CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer: REGAL CAPITAL COMPANY, LLC, a Hawaii limited liability company
Address: 4569 Kukui Street, Suite 200, Kapaa, Kauai, Hawaii 96746

Project Name(*): Ali'i Ranch Estate I Condominium
Address: Lot 9-B Wailua Homesteads (Second Series)
Wailua, Kauai, Hawaii

Registration No. 5370 (conversion)

Effective date: September 26, 2005
Expiration date: October 26, 2006

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 governmental 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:** The developer may not as yet have created the condominium but has filed with the Real Estate

(yellow) Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

_X_ **FINAL:** The developer has legally created a condominium and has filed complete information with the Commission.

(white)

[X] No prior reports have been issued.
[ ] This report supersedes all prior public reports.
[ ] This report must be read together with _____

___ **SUPPLEMENTARY:** This report updates information contained in the:

(pink)

[ ] Preliminary Public Report dated: _____
[ ] Final Public Report dated: _____
[ ] Supplementary Public Report dated: _____

And

[ ] Supersedes all prior public reports
[ ] Must be read together with _____
[ ] This report reactivates the _____
public report(s) which expire 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.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required and attached to this report [X] Not Required - disclosure 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 known the specific changes that have been made.

[X] No prior reports have been issued by the developer.

[ ] Changes made are as follows:

SPECIAL NOTICE:

THERE ARE COUNTY RESTRICTIONS ON THE NUMBER OF RESIDENTIAL DWELLING UNITS OR OTHER STRUCTURES THAT MAY BE BUILT UPON THE PROPERTY. THEREFORE, UNLESS THE PURCHASER IS PURCHASING AN EXISTING RESIDENTIAL DWELLING, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. **PRIOR TO PURCHASE, THE PROSPECTIVE PURCHASER IS ADVISED TO REVIEW THIS CONDOMINIUM PROJECT WITH THE RESPECTIVE KAUAI COUNTY PLANNING OFFICES TO RECEIVE THE MOST RECENT DIRECTIVES CONCERNING DEVELOPMENT, REPLACEMENT, EXPANSION, OR CONSTRUCTION OF ANY TYPE OF STRUCTURE FOR THIS CONDOMINIUM PROJECT IN THE FUTURE. THERE ARE FIVE UNITS AT THIS TIME (TWO FARM DWELLINGS, ONE GUEST COTTAGE, AND TWO SHADE SHEDS).**

1. This Public Report does not constitute an approval of the project by the Real Estate Commission or any other governmental agency, nor does it ensure that all county codes, ordinances and subdivisions requirements have necessarily been complied with.

2. 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 and does not represent a legally subdivided lot. The dotted lines on the condominium map merely represent the approximate location of the limited common element assigned to each unit.

3. Facilities and improvements normally associated with County approved subdivisions may not necessarily be provided for and services such as County street maintenance and trash collection will not be available for interior roads.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS FOR FURTHER INFORMATION REGARDING THE FORGOING.

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General Information on Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

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

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

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

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. The 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 of 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 spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: REGAL CAPITAL COMPANY, LLC — Phone: (808) 822-5876
Name
4569 Kukui Street, Suite 200
Business Address
Kapaa, Kauai, 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)

Jack Purdy - Sole Member of Company; Thomas B. Summers - Authorized Agent

Real Estate Broker: Thomas B. Summers
Summers Realty, Inc. — Phone: (808) 822-5876 (Business)
Name
1310 Inia Street
Business Address
Kapaa, Kauai, Hawaii 96746

Escrow: First Hawaii Title Corporation — Phone: (808) 826-6812 (Business)
Name
5-4280 Kuhio Highway, #B201
Business Address
Princeville, Kauai, Hawaii 96722

General Contractor: Robert W. Butler & Associates — Phone: (808) 828-1006 (Business)
Name
P. O. Box 285
Business Address
Kilauea, Kauai, Hawaii 96754

Condominium Managing Agent: Self-Managed by Association Unit Owners — Phone: _____ (Business)
Name

Business Address

Attorney for Developer: Michael H. Sakai, Esq. — Phone: (808) 531-4171 (Business)
Name
201 Merchant Street, Suite 902
Business Address
Honolulu, Hawaii 96813-2977

*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:

[ ] Proposed
[X] Recorded - Bureau of Conveyances: Document No. 2004-036016
Book _____ Page _____
[ ] 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):

Amendment to Declaration dated July 20, 2005, recorded in said Bureau, as Document No. 2005-175380.

B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

[ ] Proposed
[X] Recorded - Bureau of Conveyances, Condo Map No. 3711
[ ] 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 manners which affect how the condominium project will be governed.

The Bylaws for this condominium re:

[ ] Proposed
[X] Recorded - Bureau of Conveyances: Document No. 2004-036017
[ ] 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 [X] 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:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	65%
House Rules	---	Not Applicable

*The percentage 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

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

The Developer reserved the right to change the Declaration and Condominium Map as provided for in Section M. of the Declaration.

III. THE CONDOMINIUM PROJECT

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

[X] Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.

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

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit ____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Automatically [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per [ ] Month [ ] Year

For Subleaseholds:

[ ] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:

[ ] Canceled [ ] Foreclosed

[ ] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

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

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit ____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____
Rent Renegotiation Date(s) _____
_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Automatically [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per [ ] Month [ ] Year

[ ] 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 period 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 fee simple owner of the land in order to develop the project. The developer may have then entered into an 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 9-B, Wailua Homesteads (Second Series),
Tax Map Key (TMK): (4) 4-2-022-030

[X] Address [X] TMK is expected to change because CPR numbers will be added to the current TMK number.

Land Area: 19.610 [ ] square feet [X] acre(s) [X] Zoning: SLUC-Agricultural
CZO-Agriculture

Fee Owner: REGAL CAPITAL COMPANY, LLC
4564 Kukui Street, Suite 200, Kapaa, Kauai, Hawaii 96746

C. **Buildings and Other Improvements**:

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

2. Number of Buildings: 7 Floors Per Building 1
[X] Exhibit A contains further explanations.

3. Principal Construction Material:

[X] Concrete [ ] Hollow Tile [X] Wood

[X] Other Steel posts and screen and other allied building materials

4. Permitted Uses by Zoning:

	No of Apts.	Use Permitted By Zoning	
[ ] Residential	___	[ ]Yes [ ] No	
[ ] Commercial	___	[ ] Yes	[ ] No
[ ] Mix Res/Comm	___	[ ] Yes	[ ] No
[ ] Hotel	___	[ ] Yes	[ ] No
[ ] Timeshare	___	[ ] Yes	[ ] No
[ ] Ohana	___	[ ] Yes	[ ] No
[ ] Industrial	___	[ ] Yes	[ ] No
[X] Agricultural	3*	[X] Yes	[ ] No
[ ] Recreational	___	[ ] Yes	[ ] No
[X] Other - Shade Shed	2	[X] Yes	[ ] No

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

[X] Yes [ ] No

*One unit is a guest house.

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: See Building and House Rules

[ ] 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 A	1	0/0		12	Shade Shed
Unit B	1	3/2 1/2	1,152	576	Farm Dwelling/Garage
Unit B	1	0/2 1/2		1728	Barn
Unit C	1	3/2 1/2	1,152	576	Farm Dwelling/Garage
Unit D	1	1/1 1/2	495		Guest House
Unit D	1			288	Garage
Unit E	1	0/0		12	Shade Shed

Total Apartments: 5

***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:

See Exhibit "A"

Permitted Alterations to Apartments:

See Exhibit "B"

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

7. Parking Stalls:

Total Parking Stalls: 10

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for each unit)		2 (Units B & C) 1 (Unit D) 2 (Units A & E) 1 (Unit C)					10
Guest							
Unassigned							
Extra for Purchase							
Other:							
Total Covered & Open	10		0		0		10

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.

There is sufficient area within the limited common elements to provide for the two (2) stalls for Units A and E and single Stall for Unit C.

[ ] Commercial parking garage permitted in condominium project.

[X] Exhibit A contain additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[ ] There are no recreational facilities

[ ] Swimming pool [ ] Storage Area [ ] Recreation Area

[ ] Laundry Area* [ ] Tennis Court [ ] Trash Chute/Enclosure(s)

[X] Other: Common Driveway/Common Utilities

9. Compliance with Building Code and Municipal Regulations; Cost to Cure Violations

[X] There are no violations. [ ] Violations will not be cured.

[ ] Violations and cost to cure are listed below. [ ] Violations will be cured by _____

10. Conditions and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years):

See Architect's Certification dated January 16, 2004, attached hereto as Exhibit "J".

1. Conformance to Present Zoning Code

a. [X] No variances to zoning code have been granted.

[ ] Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures*	X		
Lot	X		

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

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

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

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

1. Common Elements: Common Elements are those parts of the condominium project 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:

[X] described in Exhibit C.

[ ] as follows:

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

[ ] There are no limited common elements in this project.

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

[X] described in Exhibit D.

[ ] 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 ___.

[X] as follows:

Each unit shall have the appurtenant thereto an undivided one-fifth (1/5) interest in all common elements of the property, an the same proportionate share in all common profits and common expenses of the property (except as may be provided in the Bylaws) and for all other purposes, including voting,. The fractional common interest for each unit is determined by assigning a 1/5 (20%) fractional interest to each unit irrespective of the actual land area contained in the limited common elements appurtenant to each unit.

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 E describes the encumbrances against the title contained in the title report dated September 2, 2005 issued by First Hawaii Title Corporation

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 specific 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.

[X] 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.

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed **Prior to Conveyance**
Mortgage	Lender has priority over Buyer's rights under a sales contract, and has a right to terminate sales contracts upon foreclosure of its mortgage before an apartment sale is closed. Should the lender terminate Buyer's sales contract, Buyer shall be entitled a refund of all deposits, less escrow cancellation fee.

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. Units are sold "as is".

2. Appliances:

None. There are no warranties, express or implied.

G. **Status of Construction and Date of Completion or Estimated Date of Completion**:

The construction of Units A and E were completed in May, 2003

Unit B Farm dwelling and barn were constructed in 1989.

Unit C was constructed in 1990.

Unit D Guest House and garage was constructed in 1992.

H. **Project Phases**:

The developer [ ] has [X] 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 an 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
[X] self-managed by the Association of Apartment Owners
[ ] the Developer or the Developer's affiliate.
[ ] 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, your apartment may be liened and sold through a foreclosure proceeding.

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

Exhibit F 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:

[X] 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

[X] Specimen Sales Contract
Exhibit G contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated February 5, 2004.
Exhibit H 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 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 a 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 as 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 form the time the report(s) were delivered to the buyer; or
   3) The apartment is conveyed to the buyer within 30 days form 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 Report issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
B) Declaration of Condominium Property Regime
C) Bylaws of the Association of Apartment Owners
D) House Rules, if any.
E) Condominium Map
F) Escrow Agreement.
G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
H) Other: _____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer 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 law: www.hawaii.gov/dcca/hrs
Website to access rules: www.hawaii.gov/dcca/har

This Public Report is part of Registration No. 5370 filed with the Real Estate Commission on May 11, 2004 .

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

C. **Additional Information Not Covered Above**

1. **NOT A SUBDIVISION**. This is a condominium project which should not be confused with a subdivision. A purchaser of an apartment unit will be conveyed an apartment unit together with an "undivided" percentage interest in the common elements of the project. The entire parcel of land upon which the project is situated is designated as a common element. That portion of the common element which each purchaser has the exclusive right to use is called a limited common element or area, but is not a separate, legally subdivided lot.

2. **FARM DWELLING.** Purchasers should be aware that Chapter 205, Hawaii Revised Statutes ("HRS."), 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".

The term "farm dwelling: is defined in HRS. Chapter 205-4.5(a)(4) as a "single family dwelling located on and used in connection with a farm, including clusters of a single-family farm dwelling permitted within agricultural parks developed by the State or where agricultural activity provides income to the family occupying the dwelling."

The penalty for violation of HRS Section 205-4.5, is a fine of not more than $5,000. 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. There shall be a fine of not more than $5,000 for any additional violation.

In order for any purchaser to obtain a building permit to construct a single family residential unit (farm dwelling), the County of Kauai will require the purchaser to sign a Farm Dwelling Agreement in the form attached hereto as Exhibit "I".
In addition, Section K.2. of the Declaration imposes a duly of each unit owner to bear an equal burden proportionate to the unit owners respective appurtenant interest in the common area for the cost of maintaining agricultural activities on the Project that are satisfactory to the Planning Department of the County of Kauai and that will allow the issuance of a Farm Dwelling Agreement and corresponding building permit to all of the units with the Project. See Section K.2. of Exhibit "B", Alteration of Project.

3. **HAZARDOUS MATERIAL**. The use of hazardous material is restricted except as provided under Article H of the Declaration and all hazardous materials laws.

4. **LIFE ESTATE**. There is a life estate in favor of Adam and Mildred Pereira covering the Guest House of Unit D. This means that any purchaser of Unit D will not be able to use or occupy it so long as either of the Pereira's are alive and they wish to use Guest House of Unit D.

5. **PENDING LAWSUIT**. There is a pending civil action filed against the Developer in Elester Calipjo vs. Jack Purdy, et al., Fifth Circuit Court, State of Hawaii, in Civil No. 04-1-003. The Developer believes that this action has no merit and is diligently pursuing the dismissal of it. It involves a termination of contract of sale affecting an interest in the Project. The Developer will either cause the lis pendens filed as Document No. 2004-008184 to be expunged or obtain a release or partial release of this mater when a unit is sold to a purchaser.

6. **SEPTIC SYSTEM**. If the unit being purchased does not have its own wastewater disposal system, then the owner of such unit will be responsible for installing its own septic wastewater system, if applicable. There are numerous Health and other regulatory requirements concerning the installation and operation of a septic system. Prospective purchasers are cautioned to familiarize themselves and consult with an appropriate design professional or engineer concerning the requirements for installing and maintaining a septic system which includes any restrictions contained in the condominium documents governing this Project.

7. **UNIT D.** A portion of the limited common element land area appurtenant to Unit D is subject to a life estate in favor of Adam and Mildred Perreira ("Perreira"). The area affected is delineated as "License Area" on the Condominium Map containing approximately 0.774 acre of land area. Included in the License Area is a garage and guest house. This means that so long as either of the Perreira's are alive, they will have the exclusive use and benefit of the License Area and all improvements within the Licensed Area. The Developer or the project broker will provide the specific terms of the life estate which includes, amongst other provisions, what can happen or will happen to the improvements while the Perreiras' have use of the License Area and what happens to them at the termination of the life estate. During the term of the life estate, the Perreiras are responsible and liable for all cost and expenses associated with the License Area and the improvements contained therein.

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.

REGAL CAPITAL COMPANY, LLC
A Hawaii limited liability company
Owner/Developer

By _____ 1-8-04
Thomas B.. Summers — Date
Its Authorized Agent

Distribution:

Department of Finance, County of Kauai

Planning Department, County of Kauai

***Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner, Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.**

EXHIBIT "A"

DESCRIPTION OF BUILDINGS

The project consists of five (5) units designated as Units A, B, C, D and E which are described as follows:

(a) Unit A is an agricultural shade shed constructed principally of steel posts and screen, without a basement or foundation. Unit A contains a total area of 12 square feet.

(b) Unit B consists of a single family (residential) farm dwelling and a barn. The dwelling is constructed primarily of wood, composition shingle roof and concrete floor without a basement. The dwelling consists of a living room, dining-kitchen, 3 bedrooms and 2 bathrooms and storage room of 1,152 square feet of living area and attached garage of 576 square feet. The barn is constructed primarily of wood, composition shingle room and concrete floor without a basement. The barn has an equipment/storage room, workshop, office, three storage rooms and 2 and ½ bathroom of 1,728 square feet.

(c) Unit C consists of a single family (residential) farm dwelling constructed primarily of wood, composition single roof and concrete floor without a basement. The dwelling C consists of a living room, kitchen/dining room, 3 bedrooms, 2 ½ bathrooms and storage of 1,152 square feet and an attached garage of 576 square feet.

(d) Unit D consists of a guest house and a shed. The Guest House is constructed primarily of wood, composition shingle roof without a basement and consists of a living room, 1 bedroom, 1 ½ bathroom, closet and lanai of 495 square feet of living area. The Garage is constructed primarily of wood without a basement and contains 288 square feet.

(e) Unit E is an agricultural shade shed constructed principally of steel posts and screen, without a basement or foundation. Unit E contains a total area of 12 square feet.

Units A, B, C, D and E are located as shown on the Condominium Map.

The approximate net floor areas of each unit as set forth above is measured from the interior surface of the unit perimeter walls and includes all of the walls and partitions within its perimeter walls.

EXHIBIT "B"

ALTERATION OF PROJECT

Paragraph K of the Declaration provides that:

1. Provided that the unit owner satisfies the applicable terms and conditions of the Project Documents and obtains all of the necessary governmental permits, each unit owner shall have the right at his sole option at any time and from time to time, as hereinafter set forth, without the consent and/or approval of the owner of any other unit or any other persons or entity, to construct, reconstruct, repair, maintain, improve, renovate, remodel, make additions to, enlarge, remove, replace, alter or restore the improvements to or in his unit or portions thereof or upon or within the Yard Areas or other limited common elements or easements appurtenant to his unit (collectively, the foregoing are referred to as "alterations"). Each unit owner who makes such alterations (hereinafter referred to as the "Altering Owner") shall have the right without the consent or joinder of any other person to amend this declaration and the Condominium Map to accomplish any such alterations. If required by the Act, promptly upon completion of such alterations the Altering Owner shall duly record such amendment to this declaration in the Bureau of Conveyances, together with a complete set of the floor plans of such unit as so altered, certified by a registered architect or professional engineer to fully and accurately depict the altered portions of the property as built. All existing unit owners and all future unit owners and their mortgagees, by accepting an interest in a unit, consent to all such alterations and agree to give and shall be deemed to have given the Altering Owner a power of attorney to execute an amendment to the declaration solely for the purpose of describing the alterations to such unit in the declaration so that the Altering Owner shall hereafter have a power of attorney from all the other unit owners to execute such amendment to the declaration. This power of attorney shall be deemed coupled with each owner's interest in his unit (including his common interest) and shall be irrevocable. If, despite the provisions of this paragraph, any governmental agency shall require some or all of the owners of units in the Project (other than the Altering Owner) to sign the necessary governmental permit application or related documents, then all of the other unit owners shall be required to sign any such permit applications or related documents (including authorizations allowing the Altering Owner to sign such governmental permits on behalf of such other owners) as may be necessary to allow the Altering Owner to obtain all such governmental permit necessary to make the alterations authorized by this paragraph. Any such unit owner who wrongfully refuses to sign such permits or provide the Altering Owner with the necessary authorizations: shall be liable to the Altering Owner for all such damages (including costs and attorneys' fees) incurred by the Altering Owner as a result of such refusal; and shall be subject to such other legal and/or equitable remedies as may be available to the Altering Owner.

2. In certain cases, H.R.S. Chapter 205 may require that the Condominium Houses located within the Project qualify and be used as Farm Dwellings. If one or more of the Condominium Houses within the Project must qualify as a Farm Dwelling, then the affected unit

owner will be required to enter into an agreement with the County of Kauai certifying that the Farm Dwelling will be used in connection with a farm or where agricultural activity provides income to the family occupying the Farm Dwelling. In addition, the Planning Department of the County of Kauai may not allow any Farm Dwelling to be constructed after the first Farm Dwelling within the Project unless the Planning Department inspects the Project to confirm whether agricultural activities are being conducted on the Project in accordance with H.R.S. Chapter 205. Each unit owner in the Project, therefore, shall bear an equal burden proportionate to the unit owner's respective appurtenant interest in the common area, for the cost of maintaining agricultural activities on the Project that are satisfactory to the Planning Department of the County of Kauai and that will allow the issuance of a Farm Dwelling Agreement and corresponding building permit to all of the units within the Project. Any assessment that may be necessary to maintain agricultural activities pursuant to this paragraph may be imposed upon each unit in accordance with the Bylaws as a common expense of the association in connection with the operation of the Project.

3. Any alteration of a unit pursuant to this paragraph K shall be subject to the following conditions:

(a) All such alterations shall conform with all applicable governmental regulations, laws and ordinances.

(b) Such alterations may decrease or increase the size of the affected unit, provided that no alteration shall extend or place the unit outside of the limits of the Yard Area appurtenant to such unit.

(c) All such alterations shall be at the sole expense of the unit owner making the change and shall be made within one (1) year of the commencement thereof and in a manner that will not unreasonably interfere with the other unit owner's use of his unit or Yard Area.

(d) The owner of the altered unit, at such owner's sole expense, shall have the right to utilize, relocate, construct, reconstruct, realign and/or develop additional, central and appurtenant installations for services to the unit affected by such alteration for electricity, sewer and other utilities and services. When necessary, the owner of the altered unit may add, delete, relocate, realign, designate and grant easements and rights-of-way over, under and on the common elements as necessary or desirable in connection therewith. Provided, however, that no work done pursuant to this paragraph shall cause any unreasonable interruption in the service of such utilities to any other part of the Project, nor shall it unreasonably interfere with any other unit owner's use or enjoyment of his unit or Yard Area.

4. Under current laws, the Project is entitled to construct one (1) Guest House. The right to construct said Guest House is reserved to the owner of Unit D. Said right may be assigned by the owner of Unit D to any other unit owner within the Project at any time. All provisions of the Comprehensive Zoning Ordinance and any other laws, ordinances or regulations

which are applicable shall be observed by the unit owner to which the right to build a Guest House applies. The unit owner shall also consult with the appropriate County and/or State agencies regarding all applicable laws or regulations prior to construction.

5. Each and every conveyance, lease and mortgage or other lien made or created on any unit and all common interests, limited common elements, and other appurtenances thereto shall be subject to the provisions of this paragraph and any lease of a unit shall reserve to all unit owners the rights set forth in this paragraph.

* SPECIAL NOTATION: When applying for or submitting Farm Dwelling Agreements, building permits, use permits, zoning permits or any other land use permits with governmental agencies, the governmental agency may require some or all of the owners of the Project to sign the permit forms. In such case, all unit owners shall be required to sign such permit applications and related documents as may be necessary for any unit owner to obtain such permits, so long as the requesting unit owner has complied with the Condominium Documents.

The issuance of an effective date for the Condominium Public Report should not be construed to mean that all governmental laws, ordinances and regulations have been complied with and all subsequent development and use shall comply with applicable governmental laws, ordinances and regulations.

Additionally, the creation of the Condominium Property Regime does not mean that the land has met the subdivision requirements of the County. As such, certain facilities and improvements normally associated with County approved subdivisions may not be necessarily included as part of this Project.

EXHIBIT "C"

COMMON ELEMENTS

The common elements of the project shall specifically include, but are not limited to, the following:

1. The Property described in Exhibit "A", attached to the Declaration, in fee simple.

2. All central and appurtenant installations for common services, including utilities.

3. Any and all apparatus and installations of common use and all other parts of the project necessary or convenient to its existence, use, maintenance or safety, or normally in common use.

4. The Common Element Driveway containing approximately 0.767 acres, as shown on the Condominium Map.

EXHIBIT "D"

LIMITED COMMON ELEMENTS

Certain units shall have appurtenant thereto easements for the exclusive use of certain limited common elements as follows:

Yard Area A: Yard Area A consists of the land area under and surrounding Unit A, contains approximately 1.283 acres as designated on the Condominium Map, and is reserved for the exclusive use of Unit A for the support of the building and other improvements comprising Unit A, and for the purposes described in the Project Documents.

Yard Area B: Yard Area B consists of the land area under and surrounding Unit B, contains approximately 2.819 acres as designated on the Condominium Map, and is reserved for the exclusive use of Unit B for the support of the building and other improvements comprising Unit B, and for the purposes described in the Project Documents.

Yard Area C: Yard Area C consists of the land area under and surrounding Unit C, contains approximately 3.127 acres as designated on the Condominium Map, and is reserved for the exclusive use of Unit C for the support of the building and other improvements comprising Unit C, and for the purposes described in the Project Documents.

Yard Area D: Yard Area D consists of the land area under and surrounding Unit D, contains approximately 4.827 acres as designated on the Condominium Map, and is reserved for the exclusive use of Unit D for the support of the building and other improvements comprising Unit D, and for the purposes described in the Project Documents.

Yard Area E: Yard Area E consists of the land area under and surrounding Unit E, contains approximately 6.787 acres as designated on the Condominium Map, and is reserved for the exclusive use of Unit E for the support of the building and other improvements comprising Unit E, and for the purposes described in the Project Documents.

EXHIBIT "E"

Encumbrances Against Title

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

2. Rights or claims of persons or entities other than the insured involving or arising out of: Mineral or metallic mines; geothermal resources; water; fishing, navigation; wetlands; creation or loss of the land or any portion thereof by accretion, avulsion or artificial means; persons residing on or otherwise in possession of the land or any portion thereof; trails, roadways, or other rights of way, including without limitation any rights or claims under Chapter 264, Hawaii Revised Statutes.

3. Perpetual easements and rights-of-way for road and utility purposes to be used in common with others thereto entitled, as set forth in that certain Warranty Deed dated October 19, 1965, recorded in the Bureau of Conveyances, State of Hawaii, in Book 5174, Page 275.

4. Easement "B" (area 0.962 acre, more or less) as shown on Tax Map Key.

5. Easement in favor of Citizens Utilities Company, a Delaware corporation, dated August 16, 1987, granting an easement for utility and incidental purposes, recorded in said Bureau, in Book 18126, Page 359.

6. Easement in favor of Citizens Utilities Company, a Delaware corporation, dated December 24, 1984, granting an easement for utility and incidental purposes, recorded in said Bureau, in Book 18417, Page 253.

7. Dwelling Agreement dated May 05, 1989, recorded in said Bureau, in Book 23445, Page 229.

Subordination of Farm Dwelling Agreement dated November 3, 1999, recorded in said Bureau, as Document No. 99-186716.

8. Farm Dwelling Agreement dated July 19, 1989, recorded in said Bureau, in Book 23520, Page 292.

Subordination of Farm Dwelling Agreement dated November 3, 1999, recorded in said Bureau, as Document No. 99-186716.

9. Easement dated September 10, 1990, in favor of Daniel Tsukasa Hironaka and Doris Kiyoko Hironaka, husband and wife, granting a perpetual non-exclusive easement for vehicular access, utility and incidental purposes over, under and across Easement "B".

10. Easement dated September 4, 1990, in favor of Citizens Utilities Company, a Delaware corporation and GTE Hawaiian Telephone Company Incorporated, a Hawaii corporation, now known as Verizon Hawaii, Inc., granting an easement for pole, wire line and incidental purposes, recorded in said Bureau, as Document No. 90-185672.

11. The covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Elevation Agreement dated August 29, 1991, in re: water supply, recorded in said Bureau, as Document No. 91-136936.

12. Mortgage dated November 3, 1999, in favor of Finance Factors, Limited, a Hawaii corporation, recorded in said Bureau, as Document No. 99-179913.

13. Assignment of Rents and Income dated November 3, 1999, in favor of Finance Factors, Limited, a Hawaii corporation, recorded in said Bureau, as Document No. 99-179914.

14. Financing Statement, in favor of Finance Factors, Limited, a Hawaii corporation, recorded in said Bureau, as Document No. 99-179915.

15. Real Estate Exchange Agreement dated August 27, 1999, in re: Exchange of interests in real property such that the Pereira Lot (TMK: 4/4-2-022-029) is transferred and conveyed to Summers, or to his order, and such that Pereiras retain the right to live on and lease a portion of the Summers Lot (TMK: 4/4-2-022-030) for the duration of their lives, recorded in said Bureau, as Document No. 2000-007550.

16. Waiver and Release Agreement dated March 11, 2002, recorded in said Bureau, as Document No. 2002-051360.

17. Any unrecorded leases, subleases, and/or tenancy agreements demising a portion of the land herein described, and any encumbrances affecting the same.

18. Notice of Pendency of Action - Fifth Circuit Court - State of Hawaii, Civil No. 04-1-003, dated January 8, 2004, recorded in said Bureau, as Document No.2004-008184.

19. The covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Declaration of Condominium Property Regime of "Ali'i Ranch Estate I Condominium" dated January 8, 2004, recorded in said Bureau, as Document No. 2004-036016. Said Declaration was amended by an Amendment to Declaration dated July 20, 2005, recorded in said Bureau, as Document No. 2005-175380.

Condominium Map No. 3711, to which reference is hereby made.

(The units created by the foregoing instrument are more particularly described in Schedule "1" attached hereto).

20. By-Laws of the Association of Apartment Owners of Ali'i Ranch Estate I Condominium dated January 8, 2004, recorded in said Bureau, as Document No. 2004-036017, to which reference is hereby made.

21. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Declaration of Restrictive Covenants Ali'i Ranch Estate I Condominium dated January 8, 2004, recorded in said Bureau, as Document No. 2004-036018.

SCHEDULE I

UNIT NO.	UNDIVIDED INTERESTS
A	1/5th
B	1/5th
C	1/5th
D	1/5th
E	1/5th

EXHIBIT "F"

ALI'I RANCH ESTATE I

REGISTRATION NO. _____
DISCLOSURE STATEMENT AS OF January 8, 2004

1. Name of Project: ALI'I RANCH ESTATE I.

2. Address: Lot 9B, Waialua Homestead (Second Series), Wailua, Kauai, Hawaii 96746

3. Name of Owner and Developer: REGAL CAPITAL COMPANY, LLC., a Hawaii limited liability company.

4. Address: 4569 Kukui Street, Suite 200, Kapaau, Hawaii 96746.

5. Project Manager or Agent: Self managed by Association of Apartment Owners.

6. Address: 1310 Inia Street, Kapaa, Hawaii 96746.

7. Maintenance Fees: There is a budget for maintenance fees as set forth in the Exhibit attached hereto and incorporated herein by reference.

8. Commencement of Maintenance Fees: At such time that the Association shall determine a need therefor. In the mean time each owner will maintain his premises at his own cost and expense.

9. Warranties: The Project is a fee simple condominium project and there are no warranties.

10. Project: The Project consists of five (5) condominium apartments. Apartments A and E are free standing detached shade sheds. Apartment B has a dwelling and garage, Apartment C has a dwelling and Apartment D has a guest house and garage. The uses will be agricultural and other uses that are allowed by the County of Kauai ordinances.

Dated: Kapaau, Hawaii, this 8 day of JANUARY, 2004.

DEVELOPER
REGAL CAPITAL COMPANY, LLC.

By Thomas B. Summers
Thomas B. Summers
It's Authorized Agent

EXHIBIT "F"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee	x	12 months	=	Yearly Total
Unit A	$30.00	x	12	=	$360.00
Unit B	$30.00	x	12	=	$360.00
Unit C	$30.00	x	12	=	$360.00
Unit D	$30.00	x	12	=	$360.00
Unit E	$30.00	x	12	=	$360.00

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	$100.00 x 12 = $1,200.00
Management	
Management Fee	
Payroll and Payroll Taxes	
Office Expenses	
Insurance	$ 50.00 x 12 = $ 600.00
Reserves(*)	
Taxes and Government Assessments	
Audit Fees	
Other	
TOTAL	$150.00 x 12 = $1,800.00

REGAL CAPITAL CORPORATION, the developer for the ALI'I RANCH ESTATE I CONDOMINIUM project, hereby certifies that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

REGAL CAPITAL COMPANY, LLC, a Hawaii limited liability company

By _____
Thomas B. Summers
Its Authorized Agent

(*) 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.

NOTE: The Project has shared utilities and shared improved roads which are common elements, and thus may require replacement.

Developer discloses that Developer has not conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules.

EXHIBIT "G"

SUMMARY OF DEPOSIT RECEIPT AND SALES CONTRACT

The Deposit Receipt and Sales Contract, including the terms and conditions attached thereto as Article IV (hereinafter collectively called the "Sales Contract") contain the price and other terms and conditions under which a purchaser will agree to buy a unit in the Project. Among other things, the Sales Contract states:

(a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of a unit.

(b) That the purchaser acknowledges having received and read a public report (either preliminary or final) for the Project prior to signing the Sales Contract.

(c) That the Developer makes no representations concerning rental of a unit, income or profit from a unit, or any other economic benefit to be derived from the purchase of a unit.

(d) That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(e) Requirements relating to the purchaser's financing of the purchase of a unit.

(f) That the unit and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.

(g) That the Developer makes no warranties regarding the unit, the Project or anything installed or contained in the unit or the Project.

(h) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

(i) That the purchaser will not receive interest on deposits made under the Sales Contract.

(j) If the buyer shall default:

(1) The contract may, at the seller's option, be terminated by written notice to the buyer; and

(2) Any sums paid by the buyer shall belong to the seller as liquidated damages (up to a maximum of 20% of the total purchase price); and

(3) The seller may pursue any other remedy, including specific performance, permitted by law or equity. All costs, including reasonable attorneys' fees, incurred by reason of default by the buyer shall be borne by the buyer.

Further, if the buyer shall default in making any payment when due, a late charge of one percent (1%) per month shall accrue from the due date until such payment, together with such late charge, is paid, or at any time prior to the time that such payment and late charge is paid in full, the seller may, at its option, terminate this contract as provided in paragraphs (1) through (3) above.

The Sales Contract contains various other important provisions relating to the purchase of a unit in the Project. It is incumbent upon purchasers and prospective purchasers to read with care the specimen sales Contract on file with the Real Estate Commission.

EXHIBIT "H"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits a purchaser makes pursuant to a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement, these things will or may happen:

(a) Escrow will let the purchaser know when payments are due.

(b) Escrow will arrange for the purchaser to sign all necessary documents.

(c) The purchaser is entitled to a refund if the purchaser or seller cancels the Sales Contract in accordance with its cancellation provisions, or if the purchaser terminates its reservation before the Sales Contract is binding. However, Escrow may deduct from the refund cancellation fees in accordance with the Sales Contract.

In the event of a default by the purchaser, the funds paid by the purchaser shall belong to the seller as liquidated damages (up to a maximum of twenty percent (20%) of the total purchase price).

The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. It is incumbent upon purchasers and prospective purchasers to read with care the executed Escrow Agreement on file with the Real Estate Commission.

(d) The purchaser's funds that are placed in trust prior to closing may be used by the seller after (1) the purchaser has (i) been provided with a final public report; (ii) executed a receipt and notice and has waived his right to cancel or thirty (30) days have elapsed since the purchaser has been provided with the final public report and receipt and notice of right to cancel; and (2) the seller notifies escrow in writing that since (i) and (ii) have happened, the Sales Contract is binding; and (3) the seller's attorney advises escrow that the Sales Contract is binding and the requirements of Hawaii Revised Statutes, Sections 514A-63 and -65 have been met.

(e) Escrow may not disburse any buyer's funds in the construction of the project until completion of the project and the expiration of the mechanic's and materialmen's lien period. Escrow may disburse prior to completion of the project and expiration of the applicable lien period if the Developers would furnish each purchaser an Owners Title Insurance with an endorsement against any future liens placed on the apartments or project as a result of the development, plus providing the Real Estate Commission a release of the General Contractor's lien rights.

EXHIBIT "I"

LAND COURT SYSTEM | REGULAR SYSTEM

RETURN BY: MAIL [ ] PICKUP [ ] To:

County of Kauai
Planning Department
4280 Rice Street
Lihue, Kauai, Hawaii 96766

FARM DWELLING AGREEMENT

This agreement made and entered into as of the _____ day of _____, 19 _____, by and between _____, whose mailing address is _____, hereinafter called the "APPLICANT(S)", and the COUNTY OF KAUAI, Planning Department, whose business and mailing address is 4280 Rice Street, Lihue, Hawaii 96766, hereinafter called the "DEPARTMENT",

W I T N E S S E T H :

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

WHEREAS, this document pertains only to _____ as shown in Exhibit "B" and made 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._____

_____ 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 a "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 described 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 4396 Rice Street, 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 king 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 _____, 19 _____.

APPROVED:

_____
Planning Director

APPROVED AS TO FORM
AND LEGALITY:

_____
County Attorney

Applicant(s)

_____

_____

_____

STATE OF HAWAII)
) ss.
COUNTY OF KAUAI)

On this _____ day of _____, 19 _____, before me personally appeared _____

_____
to me known to be the person(s) described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

_____
Notary Public, Fifth Judicial Circuit
State of Hawaii

My commission expires:

EXHIBIT J

Hedda Schmutz and Associates
Architecture and Engineering
P. O. Box 978, Kapaa, Hawaii 96746
Phone/Fax: (808) 8239872

ALI'I RANCH ESTATE I CONDOMINIUM

ARCHITECT'S CERTIFICATION

The undersigned being a licensed Architect within the State of Hawaii and bearing Registration No. AR 7899 has inspected the structures on Units A through E being on land described as portions of Lot 9B Waialua Homesteads (First Series) at Wailua, Kawaihau (Puna), Kauai, Hawaii designated by Tax Map Key, 4th Division, 4-2-22: 30. (Ali'i Ranch Estates I):

Units A and E agricultural Shade Structures: Completed in 2003.

Unit B Residence: living room, dining-kitchen, 3 bedrooms, 2 ½ bath, Laundry, storage and attached garage completed in 1989. Unit B Barn: equipment storage, workshop, office, 3 separate storage areas and 2 ½ bath completed in 1989...

Unit C Residence: living room, dining-kitchen, 3 bedroom, 2 ½ bath, laundry, storage and attached garage completed in 1990.

Unit Guesthouse: living room, bedroom, 1 ½ bath, lanai completed in 1992. Unit D Garage completed in 1982.

The inspection included the exterior roof, foundations, walls visible electrical, and plumbing systems, and I find as follows:

1. Records of plans and specifications on file with the County of Kauai Planning Department and Building Division have been reviewed as to the following:

   Units A and E agricultural shade structures.

   Interior Area = 12 SF

   Unit B Residence: Living Area = 1,152 SF
   Storage Area = 96 SF
   Garage = 576 SF

Unit C Residence:	Living Area	= 1,152 SF
	Garage	= 576 SF
Unit D Guesthouse:	Living Area	= 495SF
Unit D Garage:	Interior Area	= 288 SF

2. The Structures on Units A through E appear to be constructed in the manner described in the drawings constituting the Condominium File Plan for the Ali'i Ranch Estate I Condominium Project.

3. The systems and component, including visible structural, electrical, and plumbing appear to be satisfactory condition for the stated age thereof and appear to be in good sound condition.

4. Without conducting invasive examination of covered structural, electrical, and plumbing components, the units appear to be constructed in conformity with the County of Kauai Zoning Ordinance Building Code and Rules and Regulations applicable to the construction at the time of construction thereof for the CPR Sheds on Units A and E.

   The Units meet the present Building Codes.

   (1) An apparent expected life of the units provided that proper maintenance is applied, area as follows:

CPR sheds on Units A and E.	5 years.
Unit B Residence	60 years
Garage	60 years
Unit C Residence	60 years
Unit D Guest House	50 years
Garage	40 years

   (2) There are no non-conforming uses existing on the property and no variances from any zoning or building codes have been granted for structure or uses on the property.

THIS IS NOT A WARRANTY OF COMPLINACE WITH ALL CODES, RULES AND REGULATIONS, ONLY A WARRANTY THAT INSPECTION WAS MADE AND NO APAPRENT VIOLATIONS APPEAR TO EXIST, NO RIGHT SHALL ACCRUE TO ANYH THIRD PARTY FOR SUBSEQUENT DISCOVERY OF ANY PROBLEMS WITH CODE COMPLIANCE OR FOR FUTURE CHANGES IN SUCH CODES.

SEE ATTACHED

HEDDA SCHMUTZ,
Registered Professional
Architect No. 7899

Subscribed and sworn in to before me

This 13th day of October, 2003

NOTARY PUBLIC

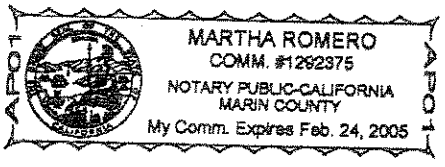

EXHIBIT K

R-343 STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED
FEB 23, 2004 08:01 AM
Doc No(s) 2004-036018

/s/ CARL T. WATANABE
REGISTRAR OF CONVEYANCES

20 3/3 Z3

LAND COURT SYSTEM REGULAR SYSTEM

Return by Mail Pickup (X)

ACCOMMODATION RECORDING
NO TITLE LIABILITY

Accom No. A04-026
Hiroshi Sakai
Att-At-Law

FIRST HAWAII TITLE CORPORATION
201 Merchant Street, Suite 2000 902
Honolulu, Hawaii 96813

FHTC

This document contains 5 pages

R/S 3

T.M.K. 4th Div. 4-2-22: 30

DECLARATION OF RESTRICTIVE COVENANTS
ALI'I RANCH ESTATES I CONDOMINIUM

KNOW ALL MEN BY THESE PRESENTS:

This Declaration of Restrictive Covenants made this 8th day of January, 2004 by REGAL CAPITAL COMPANY, LLC. A Hawaii limited liability company, whose mailing address is 4569 Kukui Street, Suite 200, Kapaa, Kauai, Hawaii 96746, hereinafter called the "Declarant",

W I T N E S S E T H:

WHEREAS, Declarant owns 100% of the certain property in Kapaa, Kauai, Hawaii as described below;

WHEREAS, Declarant desires to subject the property to certain conditions, covenants and restrictions for the benefit

of the property and its present and subsequent owners;

NOW THEREFORE, the Declarant hereby declares that the property in the ALI'I RANCH ESTATES I CONDOMINIUM designated by Tax Map Key, 4th Division, 4-2-22-30 is made subject to this Declaration and is held and shall be held, conveyed, encumbered, leased, rented, used, occupied and improved subject to the following terms and conditions, all of which shall be deemed to be covenants running with the land perpetually and shall be binding upon and shall inure to the benefit of all parties having or acquiring any right, title or interest in the property interests that are made subject to this Declaration.

1. Property Covered. The property covered by this Declaration is the parcel of land described above and more particularly described in Exhibit "A" (referred to as "the Property" in this document).

2. Restrictions. The Declarant hereby declares that the following conditions are to be observed with respect to any use and construction that will occur on the Property.

2.1. Underground Utilities. There shall be no outdoor overhead wires, lines or structures for the supply of electricity, telephone, cable television, or other utilities, and no pole, tower or other structure supporting such outdoor overhead wires, shall be erected, placed, or maintained on the Property. All utility lines and connections shall be placed underground unless otherwise required by the County, the State or a public utility company, or as may be necessary on a temporary basis during any construction work done at or on the Property.

2.2. Grades, Slopes and Drainage. In any grading and/or excavation of any limited common elements appurtenant to any future condominium Apartment, the grade shall not be altered in such a manner as to affect the drainage of any adjoining limited common elements appurtenant to any other Apartment. No structure, plantings or other materials shall be placed or permitted to remain on or within any grades, slopes, or courses, nor shall any other activities be undertaken thereon, any of which may damage or interfere with established slopes or grades, or create a risk of flooding, erosion or sliding problems, or which may change the direction of flow, or obstruct or retard the flow, of rainwater or irrigation water, or channel it onto any other owner's limited common elements or other parts of the Property.

2.3. Dwellings. Each farm dwelling constructed on the Property shall contain not less than 1,800 square feet of

livable floor area, exclusive of lanais, patios, garage, storage space, and workshop, except for the square footage of any permitted guest cottage which shall not exceed the maximum area permitted by County of Kauai zoning laws. Each dwelling shall have a garage designed to accommodate at least two motor vehicles, which is architecturally harmonious with the dwelling to which it is appurtenant.

2.4. Fences. No fencing of any kind may be constructed within or upon any access easement or utility easement.

2.5. Building Setbacks. A building setback as may be required by the County of Kauai building and zoning code shall be observed from all boundaries in the Property. No permanent structure shall be built on any utility or setback easement area as shown in any further division by a condominium property regime.

2.6. Building Exteriors. Use of mirrored glass, reflective sun screens, or other highly reflective materials for exterior windows shall be prohibited.

2.7. Exterior Lighting. In order to minimize adverse impacts on the Federally Listed Threatened Species, Hawaii's shearwater and other seabirds, all external lighting shall be only of the following types: shielded lights, cut-off luminaries, or indirect lighting. Spotlights aimed upwards and upward-directed spotlighting of structures and features shall be prohibited.

2.8. Sanitation. The Property does not have sewer lines, and there is no sanitary sewer system. Septic tanks shall be located no closer than 5 feet to any boundary of the Property, and/or easement, and/or any limited common element, and in compliance with all applicable State of Hawaii and County of Kauai laws, rules and regulations. No cesspools shall be installed anywhere on the Property.

2.9 View Plane Easements The Property does not have existing view plane easements established. The Declarant will require all building plans be submitted to Declarant to examine the view plane of the person building as well as the person whose unit that may block in whole or partially the view plane to preserve the view plane of the person building.

3. Enforcement of Restrictions. The Declarant so long as it owns the Property or an undivided interest or unit (when the Property is converted into a condominium property regime) and any other owner of an apartment unit or a lessee having a leasehold interest in an apartment unit of more than 10 years may have the following rights and powers to enforce the

restrictions contained herein, when such lease is recorded in the Bureau of Conveyances, State of Hawaii.

a. Enforcement of Restrictions. The Declarant, Association or any owner ("Requesting Party") by giving 30 days written notice by certified mail to the Defaulting Party owning or occupying an apartment of the Property specifying the type of remedy and/or action that it desires to be accomplished as specified in paragraph 3 above and if no objection is raised by the Defaulting Party, then such Requesting Party may proceed to take such action and/or remedy that is specified in the notice. If there is objection by the Defaulting Party then the Requesting Party may request the governmental authority to enforce the restriction and/or take such appropriate action including any court action as hereafter provided.

b. Enforcement by Court Action. If help cannot be achieved as provided for in subparagraph "a" above, then any Requesting Party may bring an action in the Fifth Circuit Court, State of Hawaii for the violation of any restriction contained herein by way of mandatory injunction without the necessity of any bond, specific performance and/or damages. The person prevailing in such action shall be entitled to as part of its damages all costs of such court action and a reasonable attorney's fees as awarded by the Court.

4. Amendment of Restrictions. The Declarant in its sole discretion may amend any of these restrictions as required by the County of Kauai Planning Department or any other restrictions in its sole discretion so long as it owns an apartment unit in the Property. After he conveys all of the apartment units in the Project, then the association shall succeed to all of the powers of the Declarant including the power to amend this Declaration.

5. Binding Effect. This Declaration is for the benefit of the Declarant, Association, Apartment Owners, the personal representatives, heirs and assigns and any lessee who has a recorded 10 years lease to occupy any apartment in the Property.

IN WITNESS WHEREOF, the Declarant has executed these presents this 8 day of JANUARY, 2004.

REGAL CAPITAL COMPANY, LLC
A Hawaii limited liability company

By Thomas B Summers
Thomas B. Summers
Its Authorized Agent

STATE OF HAWAII)
) ss.
COUNTY OF KAUAI)

On this 8th day of January, 2004, before me personally appeared THOMAS B. SUMMERS, ~~to~~ me known to be the person described in and who executed the foregoing instrument as the authorized agent of the REGAL CAPITAL COMPANY, LLC. A Hawaii limited liability company by authority of its sole member and acknowledged that he executed the same as the free act and deed as such authorized agent of the Company.

ROSE P. LOW
NOTARY PUBLIC
STATE OF HAWAII

Rose P Low
Name of person ROSE P. LOW
NOTARY PUBLIC, STATE OF HAWAII

My commission expires: 03/31/06