

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Irons Heights LLC
Business Address P.O. Box 509, Hanalei, Kauai, Hawaii 96714

Project Name (*): IRONS HEIGHTS
Address: Lot 2, Portion of Land Grant 6909, Kapaa Homesteads 2nd Series

Registration No. 5852

Effective date: June 25, 2007
Expiration date: July 25, 2008

Preparation of this Report:

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

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

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

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

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

Type of Report:

PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

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

X SUPPLEMENTARY: (pink) This report updates information contained in the:
[] Preliminary Public Report dated:
[X] Final Public Report dated: July 20, 2006
[] Supplementary Public Report dated:

And [X] Supersedes all prior public reports.
[] Must be read together with
[] This report reactivates the public report(s) which expired on

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

FORM: RECO-30 286/886/189/1 190/882/0197/1098/0800/0203/0104/0107

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the developer.

Changes made are as follows:

1. The identity of the Developer has changed. The Developer is Irons Heights LLC.
2. The new Developer's attorney is James N. Duca.
3. The definition of common elements is changed to include pipes, conduits and other utility lines that are located in one apartment but that either serve more than one apartment or that serve a different apartment.
4. The Declaration, Bylaws and Condominium Map have been amended as shown on page 6. The major changes to each are those described in paragraph 3, above.
5. The agent for service of process is Philip Andrew Irons.

SPECIAL NOTICE

This is a CONDOMINIUM PROJECT, not a subdivision. THERE ARE COUNTY RESTRICTIONS ON THE NUMBER OF DWELLINGS, OR OTHER STRUCTURES WHICH MAY BE BUILT UPON THE PROPERTY. THEREFORE, UNLESS THE PURCHASER IS PURCHASING THE UNIT WITH THE EXISTING DWELLING, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A DWELLING UNIT ON THE PROPERTY. THERE ALSO IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO RESIDENTIAL USE. THE PURCHASER SHOULD CONSULT WITH THE APPROPRIATE RESIDENTIAL AGENCIES TO DETERMINE WHETHER THE PURCHASER MAY BUILD A DWELLING UNIT, OR ANY OTHER TYPE OF STRUCTURE, UPON THE PROPERTY.

1. There are presently NO RESIDENTIAL STRUCTURES on any of the Units in the Project. The only buildings on the Units are shade structures, each of which may be defined as an "apartment" under the Condominium Property Act.
2. Issuance of an effective date for this Public Report does not constitute an approval of the project by the Real Estate Commission or other agency, nor does it imply that all County codes, ordinances or other requirements have been complied with.
3. This project does not involve the sale of individual subdivided lots. The land area beneath and immediately adjacent to each unit, as shown on the Condominium Map, is designated as a limited common element for that unit and does not represent a legally subdivided lot. The dotted lines on the Condominium Map merely represent the location of the limited common element assigned to each unit.
4. Facilities and improvements normally associated with County approved subdivisions, such as fire protection services, County street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for 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.

TABLE OF CONTENTS

	Page
Preparation of this Report	1
Expiration Date of Reports	1
Type of Report	1
Disclosure Abstract	2
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Operation of the Condominium Project	4
I. PERSONS CONNECTED WITH THE PROJECT	5
Developer	
Attorney for Developer	
General Contractor	
Real Estate Broker	
Escrow Company	
Condominium Managing Agent	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	6
B. Condominium Map (File Plan)	6
C. Bylaws	6
D. House Rules	7
E. Changes to Condominium Documents	7
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	8
B. Underlying Land	9
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	13
E. Encumbrances Against Title	14
F. Construction Warranties	15
G. Status of Construction	16
H. Project Phases	16
IV. CONDOMINIUM MANAGEMENT	
A. Management of the Common Elements	17
B. Estimate of Initial Maintenance Fees	17
C. Utility Charges for Apartments	17
V. MISCELLANEOUS	
A. Sales Documents Filed with the Real Estate Commission	18
B. Buyer's Right to Cancel Sales Contract	18
C. Additional Information Not Covered Above	20
D. Signature of Developer	21
EXHIBIT A: Map of Parcel	
EXHIBIT B: Summary of Sales Contract	
EXHIBIT C: Schedule of Apartments and Common Elements	
EXHIBIT D: Summary of Portions of Escrow Agreement	
EXHIBIT E: Common Elements of the Project	
EXHIBIT F: Encumbrances Against Title	
EXHIBIT G: Disclosure Abstract	
EXHIBIT H: Estimate of Initial Maintenance Fees and Estimate of Maintenance Fee Disbursements	
EXHIBIT I: Illustration of Farm Dwelling Agreement for Recordation	
EXHIBIT J: Summary of Use Restrictions	

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: Irons Heights LLC Phone: (808) 346-5619
Name* (Business)
P.O. Box 509
Business Address
Hanalei, HI 96714

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):

The members of Irons Heights LLC are Bruce Pierre Irons (50%) and Philip Andrew Irons (50%). Its managers are Philip Irons and Danielle Tache.

Real Estate Broker*: Sleeping Giant Realty, Inc. Phone: (808) 245-8831
Name (Business)
4480 Ahukini Road
Business Address
Lihue, HI 96746

Escrow Old Republic Title & Escrow of Hawaii, Inc. Phone: (808) 821-6808
Name (Business)
4-831 Kuhio Highway, Suite 415
Business Address
Kapaa, HI 96746

General Contractor*: US Guys Builders, LLC Phone: (808) 245-7788
Name (Business)
3385 Unahe St., Lihue, HI 96766
Business Address

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

Attorney for Developer: James N. Duca Phone: (808) 524-7030
Name (Business)
841 Bishop Street, Suite 1800
Business Address
Honolulu, HI 96813

* 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>2005-187302</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]:

First Amendment to Declaration of Condominium Property Regime of Irons Heights, dated May 12, 2006 and recorded as Document No. 2006-097792; Second Amendment to Declaration of Condominium Property Regime of Irons Heights, dated November 9, 2006 and recorded as Document No. 2006-228459.

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>4075 (see Exhibit "A")</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]:
It has not been amended.

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>2005-187303</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]:

First Amendment and Restatement of Bylaws of Iron Heights dated December 13, 2006 an recorded as Document No. 2006-228460.

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%*	75% _____
Bylaws	65%	65% _____
House Rules	---	N/A _____

* 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 reserves the right to amend this Declaration (and when applicable, any exhibits to the Declaration and the Condominium Map) (a) as may be elsewhere provided in the Declaration, and (b) to file; the "as-built" verified statement required by Section 514A-12 of the Act (i) so long as such 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 of the apartments as built or any change in any apartment number or said amendment reflects the designation of a utility or access easement for the benefit of one or more apartments.

[] 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 2, por. Grant 6909, Hauiki Tax Map Key (TMK): (4) 4-4-004-052
Road, Kapaa, Hawaii 96746

Address TMK is expected to change because each Unit is entitled to its own
address and TMK number

Land Area: 9.408 [] square feet acre(s) Zoning: Agricultural

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:** Household pets may be kept consistent with any applicable law and restrictive covenants applicable to the Project. Animals shall not include those defined as pests under §150-A-2 H.R.S. and prohibited from importation under §141-2, §150-5, §150-6 H.R.S.
- Number of Occupants:** _____ under §141-2, §150-5, §150-6 H.R.S.
- Other:** The Units of the Project may only be occupied and used only for agricultural uses. Residential uses currently require the execution of a Farm Dwelling Agreement with the County of Kauai. See Exhibit "I" Sample Farm Dwelling Agreement. See also Exhibit "J" which contains the use restrictions set forth in the Declaration.
- 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</u>	<u>2</u>	<u>0</u>	<u>shade structure</u>
<u>B</u>	<u>1</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>shade structure</u>
<u>C</u>	<u>1</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>shade structure</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of Apartments: 3

*** Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.**

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

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

Permitted Alterations to Apartments:

Permitted alterations to apartments are allowed by County of Kauai zoning ordinances and recorded restrictions on the project, if any. Upon construction of each permanent improvement, an amendment to the Declaration of Condominium Property Regime will be required to disclose actual improvements as a matter of public record.

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: 6

	<u>Regular</u> <u>Covered</u> <u>Open</u>	<u>Compact</u> <u>Covered</u> <u>Open</u>	<u>Tandem</u> <u>Covered</u> <u>Open</u>	TOTAL
Assigned (for each unit)	<u>2</u>			<u>6</u>
Guest				
Unassigned				
Extra for Purchase				
Other: _____				
Total Covered & Open:	<u>6</u>			<u>6</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. * There is ample space for parking of two or more vehicles on each Unit's Limited Common Element. 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 "E".

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 "C".

as follows: Units A, B & C - 33 1/3% each

- 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 "F" describes the encumbrances against the title contained in the title report dated April 4, 2007 and issued by Old Republic Title & Escrow of Hawaii.

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>
Mortgage	LENDER HAS PRIORITY OVER A BUYER'S RIGHTS UNDER A SALES CONTRACT, AND HAS A RIGHT TO TERMINATE SALES CONTRACT UPON FORECLOSURE OF ITS MORTGAGE BEFORE AN APARTMENT SALE IS CLOSED. IN SUCH EVENT BUYER SHALL BE ENTITLED TO REFUND OF ALL DEPOSITS, LESS ESCROW CANCELLATION FEES.

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:**

The shade sheds on Units A, B and C were completed in August of 2005.

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

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 "B" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated November 1, 2005
Exhibit "D" contains a summary of the pertinent provisions of the escrow agreement.
- Other Specimen Apartment Deed

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

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov
Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs
Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 5852 filed with the Real Estate Commission on November 22, 2005.

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 is a condominium project, not a subdivision. Units purchased are not subdivided lots. To determine whether your expectations can be realized, you should carefully review the contents of this Report. You should also conduct your own investigations and ascertain the validity of information provided.

It is anticipated that the initial improvements on Units A, B and C will be replaced by or supplemented with a farm dwelling. The prospective purchaser shall have the right to build such farm dwelling at purchaser's expense. The purchaser shall also, in such event, file the "as-built" certificate within thirty days of completion of the farm dwelling in conformance with Section 514A-12, Hawaii Revised Statutes, and record an amendment of the Declaration of Condominium Property Regime ("Declaration") to describe the farm dwelling. The County of Kauai Planning Department requires, in order to process the necessary permits for the construction of a farm dwelling and the processing of a farm dwelling agreement, authorization from at least 75% of the legal and equitable ownership of the entire project, consistent with the Declaration and the Bylaws ("condominium documents"). In most cases a farm dwelling may not be constructed unless a unit owner demonstrates to the County his ability to derive income from his property, established and verified prior to any building permit approval.

Except as limited specifically by the condominium documents and subdivision restrictive covenants (if any), all uses permitted in the agricultural zone are permitted. Uses in one zone are not the same as in the other, and the prospective purchaser should consult the appropriate county agency for information on uses and construction in the respective zones.

A buyer should understand that all development and use of the property must be in compliance with County codes and ordinances, that owners in this condominium project will not necessarily receive the same County benefits as owners of approved subdivided lots and that owners who develop their limited common element later than others may find that land use and zoning changes or insufficient utility capacities may thwart their expectations.

Portions of Unit B and Unit C are subject to building setbacks and drainage-ways that may inhibit development of these units. Prospective buyers are strongly urged to consult the appropriate County agency for information on the construction of improvements on these units.

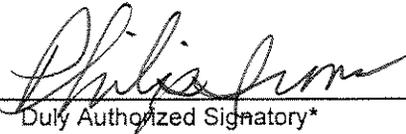
Easements AU-3 and AU-4 of this project are non-exclusive easements for access and utility purposes that benefit not only Units B and C but also the adjacent parcel of land known as the DRY GULCH FLATS condominium project. Additionally Units A and B are subject to Easement L-1, which mandates landscaping and building restrictions for the benefit of the Dry Gulch Flats condominium project. (See Exhibit "J.")

Agricultural Farm Dwelling Disclosure: This is to inform you that Chapter 205, Hawaii Revised Statutes, does not authorize residential dwellings as a permissible use in an agricultural use district, unless the dwelling is related to an agricultural activity or is a "farm dwelling". Farm Dwelling is defined in Chapter 205-4.5(a)(4) as "a single family dwelling located on and used in connection with a farm, including clusters or single-family farm dwellings permitted within agricultural parks developed by the State or where agricultural activity provides income to the family occupying the dwelling." Penalty for violation of Section 205-4.5, Hawaii Revised Statutes, is a fine of not more than \$5,000.00. If any person who is cited for a violation of the law fails to remove the violation within six months of such citation and the violation continues, such person is subject to a citation for a new and separate violation.

The Units are located in an AG (agricultural) zoned district. Under the Comprehensive Zoning Ordinance of the County of Kauai ("CZO"), a residential dwelling built in an AG zoned district must be used as a "farm dwelling" which is defined under Section 205 of the Hawaii Revised States (HRS) as "a dwelling located on and used in connection with a farm where agricultural activity provides income to the family occupying the dwelling." In addition, pursuant to Section 8-7.5 of the CZO, the current residential density for the Project is calculated as being one dwelling unit for each acre and one additional dwelling unit for each additional three acres in the same parcel; provided that no more than five dwelling units may be developed on any one parcel. Accordingly, each Unit is entitled to one farm dwelling.

- 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-1.6] (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.

Irons Heights LLC
 Printed Name of Developer

By:  6-05-07
 Duly Authorized Signatory* Date

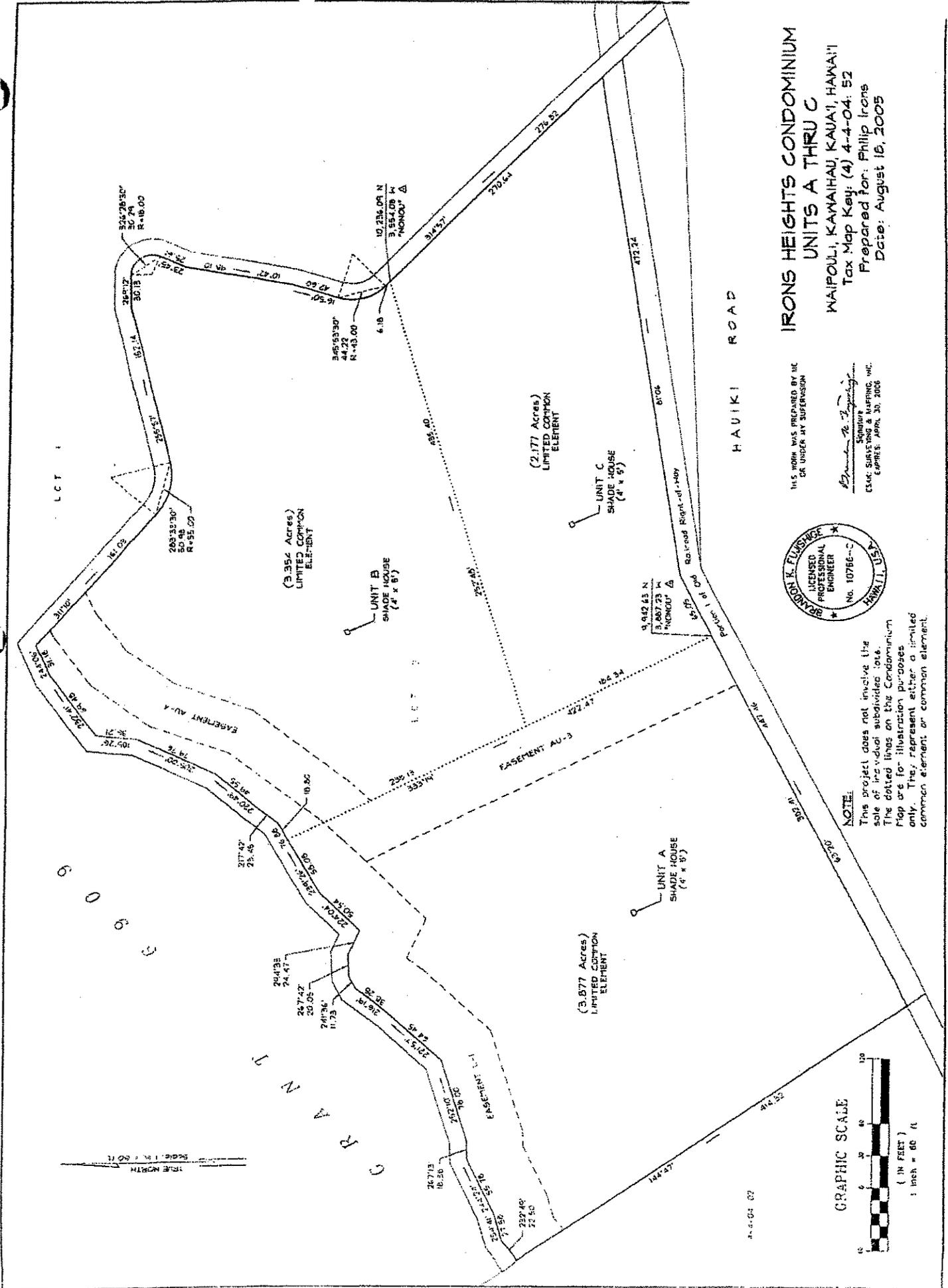
Phillip Irons, Manager
 Printed Name & Title of Person Signing Above

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.***



160 Halekono Street
Lihou, Hawaii 96766

ESAKI SURVEYING & MAPPING, INC.
Civil Engineers - Land Surveyors - Planners

Plot Number: 22-127 BF
Drawing File: 03-127-ironshights.dwg

EXHIBIT "B"

SUMMARY OF SALES CONTRACT

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

1. The fact that the Act controls over any portion of a contract to sell a condominium unit.
2. That an effective date for a final or supplementary public report must be in place and a receipt for the same signed by the buyer to have an effective date.
3. That all purchaser funds must be held in escrow until the law allows closing and disbursement of the funds.

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

- (a) That Purchaser will receive a copy of the final public report for the project.
- (b) Purchaser agrees that all payments made will be placed on deposit with escrow pursuant to the terms of the Escrow agreement, and Purchaser is subject to all of the terms of the Escrow Agreement.
- (c) If there is a dual agency by a single broker, it will be disclosed in the contract.

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

EXHIBIT "C"

SCHEDULE OF APARTMENTS AND COMMON INTERESTS

Qty.	Unit No.	Area of Limited Common Element* (Acres)	No. of Br./Bath	Appx. Net Living Area (Sq. Ft.)	Appx. Other Area (Sq. Ft.)	% of Common Int.
1	A	3.877	0	0	20 shade structure	33 1/3%
1	B	3.354	0	0	20 shade structure	33 1/3%
1	C	2.177	0	0	20 shade structure	33 1/3%

Pursuant to Section 16-107-5, Hawaii Administrative Rules, reference is hereby made to the method by which common interest has been computed. Units A, B, and C will each equally burden the common elements as shown above. Therefore, the assessment of undivided interest both for common expense and for voting is 33 1/3% for each Unit.

The common interest appurtenant to each unit shall be permanent. Subject to the zoning requirements and amendments of the Condominium Map and the Declaration of Condominium Property Regime, each unit owner may use the unit, alter or add to it in any manner deemed desirable, so long as it is permitted by law and House Rules, if any. If adjoining unit owners desire to alter and/or transfer portions of their respective units, they can do so by the filing of an amendment to the Condominium Map and the Declaration of Condominium Property Regime together with their respective signatures.

*Note: Land areas referenced herein are not legally subdivided lots.

EXHIBIT "D"

SUMMARY OF PORTIONS OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between OLD REPUBLIC ESCROW & TITLE OF HAWAII, INC. (the "Escrow"), and Bruce Pierre Irons and Philip Andrew Irons, (the "Seller"), contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. Whenever Seller enters into a sales contract for the sale of an apartment, Seller will require that payments due under the sales contract be made to Escrow and will deliver an executed copy of the sales contract to Escrow.
2. Escrow will receive payments under the sales contract and sums received from any other source with respect to the project. Funds held under the Agreement will initially be deposited in an account for the project. Interest on all funds will be paid to Seller.
3. Escrow will release from the trust fund and disburse Buyer's funds at closing, unless: (a) Buyer has elected within seven days of signing the sales contract to cancel and receive all funds paid, without deduction; or (b) the Real Estate Commission has not issued a Final Public Report on the project or the requirements of the sales contract have not been met; or (c) Seller has not satisfied Escrow that all other requirements of Hawaii Revised Statutes have been met.
4. Escrow will return deposited sums to the Buyer without interest, if Seller and Buyer give Escrow written notice to return the funds to Buyer, if there is a right to cancellation and refund of monies under the sales contract or otherwise. If there is a cancellation under the seven-day right, no fees will be charged Buyer. Thereafter, in the event of a cancellation as a matter of agreement or right, Buyer's funds shall be returned to Buyer less Escrow's cancellation fee, if any, and all other costs incurred in connection with the Escrow, not less than \$25.00.
5. Escrow will arrange for and supervise the signing of all documents, which are to be signed subsequent to and contemplated by the sales contract.
6. As Escrow's compensation for its performance under this Agreement, Escrow will receive its schedule rate for each apartment for which an apartment deed of the project is handled by Escrow and recorded in the Bureau of Conveyances of the State of Hawaii. Escrow will record all applicable documents. The cost of title insurance will be an additional amount, based upon schedule rate.
7. In the event of default by the Buyer, Buyer may forfeit his or her deposit, which will be paid to the Seller, less any cancellation fees charged by Escrow.

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

EXHIBIT "E"

COMMON ELEMENTS OF THE PROJECT

The common elements of the project are:

- (i) all of the Land, in fee simple, subject to the division of the same as limited common elements pursuant to Paragraph 6 of the Declaration;
- (ii) the limited common elements described in paragraph 6 of the Declaration, subject to the limitations and uses provided for therein;
- (iii) all pipes, wires, conduits, or other utility or service lines, drainage ditches or appurtenant drainage structures retaining walls (if any) and yard fences, which are located outside the buildings and which are utilized for or serve more than one apartment.

LIMITED COMMON ELEMENTS OF THE PROJECT

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

Unit Number	Area of Limited Common Element*
Unit A	3.877 acres
Unit B	3.354 acres
Unit C	2.177 acres

*Land areas referenced herein are not legally subdivided lots.

EXHIBIT F

OLD REPUBLIC TITLE & ESCROW OF HAWAII

ORDER NO. 6828000510-AB

REVISION - A

Encumbrances Against Title

At the date hereof exceptions to coverage in addition to the Exceptions and Exclusions in said policy form would be as follows:

1.

- A. Taxes and assessments, general and special, for the fiscal year 2006 - 2007, as follows:

Tax Map Key	:	4-4-4-004-052	(CPR 0001)	
1st Installment	:	\$1,762.52		Marked Paid
2nd Installment	:	\$1,762.52		Marked Paid
Cost	:	\$507,200.00		
Land	:	\$507,200.00		
Imp. Value	:	\$0.00		
Exemption	:	\$0.00		

- B. Taxes and assessments, general and special, for the fiscal year 2006 - 2007, as follows:

Tax Map Key	:	4-4-4-004-052	(CPR 0002)	
1st Installment	:	\$1,762.52		Marked Paid
2nd Installment	:	\$1,762.52		Marked Paid
Cost	:	\$507,200.00		
Land	:	\$507,200.00		
Imp. Value	:	\$0.00		
Exemption	:	\$0.00		

- C. Taxes and assessments, general and special, for the fiscal year 2006 - 2007, as follows:

Tax Map Key	:	4-4-4-004-052	(CPR 0003)	
1st Installment	:	\$1,762.52		Marked Paid
2nd Installment	:	\$1,762.52		Marked Paid
Cost	:	\$507,200.00		
Land	:	\$507,200.00		
Imp. Value	:	\$0.00		
Exemption	:	\$0.00		

2. Title to all minerals, and metallic mines reserved to the State of Hawaii.

OLD REPUBLIC TITLE & ESCROW OF HAWAII
ORDER NO. 6828000510-AB
REVISION - A

3. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in LAND PATENT GRANT NUMBER 6909 dated August 22, 1917, issued to ANNIE MAY BOOGE.
4. Ditch and tunnel as shown on tax map.
5. DESIGNATION OF EASEMENT "AU-3" for access and utility purposes, as shown on survey map prepared by Dennis M. Esaki, Licensed Professional Land Surveyor, dated October 2, 2004, as contained in that certain Deed dated October 20, 2004 and recorded on December 3, 2004, as Document No. 2004-244670.
6. DESIGNATION OF EASEMENT "AU-4" for access and utility purposes, as shown on survey map prepared by Dennis M. Esaki, Licensed Professional Land Surveyor, dated October 2, 2004, as contained in that certain Deed dated October 20, 2004 and recorded on December 3, 2004, as Document No. 2004-244670.
7. DESIGNATION OF EASEMENT "L-1" for landscaping purposes, as shown on survey map prepared by Dennis M. Esaki, Licensed Professional Land Surveyor, dated October 2, 2004, as contained in that certain Deed dated October 20, 2004 and recorded on December 3, 2004, as Document No. 2004-244670.
8. Flood lines as shown on the map. There shall be no new structures permitted within the floodway; new structures shall be setback from the floodway line. Obstructing the flow of drainage within the Building Setback Line and Drainage way is prohibited; as shown on survey map prepared by Dennis M. Esaki, Licensed Professional Land Surveyor, dated October 2, 2004, as contained in that certain Deed dated October 20, 2004 and recorded on December 3, 2004, as Document No. 2004-244670.
9. Agreement for : FARM DWELLING AGREEMENT
Executed By : COUNTY OF KAUAI PLANNING DEPARTMENT
and Between : WILLIAM A. LYDGATE

On the terms, covenants and conditions contained therein,

Dated : September 1, 2004
Recorded : September 21, 2004 in the Bureau of Conveyances, State of Hawaii,
as Document No. 2004-193580

NOTE: No joinder by DRY GULCH FLATS, LLC.

OLD REPUBLIC TITLE & ESCROW OF HAWAII
ORDER NO. 6828000510-AB
REVISION - A

10. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument : GRANT OF EASEMENT
Granted To : WILLIAM A. LYDGATE
For : Granting easements for access, egress and utility purposes affecting Easement AU-3 and Easement AU-4.
Dated : February 2, 2005
Recorded : February 15, 2005 in the Bureau of Conveyances, State of Hawaii, as Document No. 2005-030325

11. Condominium Map No. 4075, filed in the Bureau of Conveyances, State of Hawaii.

12. Matters in an instrument that, among other things, contain or provide for easements, assessments, liens and their subordination; provisions relating to partition, restrictions on severability of component interest, covenants, conditions and restrictions, provision that no violation thereof and no enforcement of any lien provided for therein shall defeat or render invalid the lien of a mortgage or deed of trust made in good faith and for value, but omitting and covenants or restrictions if any, based upon race color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

Entitled : Declaration of Condominium Property Regime
Recorded : September 16, 2005 in the Bureau of Conveyances, State of Hawaii, as Document No. 2005-187302

Said Declaration was amended by the following instruments:

DATED:	RECORDED:	DOCUMENT NO.:
May 12, 2006	May 25, 2006	2006-097792
November 29, 2006	December 13, 2006	2006-228459

Liens and charges for upkeep and maintenance as provided in the above mentioned Covenants, Conditions and Restrictions, if any, where no notice thereof appears on record.

For information regarding the current status of said liens and/ or assessments
Contact : ASSOCIATION OF APARTMENT OWNERS OF IRONS HEIGHTS

OLD REPUBLIC TITLE & ESCROW OF HAWAII
ORDER NO. 6828000510-AB
REVISION - A

13. By-Laws of the Association of Apartment Owners of Irons Heights, recorded September 16, 2005 in the Bureau of Conveyances, State of Hawaii, as Document No. 2005-187303.

Said By-Laws was amended by the following instruments:

DATED:	RECORDED:	DOCUMENT NO.:
---	December 13, 2006	2006-228460

14. Covenants, Conditions and Restrictions, but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, as provided in an instrument.

Entitled	:	DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE DRY GULCH FLATS WATER COMPANY
Executed by	:	WILLIAM A. LYDGATE, unmarried and HARVEY L. COHEN and PAULA B. COHEN, husband and wife and BRUCE PIERRE IRONS, unmarried and PHILIP ANDREW IRONS, unmarried
Dated	:	December 29, 2005
Recorded	:	January 4, 2006 in the Bureau of Conveyances, State of Hawaii, as Document No. 2006-000961

15. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument	:	GRANT OF EASEMENT
Granted To	:	KAUAI ISLAND UTILITY COOPERATIVE, a cooperative association formed pursuant to the provision of Chapter 421C of the Hawaii Revised Statutes and HAWAIIAN TELCOM, INC. (fka Verizon Hawaii, Inc., fka GTE Hawaiian Telephone Company Incorporated), a Hawaii corporation
For	:	A perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines and/or underground lines, and to use such poles, wires, guys, anchors, conduits and other appliances and equipment as may be necessary for the transmission and distribution
Dated	:	January 9, 2006
Recorded	:	March 21, 2006 in the Bureau of Conveyances, State of Hawaii, as Document No. 2006-061307
Affects	:	A portion of Parcel 52, Kapaa, Kawaihau, Kauai, Hawaii, Tax Map Key No. (4) 4-4-004:52, the said areas being designated as Easements "AU-1", "AU-2", "AU-3" and "AU-4"

16. Mortgage to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof, with power of sale and assignment of rents.

Amount : \$860,000.00
Mortgagor : BRUCE PIERRE IRONS, single and PHILIP ANDREW IRONS, single
Mortgagee : MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., as a nominee for AMERICAN SAVINGS BANK, F.S.B., a federal savings bank which is organized and existing under the laws of the United States of America, as their interest may appear
Dated : June 28, 2006
Recorded : July 3, 2006 in the Bureau of Conveyances, State of Hawaii, as Document No. 2006-122087
Loan No. : 20328755
Return to Address : P.O. Box 2026, Flint, MI 48501-2026

MIN: 100147600002412947

NOTE: This loan appears to be registered with Mortgage Electronics Registration Systems, Inc. ("MERS"). Accordingly, the name, address and telephone number of the loan servicer should be obtained by calling the toll-free number, 1-888-679-MERS, and referring to the Mortgage Identification Number ("MIN") shown above

17. Any claim of lien for services, labor or material arising from an improvement or work under construction or completed at the date hereof.

EXHIBIT "G"

DISCLOSURE ABSTRACT

Pursuant to Hawaii Revised Statutes, Section 514(A)-61, the Developer of IRONS HEIGHTS condominium makes the following disclosure:

1. The Developer of the project is Irons Heights LLC, whose mailing address is PO Box 509, Hanalei, Kauai, Hawaii 96714 and telephone is (808) 346-5619.

2. See Exhibit "H" to the Final Public Report for the projected annual maintenance fees. The Developer hereby certifies that the estimations have been based on generally accepted accounting principles.

3. There are no warranties against defects of material and workmanship in individual apartments, common elements or exclusive use areas, and the purchaser buys his/her unit in an "as is" condition.

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

5. The developer has selected Michael Olsen of Sleeping Giant Realty, whose mailing address is 4480 Ahukini Road, Līnuē, Kauai, Hawaii 96766, and phone number is (808) 245-8831, as the real estate broker for the sales of the apartments in the Project.

6. The Developer has not conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. There are no depreciable common elements in the Project.

7. The Developer discloses that the Common Interest has been divided as shown: Unit A, B and C are each entitled to 33 1/3% each.

Developer:

IRON HEIGHTS LLC

By

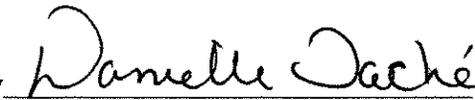


Its

Date:

1-26-07

By



Its

Date:

2-1-07

EXHIBIT H

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>
Unit A	\$40.00 \$480.00
Unit B	\$40.00 \$480.00
Unit C	\$40.00 \$480.00
Total	<u>\$120.00</u> <u>\$1,440.00</u>

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

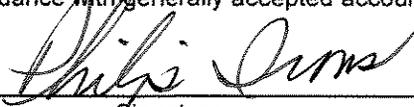
Utilities and Services

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			
Roadway	\$20.00	x 12	\$240.00
Management			
Management Fee			
Payroll and Payroll Taxes			
Office Expenses			
Insurance	\$20.00	x 12	\$240.00
Reserves(*)			
Taxes and Government Assessments			
Audit Fees			
Other			
TOTAL	\$120.00	x 12	\$1,440.00

I, Phillip Irons, as agent for/and/or employed by Irons Heights, LLC,
the condominium managing agent/developer for the
IRONS HEIGHTS 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

4-25-07
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.

EXHIBIT "I"

*****FOR ILLUSTRATION ONLY*****



AFTER RECORDATION RETURN BY MAIL TO:

COUNTY OF KAUAI
Planning Department
Building A, Suite 473
4444 Rice Street
Lihue, HI 96766

Document contains ____ pages

FARM DWELLING AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____, 20__, by
and between _____,
_____, whose residence and post office address is

_____, hereinafter called the "APPLICANT(S)", and the COUNTY OF KAUAI,
Planning Department, its business and mailing address being 4444 Rice street, Building A, Suite 473,
Lihue, Hawaii 96766, hereinafter called the "DEPARTMENT".

WITNESSETH:

WHEREAS, the APPLICANT(S) warrant and represent that he/she/they is/are the
_____ of that certain parcel of land, Tax Map Key No. (4) _____, more
particularly described in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, this document pertains only to Unit(s) _____ as shown in Exhibit "B" and made a
part hereof; and

WHEREAS, that certain parcel of land is classified Agriculture by the State Land Use
commission and is zoned Agriculture by the County of Kauai; and

WHEREAS, Chapter 205, Hawaii Revised Statutes, and the state Land Use District Regulations only permit "farm dwellings" within the State Agriculture Land Use District unless otherwise relieved from the restriction by a special permit obtained pursuant to Chapter 205, Section 6, Hawaii Revised Statutes; and

WHEREAS, a "farm dwelling" is defined by Chapter 205, Hawaii Revised Statutes, and the State Land Use District Regulations as "a single family dwelling located on and used in connection with a farm where agricultural activity provides income to the family occupying the dwelling"; and

WHEREAS, the parcel identified by Tax Map Key No. (4) _____, is entitled to _____ residential units (and one guest house); and

WHEREAS, this Agreement is evidenced that _____ is entitled to one of those residential units; and

WHEREAS, a "family" as used in the definition of "farm dwelling" is defined by the State Land Use District Regulations as "an individual or two or more persons related by blood, marriage or adoption or a group comprising not more than five persons, not related by blood, marriage or by adoption"; and

WHEREAS, the APPLICANT(S) acknowledge that a violation of Chapter 205, Hawaii Revised Statutes, and the state Land Use District restriction is subject to a citation and fine of not more than \$5,000 pursuant to Chapter 205, Section 13, Hawaii Revised Statutes, as amended; and

WHEREAS, the APPLICANT(S) also acknowledge that failure to abide by this Agreement may result in the removal of the prohibited structure at the owner's expense; and

WHEREAS, the DEPARTMENT is charged with the enforcement of the restriction by Chapter 205, Hawaii Revised Statutes; and

WHEREAS, the APPLICANT(S) wish to construct a dwelling unit on that certain parcel of land describe in Exhibit A; and

WHEREAS, the APPLICANT(S) wish to execute this Farm Dwelling Agreement without first obtaining the signatures of all interest holders in the CPR;

NOW, THEREFORE, for and in consideration of the terms, covenants and conditions hereinafter contained, the parties hereby mutually agree as follows:

1. That the dwelling permitted to be constructed on the parcel of land described in Exhibit "A" classified Agriculture by the State Land Use Commission shall be a "farm dwelling" as defined by Chapter 205, Hawaii Revised Statutes, and the State Land Use District regulations, as recited herein; and
2. That the dwelling shall only be occupied by a "family", as defined by the State Land Use District regulations and as recited herein, who derive income from the agricultural activity on the parcel; and

3. That the APPLICANT(S) and all present and future owners, lessees and occupants of said land grant the DEPARTMENT the right of entry at the request of the DEPARTMENT to inspect the premises to assure compliance with the provisions of this Agreement; and

4. That this Agreement shall be a covenant running with the land and be binding on the APPLICANT(S), and all present and future owners, lessees and occupants of said land and anyone claiming under said APPLICANT(S), their heirs, executors, administrators, successors and assigns, as owners or occupants thereof or otherwise; and

5. That this Agreement shall remain in effect so long as the land retains its Agriculture District classification under the State Land Use Commission and the pertinent restrictive provisions of Chapter 205, Hawaii Revised Statutes, and the State Land Use District regulations remain in effect; and

6. That the APPLICANT(S) expressly set forth the provisions of this Agreement in any subsequent conveyance, deed, lease or rental agreement to said property executed by them, so as to give effect to said covenant; and

7. That this Agreement shall be recorded with the State of Hawaii Bureau of Conveyances, fees to be paid by the APPLICANT(S); and

8. The DEPARTMENT and APPLICANT(S) shall execute the Farm Dwelling Agreement; and

9. The APPLICANT(S), for themselves (himself, herself), their (his/her) heirs, administrators, successors and assigns, do hereby waive and release the DEPARTMENT and the County of Kauai, a political subdivision of the State of Hawaii, whose principle place of business is 4444 Rice Street, Suite 473, Lihue, Hawaii 96766, from all claims and causes of action, either legal or equitable, which may hereafter accrue by reason of the DEPARTMENT'S execution of said Farm Dwelling Agreement; and

10. The APPLICANT(S) do(es) hereby promise to indemnify and hold the DEPARTMENT and the County of Kauai, its successors, assigns, offices, employees, agents, attorneys or any other person or legal entity connected with or legally responsible to them, harmless from any and all claims, actions, causes of action, lawsuits, demands or liability for damages of whatever kind and nature, arising out of the DEPARTMENT'S execution of said Farm Dwelling Agreement; and

11. This agreement shall be a covenant running with the portion of land described in Exhibit "A," and shall be binding on APPLICANT(S) and all present and future owners and occupants of said portion of land and any one claiming under APPLICANT(S), their successors and assigns, as owners or occupants thereof. The APPLICANT(S) further agree(s) to expressly set forth the provisions of this waiver and indemnity agreement in any subsequent conveyance, deed, lease, or rental agreement so as to give effect to said covenant.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed on the _____ day of _____, 20____.

APPROVED:

APPLICANT(S)

Planning Director

APPROVED AS TO FORM AND
LEGALITY:

County Attorney

STATE OF HAWAII)
) SS:
COUNTY OF KAUAI)

On this ___ day of _____, 20___, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

NOTARY PUBLIC, State of Hawaii
Print Name: _____
My commission expires: _____

STATE OF HAWAII)
) SS:
COUNTY OF KAUAI)

On this ___ day of _____, 20___, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

NOTARY PUBLIC, State of Hawaii
Print Name: _____
My commission expires: _____

STATE OF HAWAII)
) SS:
COUNTY OF KAUAI)

On this day of _____, 20___, before me appeared _____
_____ to me personally known, who being by me duly sworn, did say that (s)he is the
_____ of the PLANNING DEPARTMENT of the COUNTY OF
KAUAI; and that said instrument was executed on behalf of said PLANNING DEPARTMENT; and
that said _____ acknowledged that (s)he executed the same as his/her
free act and deed of the PLANNING DEPARTMENT of the COUNTY OF KAUAI. Said Department
has no seal.

NOTARY PUBLIC, State of Hawaii
Print Name: _____
My commission expires: _____

EXHIBIT "J"

SUMMARY OF USE RESTRICTIONS

The project and the improvements thereon are subject to and shall be conditioned pursuant to the following conditions, covenants and restrictions, as contained in the Declaration, which are intended to constitute a general plan for the improvement, maintenance and ownership of the lots and units therein. The express purpose of these conditions, covenants and restrictions is to enhance and protect the value, desirability, attractiveness and quality of each of the units as well as the overall development.

a. All structures, other than fences, roadways or utilities, shall be set back a minimum of ten (10) feet from any boundary line, including boundary lines demarcating limited common elements.

b. Each unit owner shall enter into a Farm Dwelling Agreement with the County of Kauai. Uses on each unit shall be limited to those listed as permissible uses within the Agricultural District in the State Land Use Commission Rules and Regulations. Dwellings on the units shall mean single-family dwellings located on and used in connection with a farm, where agricultural activity provides income to the family occupying the dwelling. No dwelling shall be erected, placed or permitted to remain on any unit other than one detached single-family dwelling. No geodesic dome or yurt-type structures shall be allowed. Building height shall not exceed thirty (30) feet as measured from the upper-most grade of the pad area and the upper-most grade shall be increased no more than three (3) feet over the natural grade that pre-existed prior to alteration. No unit may have erected on it any storage shed, barn, power shed or any other detached structure, which is not fully enclosed by walls and has on it a door. Construction of all improvements shall comply with all governmental laws, ordinances, rules and/or regulations.

c. All construction shall be of new masonry or lumber material free of dry rot and termites. No existing structures shall be moved onto a unit. No rolled roofing, pitch and gravel, or flat metal roofs will be permitted. No fence or wall shall be constructed in whole or in part from corrugated or sheet metal, used lumber or tires. All utility lines shall be installed underground.

d. No temporary building, structure, portable toilet, shed, tent or trailer of any kind shall be erected or permitted to remain on any unit except as hereinafter provided. Temporary structures or trailers may be erected or placed within a limited common element or lot during the period of construction for use in conjunction with said construction, but in no event for residential or other purposes. Temporary construction structures or trailers may remain upon a unit only during the period of construction of a farm dwelling and must be removed within thirty (30) days immediately after completion of said construction. Any surplus materials from construction must be removed within the thirty (30) day period after completion. Construction of the primary farm dwelling shall not exceed twelve (12) calendar months commencing upon ground breaking and construction of detached structures or remodeling shall not exceed forty-five (45) days from start to finish.

e. All owners shall be responsible for the permits, design, construction and maintenance of their respective sewage disposal system.

f. No unit shall be used as a dumping ground for rubbish, trash, garbage, broken or unused vehicles, machinery or equipment or other waste. Household or agricultural trash, garbage or other waste shall be kept at all times in sanitary containers.

g. The owner of each unit shall at all times maintain said unit in a good, neat and clean condition, so as to prevent it from becoming unsightly, or a hazard to health. No unit shall be allowed to become overgrown with weeds, thorn bushes, guava trees or poisonous plants. In the event any owner shall fail to abide by these conditions, then the Developer or any other unit owner in the project is hereby authorized to undertake the same at the expense of the offending owner(s).

h. The owner of each unit and/or dwelling shall at all times ensure that laundry facilities and clothes hanging areas, as well as trash, garbage and other waste, automobiles, boats, machinery or equipment are adequately housed, enclosed or otherwise screened from the driveway easement(s), street and neighboring lots.

i. No noxious or offensive activity shall be carried on upon any unit, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. Between the hours of sunset and sunrise, no noise shall originate on any unit that may be or become any annoyance or nuisance. Unit owners shall not permit spotlights to be directed beyond the boundaries of their unit(s).

j. No owner may or shall permit to be kept on the premises, pit bulls, mixed pit bulls dogs, pig hunting dogs, roosters, pigs or in excess of twelve (12) peafowl or chicken hens.

k. No part of any unit shall be filled, evacuated or otherwise altered as to grade in such a manner as to adversely affect drainage of any other unit. In order to prevent root damage to underground utility lines, no tree or plant with an invasive root system shall be located within three (3) feet of a utility line.

l. No television or amateur radio tower or wind generator shall be erected, maintained or operated on any unit. Standard television antennas are permitted to be installed on single-family farm dwellings.

m. Jurisdiction may be taken in equity at the suit of the Developer, its' successors or assigns, or any other owner of any said units within said project, to restrict or prevent by injunction, mandatory or restraining, any violation of any said covenants upon the part of any unit or lot owner to be observed and performed, without prejudice to the right of the Developer, its successors and assigns, or any other owner, to adopt or pursue any other remedy thereafter for the same breach or failure, for any damages for any such breach or failure. The prevailing party shall be entitled to reasonable attorney's fees and cost of suit.

Units A and B are affected by a Landscaping easement, more particularly described as a non-assignable easement entitled "L-1" as shown on the Condominium Map. No structures or improvements may be erected within this landscaping easement area. Unit A and Unit B shall be responsible for the landscaping and maintenance of the vegetation within the boundaries of their limited common element area. Said landscaping shall be maintained in a manner that is attractive, enjoys good husbandry of the same, and complies with all ordinances and codes applicable thereto. Maintenance shall not include the use of herbicides or pesticides, waste storage, fires, farming, camping or other noxious uses.