sale of Phone: (808) 245-8831
Name Unit 2 only) (Business)
4480 Ahukini Road,
Business Address
Lihue, Hawaii 96766

Escrow: Title Guaranty Escrow Phone: (808) 245-3381
Name (Business)
235 Queen Street
Business Address
Honolulu, Hawaii 96813

General Contractor*: Construction Hawaii.com LLC Phone: (808) 823-8517
Name (Business)
P.O. Box 1882
Business Address
Kapaa, Hawaii 96746

Condominium Managing Agent*: Self Managed by Association of Phone: _____
Name Apartment Owners (Business)
Business Address

Attorney for Developer: None. This report prepared by the Phone: (808) 639-8329
Name developer, pro se (Business)
Business Address

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

**II. 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. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and 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.

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:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No. <u>2001-112998</u>	
			Book _____	Page _____
<input type="checkbox"/>	Filed -	Land Court:	Document No. _____	

The Declaration referred to above has been amended by the following instruments [state name of document, date 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:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances Condo Map No. <u>3307</u>		
<input type="checkbox"/>	Filed -	Land Court Condo Map No. _____		

The Condominium Map has been amended by the following instruments [state name of document, date 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 manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No. <u>2001-112999</u>	
			Book _____	Page _____
<input type="checkbox"/>	Filed -	Land Court:	Document No. _____	

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

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>100%</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:

The Developer may amend the Declaration (and, when applicable, any exhibits to the Declaration and the Condominium Map) (a) as may be provided in the Declaration and (b) to file the "as built" statement required by Section 514A-12 of the Act (i) so long as such verified statement is a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed or being filed simultaneously with such amendment, fully and accurately depict the layout, location, apartment numbers and the dimensions of the apartments as built, or (ii) so long as the plans filed therewith involve only minor changes to the layout, location or dimensions on the apartments, as built, or any change in any apartment number.

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: Being Lot 3, Golden Pond Estates, Tax Map Key (TMK): 4/4-4-3:16
Kapaa Homesteads, 2nd Series,
Kapaa, Kawaihau, Kauai, Hawaii

Address TMK is expected to change because _____

Land Area: 1.350 square feet acre(s) Zoning: Agricultural

Fee Owner: Stanley E. Irion
 Name
5897 Kiinani Place
 Address
Kapaa, Hawaii 96746

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 fence 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	_____	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Other	<u>2</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

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

Yes No

5. Special Use Restrictions:

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

[] Pets: _____

[] Number of Occupants: _____

[X] Other: Types and numbers of animals limited by Bylaws: Article V, Section 3; also see Exhibit F attached.

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
Unit 1	<u>1</u>	<u>---</u>	<u>-----</u>	<u>20</u>	<u>Shed</u>
Unit 2	<u>1</u>	<u>---</u>	<u>-----</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:

Perimeter wall to perimeter wall, floor to exterior of roof.

Permitted Alterations to Apartments:

Any alterations permitted by law.

Apartments Designated for Owner-Occupants Only:

Fifty percent (50%) of residential apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has not elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 4

	<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)	<u>2</u>	-----	-----	<u>4</u>
Guest	-----	-----	-----	-----
Unassigned	-----	-----	-----	-----
Extra for Purchase	-----	-----	-----	-----
Other: _____	-----	-----	-----	-----
Total Covered & Open:	<u>4</u>	<u>0</u>	<u>0</u>	<u>4</u>

Each apartment will have the exclusive use of at least 2 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 C .

] 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 C.

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:

Unit 1: 50% appurtenant common interest

Unit 2: 50% appurtenant common interest

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property 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 August 13, 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.

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:

Units 1 & 2, sheds, were completed March 12, 2001.

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):

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

*Note: Developer has not conducted a reserve study in accordance with 514A-83.6, HRS and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

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 D contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated _____
Exhibit E contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

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

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**
- B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- D) House Rules, if any.
- E) Condominium Map, as amended.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other ~~Farm Dwelling Agreement; County of Kauai Dept. of Water Waiver & Release as Document No. 2001-079388~~

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. 4731 filed with the Real Estate Commission on ~~September 10, 2001~~.

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

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C. Additional Information Not Covered Above

1. This project is subject to the terms and conditions of the Declaration of Restrictive Covenants and Conditions for Golden Pond Estates Subdivision recorded as Document No. 2000-180861. See Exhibit F for a copy of this agreement.
2. This project is subject to a 7 foot road widening reserve parallel to the north side of Waipouli Road, as shown on subdivision map prepared by Thomas Oi, Licensed Professional Surveyor, dated October 8, 1999.
3. County water service for this subdivision will be limited to the first dwelling unit per lots until the subdivision is provided with adequate transmission facilities for domestic and fire flows; as shown on subdivision map prepared by Thomas H. Oi, Licensed Professional Land Surveyor, dated October 8, 1999. There is currently an operating water meter on Unit 1. The cost and maintenance of which shall be shared equally by both units.
4. The project shall be serviced by one wastewater system. The cost and maintenance of which shall be shared equally by both units. The wastewater system shall be located on Unit 2 and Unit 2 shall grant a perpetual easement to Unit 1 for any maintenance, repair and/or hook-up that may be necessary.
5. The County of Kauai ordinances, rules and regulations permit only a house and a guest house until further improvements are made to the existing water line. Unit 2 shall have the right for the principal dwelling and Unit 1 shall have the guest house right until such a time that the County will allow two dwellings.
6. Unit 2 is subject to a view plane maintenance easement in favor of Unit 1 as shown on the CPR map as "View Easement". No obstructions shall be put in the view easement to exceed 8 feet in height including but not limited to buildings, or any type of vegetation.
7. Maintenance fees. All costs of every kind pertaining to each apartment and its respective limited common element, including but not limited to, cost of landscaping, maintenance, repair, replacement and improvement shall be borne entirely by the respective owner. Section 514A-86, Hawaii Revised Statutes, requires the Association of Apartment Owners purchase fire insurance to cover the improvements of the Project, and that premiums be common expenses. Developer anticipates that the Association will elect to permit individual apartment owners to obtain and maintain separate policies of fire insurance and name the Association as an additional insured. In such case, fire insurance premiums will be the responsibility of individual apartment owners and not common expenses. Developer estimates such annual premium expense to be about \$600.00 per year for Unit 1 and \$600.00 per year for Unit 2. This estimate was prepared in accordance with generally accepted accounting principles.

8. This project is subject to the Drainageway and Building setback line as shown on the Condominium Map.

9. It is the Developer's intent not to sell Unit 1. This Public Report shall not bind a purchaser of Unit 1 to the sale of Unit 1 until the Developer submits to the Real Estate Commission a duly executed disclosure abstract identifying the designated sales agent, a copy of which shall be attached to this Public Report, and a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker, as applicable. If the Developers, as the owners, plan to represent themselves, the disclosure shall so state.

EXHIBIT A

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>
Unit 1	\$50.00 x 12 = \$600.00
Unit 2	\$50.00 x 12 = \$600.00

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

Estimate of Maintenance Fee Disbursements:

Monthly Fee x 12 months = Yearly Total

Utilities and Services

- Air Conditioning
- Electricity
 - common elements only
 - common elements and apartments
- Elevator
- Gas
 - common elements only
 - common elements and apartments
- Refuse Collection
- Telephone
- Water and Sewer

Maintenance, Repairs and Supplies

- Building
- Grounds

Management

- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance \$100.00 x 12 = \$1200.00

Reserves(*)

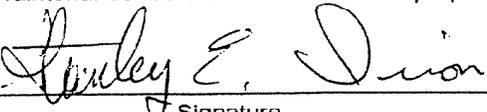
Taxes and Government Assessments

Audit Fees

Other

TOTAL \$1200.00

I, Stanley E. Irion, as agent for/and/or employed by _____, the
condominium managing agent/developer for the MAHINA ALA
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.


Signature

Sept. 5th, 2001
Date

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

Developer discloses no reserve study was done in accordance with Chapter 514A-83.6, HRS, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules.

EXHIBIT 'B'

ENCUMBRANCES AGAINST TITLE

1. TAXES Tax Map Key: Kauai (4) 4-4-3:16

For Real Property Taxes that may be due or owing, reference is made to the Director of Finance, County of Kauai

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Excepting and reserving therefrom a right-of-way 15 feet wide across this lot for the ditch; also excepting and reserving therefrom that portion of the streams within this lot and all riparian and other rights in or to these streams and the waters thereof, as set forth in Deed dated July 3, 1973, recorded in Liber 9291 at Page 152.
4. Domestic water service will not be available until the required construction improvements for this subdivision is completed and accepted by the Department of Water, County of Kauai; as shown on subdivision map prepared by Thomas H. Oi, Licensed Professional Land Surveyor, dated October 8, 1999.
5. County water fro this subdivision will be limited to the first swelling unit per lots until the subdivision is provided with adequate transmission facilities for domestic and fire flows; as shown on subdivision map prepared by Thomas H. Oi, Licensed Professional Land Surveyor, dated October 8, 1999.
6. A 7 foot road widening reserve parallel to the north side of Waipouli Road, as shown on subdivision map prepared by Thomas H. Oi, Licensed Professional Land Surveyor, dated October 8, 1999.
7. Drainage way and building setback line, as shown on subdivision map prepared by Thomas H. Oi, Licensed Professional Land Surveyor, dated October 8, 1999.
8. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT	:	DECLARATION OF RESTRICTIVE COVENANTS AND CONDITIONS
DATED	:	December 21, 2000
RECORDED	:	Document No. 2000-180861

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

INSTRUMENT : FARM DWELLING AGREEMENT
DATED : February 22, 2001
RECORDED : Document No. 2001-034432
PARTIES : STANLEY E. IRION and COUNTY OF KAUAI,
planning department

10. WAIVER AND RELEASE

DATED : January 24, 2001
RECORDED : Document No. 2001-079388
BY : STANLEY E. IRION
WITH : COUNTY OF KAUAI, through its DEPARTMENT
OF WATER
RE : water meter

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

INSTRUMENT : DECLARATION OF CONDOMINIUM
PROPERTY REGIME FOR "MAHINA ALA
CONDOMINIUM" CONDOMINIUM PROJECT
DATED : July 11, 2001
RECORDED : Document No. 2001-112998
MAP : 3307 and any amendments thereto

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

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF
APARTMENT OWNERS
DATED : July 11, 2001
RECORDED : Document No. 2001-112999

Exhibit 'C'

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, subject to the division of the same as limited common elements pursuant to Paragraph 6 herein;

(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.

(iv) The project shall be serviced by one wastewater system. The cost and maintenance of which shall be shared equally by both units. The wastewater system shall be located on Unit 2 and Unit 2 shall grant a perpetual easement to Unit 1 for any maintenance, repair and/or hook-up that may be necessary.

(v) The project shall be serviced by one water meter. The cost and the maintenance of which shall be shared equally by both units. The water meter is located on Unit 1 and Unit 1 shall grant a perpetual easement to Unit 2 for any maintenance, repair and/or hook-up that may be necessary.

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 1, being 0.479 acres in area, on the Condominium Map, is reserved for the exclusive use of Apartment 1 for the support of the building and other improvements comprising Apartment 1, 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 2, being 0.871 acres in area, on the Condominium Map, is reserved for the exclusive use of Apartment 2 for the support of the building and other improvements comprising Apartment 2, or attendant thereto, and for parking, yard, driveway, agricultural and residential purposes.

(iii) Each apartment owner, at his expense, shall maintain the limited common elements appurtenant to his apartment in good order and in a neat and attractive condition. All limited common elements costs and expenses shall be borne by the apartment owners in the following equitable manner: All limited common elements costs and expenses, including, but not limited to, maintenance, repair, replacement, additions and improvements of or to the limited common elements, shall be borne by and charged to the owner of the apartment to which the limited common element is appurtenant.

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.

EXHIBIT "D"

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 and addendum:

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.

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 there shall be no disbursement of the purchaser's deposit until: [a] Escrow receives a copy of "Receipt for Public Report(s) and Notice of Right to Cancel", in the form specified by Section 514A-62 of the Condominium Act for the Final and any Supplementary Public Reports, executed by the purchaser; [b] Escrow has received a certification that the requirements of Section 514A-39 and 514A-63 have been met and [c] until the purchaser's apartment deed is filed in the Bureau of Conveyances of the State of Hawaii.
4. That the Buyer shall receive all public documents relating to the project.
5. That a Buyer's money shall be returned to him under the following conditions: [a] Escrow receives a written request from the Developer and purchaser for the return of purchaser's funds or [b] Developer and purchaser notify Escrow of a rescission or [c] Developer and purchaser notify Escrow that the conditions for a refund under Sections 514A-62 and 514A-63 of the Condominium Act have been met.
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 "F"

Handwritten mark

H-1040

STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED

DEC 22, 2000 10:30 AM

Doc No(s) 2000-180861

/s/ CARL T. WATANABE
ACTING
REGISTRAR OF CONVEYANCES

LAND COURT SYSTEM

REGULAR SYSTEM

AFTER RECORDATION, RETURN BY MAIL () PICK-UP ()

*Primatech Construction
1068 South King ST
Honolulu HI 96817*

TITLE OF DOCUMENT:

DECLARATION OF RESTRICTIVE COVENANTS AND CONDITIONS FOR
GOLDEN POND ESTATES SUBDIVISION, KAPAA HOMESTEADS,
KAUAI, HAWAII

PARTIES TO DOCUMENT:

DECLARANTS: HENRY HO and LIN YUEH YUN HO, husband and wife
3501 Rice Street, #103
Lihue, HI 96766

DONALD ROBERT OLSON, JR., and JEAN HSU OLSON,
husband and wife
47466 San Clemente Terrace
Fremont, CA 94539

STACEY WEN CHI HO, unmarried
150 Bella Vista Avenue
Hillsborough, CA 94010

JACK HO and OLIVIA LIN HO, husband and wife
1668 S. King Street, #201
Honolulu, HI 96326

PROPERTY DESCRIPTION:

TAX KEY: (4) 4-4-03-16

DECLARATION OF RESTRICTIVE COVENANTS AND CONDITIONS
FOR
GOLDEN POND ESTATES SUBDIVISION, KAPAA HOMESTEADS, KAUAI, HAWAII

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, HENRY HO and LIN YUEH YUN HO, husband and wife, whose mailing address is 3501 Rice Street, #103, Lihue, Hawaii 96766, DONALD ROBERT OLSON, JR., and JEAN SU OLSON, husband and wife, whose mailing address is 47466 San Clemente Terrace, Fremont, California 94539, STACEY WEN CHI HO, unmarried, whose mailing address is 150 Bella Vista Avenue, Hillsborough, California 94010, and JACK HO and OLIVIA LIN HO, husband and wife, whose mailing address is 1668 S. King Street, Suite 201, Honolulu, Hawaii 96826, hereinafter collectively called the "Declarants", are the owners in fee simple and developer of that certain land situated at Kapaa Homesteads, 2nd Series, Kapaa, Island and County of Kauai, State of Hawaii, containing an area of 18.95 acres, more or less, and more particularly identified as Kauai Tax Map Key: 4-4-03-16; and

WHEREAS, the Declarants have subdivided the parcel into an agricultural subdivision known as "Golden Pond Estates Subdivision"; and

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

NOW, THEREFORE, the Declarants do hereby declare that the lots within the Golden Pond Estates Subdivision resulting from the subdivision of the above-described property shall be subject to the following conditions, covenants and restrictions from the date hereof until and unless removed as contained herein:

1. General Restrictive Covenants. Each lot within the Golden Pond Estates Subdivision, herein called the "Subdivision", 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 Declarants, 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 the Subdivision remain 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 Statutes, 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;

(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 purpose 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 or "additional dwelling unit" if permitted by the appropriate governmental authorities. However, farm dwelling unit shall not include a guesthouse, as the same is defined and guesthouses will be permitted if the appropriate government authorities also permit them;

(e) One of the two permitted farm dwellings on the lot shall contain not less than 1,200 square feet of livable 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 900 square feet of livable floor area, exclusive of lanais, patios, servants, 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. If only one farm dwelling is permitted, that farm dwelling shall contain not less than 1,200 square feet of livable floor area as set forth above.

(f) All structures must not exceed two stories. 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 feet 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 the said lots;

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

(i) All structures erected on the lots, including the roof, shall have an earthen tone exterior color, or have a finish or earthen tone color. Grays and whites are acceptable colors and are considered as earthen tone colors;

(j) The area around each structure shall be landscaped with trees, shrubbery, and/or plantings in an appropriate fashion so as to minimize the visual intrusion of such utility lines may be placed above ground to the minimum extent reasonably necessary for such crossing;

(k) No overhead utility lines shall be permitted. All such utilities shall be placed underground, except where such utility lines shall cross a stream, in which event such utility lines may be placed above ground to the minimum extent reasonably necessary for such crossing;

(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. Grays and whites are acceptable colors and are considered as earthen tone colors;

(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 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 the Subdivision or any part thereof, all at such Owner's sole cost and expense;

(p) 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 four (4) 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 four (4) square feet, such sign to refer only to the premises on which it is situated, provided that this subparagraph shall not apply to business activities, signs and billboards of the Declarant, its agents and assigns during the construction and sale period of the Subdivision.

(q) 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 the 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;

(r) 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;

(s) 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;

(t) 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;

(u) No open storage of 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;

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

(w) 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;

(x) 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;

(y) 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 and of any effluent from the practices of agricultural 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. Barking of dogs shall be controlled and kept to a minimum to avoid disturbance to the abutting lots;

(z) No noxious, illegal (including but not limited to cock fighting), 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;

(aa) 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. Notwithstanding the foregoing, however, vehicle rental and vehicle repair businesses shall be specifically prohibited on any of the lots;

(bb) The condominiumizing of any lot within the 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;

(cc) For a period of ten (1) years from the date hereof, no Owner of any lot within the 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 10 year period, no Owner of any lot within the 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 seventy-five percent (75%) of the then owners of lots within the Subdivision;

(2) Agricultural Uses Pursuant to Chapter 205: Pursuant to Act 199, Session Laws of Hawaii 1976, the use of lots within the 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;

(3) Easements: The following non-exclusive access and utilities easements are hereby granted and reserved, as shown on the Golden Pond Estates Subdivision Map, approved by the County of Kauai Planning Commission on December 9, 1999:

(a) Easement, over, across, and under Lot 7, in favor of Lots 1, 2, 4, 5, 8, 9 and 10;

(b) Easement, over, across, and under Lot 8, in favor of Lots 1, 2, 4, 5, 9 and 10;

(c) Easement, over, across and under Lot 9, in favor of Lots 1, 2, 4, 5 and 10;

(d) Easement, over, across and under Lot 10, in favor of Lots 1, 2, 4, 5 and 9;

(e) Easement, over, across and under Lot 5, in favor of Lots 1, 2 and 4;

(f) Easement, over, across and under Lot 4 in favor of Lots 1 and 2.

The foregoing easements shall be non-exclusive and for the purposes of providing access for ingress and egress, as well as utilities, to the dominant lots. The costs and expenses of constructing and maintaining the roadway shall be equitably shared and apportioned among the users of the respective easements. Anyone disturbing the roadway for the installation, construction, maintenance, repair, replacement or removal of any utilities within the easements, shall be responsible, at that party's cost and expense, of restoring the roadway as much as reasonably possible, to the condition immediately preceding such work. Each lot owner shall bear the cost and expense of installing the utilities to his respective lot, unless the participating parties are able to mutually agree on a cost sharing basis.

4. Reservation in Declarant for Future Easements: The Declarants reserve, 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 purpose of providing access or utility services to and from the lots in the Subdivision;

5. Restriction on Water Availability: As required by the Department of Water of the County of Kauai,

(a) Domestic water service will not be available until the required construction of improvements for the Golden Pond Estates Subdivision are completed and accepted by the Department of Water of the County of Kauai; and

(b) County water for the Golden Pond Estates Subdivision will be limited to the first dwelling unit on each lot

until the the subdivision is provided with adequate transmission facilities for domestic and fire flows;

6. 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 seventy-five percent (75%) of the then lot owners in the Subdivision has been recorded, agreeing to change said covenants in whole or in part;

7. 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 Subdivision, and jurisdiction may be taken in equity, at suit of the Declarants or their successors and assigns, or of any other owner of any of the said lots in the 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 Declarants or their 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

8. Invalidity of any of these covenants by judgment or court order shall in no wise affect any of the provisions which shall remain in full force and effect.

IN WITNESS WHEREOF, the Declarant has hereunto set forth its hand as of this 21st day of December, 2000.

HENRY HO, LIN YUEH YUN HO,
DONALD ROBERT OLSON, JR.,
JEAN HSU OLSON, STACEY WEN CHI HO /

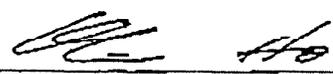
By


JACK HO

Their Attorney-in-Fact



JACK HO



OLIVIA HO

STATE OF HAWAII)
) SS.
CITY & COUNTY OF HONOLULU)

On this 21st day of December, 2000, before me personally appeared JACK HO, individually and as Attorney-in-Fact for HENRY HO, LIN YUEH YUN HO, DONALD ROBERT OLSON, JR., JEAN HSU OLSON, and STACEY WEN CHI HO, to me known to be the person who executed the foregoing instrument, individually and as Attorney-in-Fact for said HENRY HO, LIN YUEH HO, DONALD ROBERT OLSON, JR., JEAN HSU OLSON, and STACEY WEN CHI HO, and acknowledged that he executed the same as his free act and deed and as the free act and deed of said HENRY HO, LIN YUEH YUN HO, DONALD ROBERT OLSON, JR., JEAN HSU OLSON and STACEY WEN CHI HO.

CS
Cora R. Pascual
Print Name: Cora R. Pascual
Notary Public, State of Hawaii

My commission expires: 4/7/2002

STATE OF HAWAII

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) SS.

CITY & COUNTY OF HONOLULU

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On this 21st day of December, 2000, before me personally appeared OLIVIA HO, to me know to be the persons described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

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Cora R. Pascual

Notary Public, State of Hawaii

Cora R. Pascual

My commission expires: 4/7/2002