

**AMENDMENT 1 TO
SECOND AMENDED DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME:	KAI ANI VILLAGE
PROJECT ADDRESS:	1367 South Kihei Road, Kihei, Hawaii 96753-8107
REGISTRATION NUMBER:	6160
EFFECTIVE DATE OF REPORT:	May 3, 2010
THIS AMENDMENT:	<input checked="" type="checkbox"/> Must be read together with <input type="checkbox"/> Developer's Public Report dated _____ <input checked="" type="checkbox"/> Second Amended Report dated <u>March 3, 2009</u> <input type="checkbox"/> Supersedes all prior amendments: Includes all prior amendment(s) and must be read together with <input type="checkbox"/> Developer's Public Report dated _____ <input type="checkbox"/> Amended Report dated _____
DEVELOPER(S):	KAI ANI VILLAGE, INC.

Preparation of this Amendment

The Developer prepared this amendment pursuant to the Condominium Property Act, section 514B-56, Hawaii Revised Statutes (HRS), as amended from time to time. Section 514B-56, HRS, requires that after the Commission has issued an effective date for the Developer's Public Report, if there are any changes, either material or pertinent changes, or both, regarding the information contained in or omitted from the Developer's Public Report, or if the developer desire to update or change the information set forth in the Developer's Public Report, the developer shall immediately submit to the Commission an amendment to the Developer's Public Report or an amended Developer's Public Report clearly reflecting the change, together with such supporting information as may be required by the Commission, to update the information contained in the Developer's Public Report.

The law defines "material change" as used in parts IV and V of Chapter 514B, HRS means any change that directly, substantially, and adversely affects the use or value of (1) A purchaser's unit or appurtenant limited common elements; or (2) Those amenities of the project available for the purchaser's use.

The law defines "pertinent change" to mean, as determined by the commission, a change not previously disclosed in the most recent public report that renders the information contained in the public report or in any disclosure statement inaccurate, including, but not limited to (1) The size, construction materials, location, or permitted used of a unit or its appurtenant limited common element; (2) The size, use, location, or construction materials of the common elements of the project; or (3) The common interest appurtenant to the unit. A pertinent change does not necessarily constitute a material change.

The filing of an amendment to the Developer's Public Report or an amended Developer's Public Report, in and of itself, shall not be grounds for a purchaser to cancel or rescind a sales contract. A purchaser's right to cancel or rescind a sales contract shall be governed by section 514B-86 and 514B-87, HRS, the terms and conditions of the purchaser's contract for sales, and applicable common law.

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at (808) 586-2643 to submit your request.

This Amendment has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this amendment to the Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts, material changes, or pertinent changes about the project have been fully or adequately disclosed; and (3) is not the Commission's judgment of the value or merits of the project.

The law defines "material facts" to mean any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale.

This amendment may be used by the Developer for promotional purposes only if it is used with the last Developer's Public Report in its entirety.

Prospective purchasers and purchasers are encouraged to read this amendment carefully and to seek professional advice.

Summary of Changes from Earlier Developer's Public Report are Described Beginning on the Next Page

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Summary of Changes from Earlier Developer's Public Report:

This summary contains a general description of the changes, if any, made by the developer since the last Developer's Public Report was issued an effective date. It is not necessarily all inclusive. Prospective purchasers and purchasers must read this amendment together with the last Developer's Public Report with the effective date as noted on the top of page 1 if they wish to know the specific changes that have been made.

Changes made are as follows (include a description of what the change is and page number and or exhibit alphabet or number; additional pages may be used):

1. Entity conversion. The Developer has converted from a Hawaii limited liability company to a Hawaii corporation effective as of December 3, 2009 and, thus, is now called "Kai Ani Village, Inc." (rather than Kai Ani Village, LLC). Section 2.1 of the Second Amended Public Report is revised to reflect the following officers of the Kai Ani Village, Inc.:

Chief Executive Officer: Todd Leibl
President: Lars Dennert
Chief Operating Officer: Tim Piaskey
Secretary: Todd Leibl
Treasurer: Todd Leibl
Vice President of Operations: Greg Walker

All references to the Developer in the Second Amended Public Report are changed from Kai Ani Village, LLC to Kai Ani Village, Inc. There are no changes to the Developer's mailing and email addresses, and telephone number as disclosed in the Second Amended Public Report.

2. Title update. The encumbrances against title noted in Exhibit "I" attached to the Second Amended Public Report have been amended, based on a title report dated December 17, 2009, as follows:
 - (a) Refinancing. The mortgage in favor of Central Pacific Bank (Document No. 2008-008236) has been released due to a refinancing and three (3) new mortgages have been recorded in its place in the Bureau of Conveyances of the State of Hawaii (Document Nos. 2009-189379, 2009-189381 and 2009-189384). Each of the new mortgages are blanket liens as described in Section 5.3 of the Second Amended Public Report. Arrangements have been made to release these mortgages from title to a Unit immediately before Developer conveys title to the Buyer(s) of such Unit.
 - (b) Survey update. The map prepared by Sherman Dudley Deponte, Land Surveyor, dated April 16, 2004 and revised August 3, 2004 has been updated as of May 7, 2009. The updated survey and accompanying Surveyor's Report dated June 25, 2009 (attached hereto as Exhibit "1") indicate that a concrete bridge (the "Bridge") encroaches onto the southwestern border of the Project along South Kihei Road. It is the Developer's understanding that the Bridge was constructed by the County of Maui, Department of Public Works in connection with County's South Kihei Road Improvement project. The Bridge is used for pedestrian and vehicular access to and from the Project onto South Kihei Road.

Although the Bridge is located within "Utility Easement No. 8", the existing non-exclusive and perpetual grant of such easement in favor of the County of Maui (instrument recorded in the Bureau of Conveyances of the State of Hawaii on March 22, 2007 as Document No. 2007-052321; referred to herein as the "Grant of Easement") is limited to "water, sewer and drainage purposes and to construct, reconstruct, maintain, operate, repair and replace water, sewer, and drainage structures over, under, across and through Utility Easement No. 8" and does not specifically address use of the Bridge.

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The Association of Unit Owners of Kai Ani Village, through its officers and directors appointed by the Developer during the Declarant's Control Period set forth in Section I of the Declaration of Condominium Property Regime of Kai Ani Village, as amended, has prepared an amendment to the existing Grant of Easement (referred to herein as the "Amendment") which expands the purpose of Utility Easement No. 8 to include pedestrian and vehicular access to and from the Project over and across the Bridge. The Association has submitted the Amendment, in the form attached hereto as Exhibit "2", to the County of Maui for the County's approval and is currently awaiting the County's comments. The Association will work with the County to have the Amendment (in final form and with such content mutually acceptable to both parties) executed and recorded in said Bureau of Conveyances, with the intention being that the encroachment of the Bridge onto the common area of the Project shall be cured with a pedestrian and vehicular access easement governed by the terms and conditions of the Grant of Easement, as amended.

- (c) Utility easements. Additional utility easements have been recorded in said Bureau in favor of: (i) Hawaiian Telcom, Inc. (Document No. 2009-061415); (ii) the County of Maui (Document No. 2009-102199); and (iii) Maui Electric Company, Limited and Hawaiian Telcom, Inc., as amended (Document Nos. 2009-139876 and 2009-180091).

3. Restriction on Pets. The restriction on pets set forth in Section 1.11 of the Second Amended Public Report has been changed from one (1) pet that does not exceed 25 pounds to up to two (2) pets whose aggregate weight does not exceed 65 pounds. Section 1.11 is deleted and replaced in its entirety with the following:

Pets: An owner may raise, maintain and keep not more than two (2) generally recognized domestic house pets, such as dogs or cats, the aggregate weight of such pet(s) not to exceed 65 lbs in weight when such pet(s) are fully grown.

The Developer declares subject to the penalties set forth in Section 514B-69, HRS that this project continues to conform to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a) (13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report as amended, and, if purchaser deposits are to be used by the Developer to cure any violation of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report as amended, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

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The Developer declares subject to the penalties set forth in Section 514B-69, HRS that this project continues to conform to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a) (13), HRS.

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The Developer hereby certifies that all the information contained in this report as amended and the exhibits attached to this report (if any) as amended and all documents to be furnished by the Developer to purchasers 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. The Developer hereby agrees promptly to amend this report as amended to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report as amended at least 30 days prior to the anniversary date of the effective date of this report.

Kai Ani Village, Inc.
Printed Name of Developer



Duly Authorized Signatory*

December 28, 2009
Date

Todd Leibl, Chief Executive Officer
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Maui
Planning Department, County of Maui

***Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

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EXHIBIT "1" to Amendment I to
Second Amended Developer's Public Report for a Condominium
Continued

File No. 209100
Date: June 23, 2009

SURVEYOR'S REPORT

To: Kai Ani Village, LLC (A Hawaii Limited Liability Corporation)

THIS IS TO CERTIFY, that during April 23, 2009 through May 1, 2009, I made accurate surveys of the premises standing in the name of Kai Ani Village, LLC situated Waiohuli-Keokea, Wailuku, Maui, Hawaii, briefly described as Lot 1 and 2 of the Smith Family Trust Consolidation, Tax Map Key: (2) 3-9-02: 134 and 91 and shown on the accompanying survey entitled Survey Map of Lot 1 and Lot 2 of the Smith Family Trust Consolidation. I made a careful inspection of said premises and of the buildings located thereon at the time making such survey on May 19, 2009, and at the time of such latter inspection I found Kai Ani Village, LLC (A Hawaii Limited Liability Corporation) to be in possession of said premises as Owner.

I further certify as to the existence or non-existence of the following at the time of my last inspection:

1. Rights of way, old highways, or abandoned roads, lanes or driveways, drains, sewer, water, gas or oil pipe lines across said premises:
Water portion of Lot 1, sewers and drains as shown on survey map.
2. Springs, streams, rivers, ponds, or lakes located, bordering on or running through said premises:
Non-existence to the knowledge of the undersigned.
3. Cemeteries or family burying grounds located on said premises. (Show location on plat):
Non-existence to the knowledge of the undersigned.
4. Telephone, telegraph or electric power poles, wires or lines overhanging or crossing said premises and serving other property or properties:
Non-existence to the knowledge of the undersigned.
5. Joint driveways or walkways; party walls or rights of support; porches, steps or roofs used in common or joint garages:
Non-existence to the knowledge of the undersigned.
6. Encroachments, or overhanging projections:
Concrete walkway from the East Lipoa Street right-of-way crosses onto subject parcel (Lot 1) by as much as 0.3 of a foot, concrete and rock drainage with pipe fence for South Kihei Road improvements cross onto subject parcel (Lot 2) by as much as 24.2 by 130.3 feet, concrete bridge for South Kihei Road improvements cross onto subject parcel (Lot 2) by as much as 22.4 feet, sanitary sewer lines and fixtures that follow along the South Kihei Road right-of-way are onto subject parcel (Lot 2), water fixture crosses onto subject parcel (Lot 1) by as much as 9.9 feet and newly constructed underground utilities along South Kihei Road, utility poles, overhead lines & guy wires along South Kihei Road are to be removed at a later date, deletion of and creation of new easements should be done to remedy the new location, as shown on survey map.
7. Physical evidence of boundary lines on all sides:
1/4" pipe (set) or (found), 3/4" pipe (found) and "X" cut on concrete (found)
8. Is the property improved? Yes.
(a) Building is: Brick (); Clapboard (); other (X) Metal, wood, concrete.
(b) Building is: One story (); two story (X); split-level (); other () n/a
9. Indications of building construction, alterations or repairs within recent months: Yes.
(a) If new improvements under construction, how far have they progressed? Underground utilities, 3 completed buildings, some parking areas, and landscaping.
10. Changes in street lines either completed or officially proposed:
Non-existence to the knowledge of the undersigned.
(a) Are there indications of recent street or sidewalk construction or repairs?
As shown on survey map.
11. Are the abutting streets or roads maintained by public authorities? Yes.
If the surveyed premises are subject to restrictive covenants, do the improvements, use and occupancy comply with such? Non-existence to the knowledge of the undersigned.



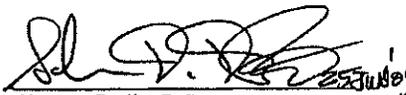

Sherman Dudley DePonte
Licensed Professional Land Surveyor
State of Hawaii Certificate No. 6960
Expiration Date: April 30, 2010

EXHIBIT "2" to Amendment 1 to
Second Amended Developer's Public Report for a Condominium

LAND COURT SYSTEM

REGULAR SYSTEM

AFTER RECORDATION, RETURN BY MAIL OR PICKUP :

CHUN RAIR & YOSHIMOTO (JMY/AMD)
1000 BISHOP STREET, SUITE 1000
HONOLULU, HAWAII 96813
TELEPHONE NO. (808) 528-4200

TYPE OF DOCUMENT:

(TOTAL PAGES: ____)

AMENDMENT TO GRANT OF EASEMENT

PARTIES TO DOCUMENT:

GRANTOR: ASSOCIATION OF UNIT OWNERS OF KAI ANI VILLAGE, INC., a Hawaii
nonprofit corporation

GRANTEE: COUNTY OF MAUI, a political subdivision of the State of Hawaii

TAX MAP KEY FOR PROPERTY: (2) 3-9-002-134

AMENDMENT TO GRANT OF EASEMENT

THIS AMENDMENT TO GRANT OF EASEMENT is made this ____ day of _____, 20__ (the "Effective Date"), by and between the ASSOCIATION OF UNIT OWNERS OF KAI ANI VILLAGE, INC., a Hawaii nonprofit corporation, whose post office address is 25 N. Santa Anita Avenue, Suite A, Arcadia, California 91006 (the "Grantor") and the COUNTY OF MAUI, a political subdivision of the State of Hawaii, with its principal place of business and post office address at 200 South High Street, Wailuku, Hawaii 96793 (the "Grantee").

WITNESSETH:

WHEREAS, on November 16, 2006, FPA KIHEI GROUP, LLC, a Delaware limited liability company (“**FPA**”) recorded in the Bureau of Conveyances of the State of Hawaii that certain Declaration of Condominium Property Regime of Kai Ani Village, dated November 1, 2006, as Document No. 2006-210176, as may be amended from time to time, and that certain Bylaws of the Association of Unit Owners of Kai Ani Village, dated November 1, 2006, as Document No. 2006-210177, for the purpose of developing a condominium project (the “**Project**”) on the real property situate in Kihei, Island and County of Maui, State of Hawaii as more particularly described in Exhibit A to the Declaration (the “**Property**”); and

WHEREAS, pursuant to that certain Easement dated January 4, 2007, and recorded in said Bureau of Conveyances on March 22, 2007 as Document No. 2007-052321 (the “**Grant of Easement**”), FPA granted and conveyed to the Grantee, a non-exclusive, perpetual easement for water, sewer and drainage purposes over, under, across and through “Utility Easement No. 8” (the “**Easement Area**”), said Easement Area being more particularly described in Exhibit A to the Grant of Easement; and

WHEREAS, the Association of Unit Owners of the Project incorporated as a Hawaii nonprofit corporation known as the “Association of Unit Owners of Kai Ani Village, Inc.” pursuant to Articles of Incorporation filed with the Department of Commerce and Consumer Affairs of the State of Hawaii on June 29, 2009; and

WHEREAS, a portion of the concrete bridge used for pedestrian and vehicular access to the Project, which was constructed by Grantee in connection with its South Kihei Road improvements, encroaches into the Property within the Easement Area; and

WHEREAS, the Grantor and Grantee desire to amend the terms of the Grant of Easement to, among other things, expand the purpose of said Grant of Easement to include pedestrian and vehicular access over said concrete bridge to and from the Project.

NOW THEREFORE, for valuable consideration, the receipt whereof is hereby acknowledged, Grantor and Grantee do hereby amend the Grant of Easement as follows:

1. Grantor and Grantee agree that the purpose of Utility Easement No. 8 as set forth in the Grant of Easement is hereby expanded to also include non-exclusive pedestrian and vehicular access rights to be exercised and enjoyed by Grantee and Grantor and each of their successors and assigns over, across and through the concrete bridge located within Utility Easement No. 8 for the purpose of providing access to and from the Project, and the Grantee’s right to reconstruct, maintain, operate, repair and replace such concrete bridge.
2. Grantee acknowledges and expressly approves of Grantor’s use of the concrete bridge located within Utility Easement No. 8 for pedestrian and vehicular access to and from the Project.

3. Except as specifically amended by this Amendment to Grant of Easement, all other terms, conditions and provisions contained in the Grant of Easement shall remain unchanged and in full force and effect.

4. The parties hereto agree that this Amendment to Grant of Easement may be executed in counterparts, and said counterparts shall together constitute one and the same agreement, binding all of the parties hereto, notwithstanding all of the parties are not signatory to the original or same counterparts.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

ASSOCIATION OF UNIT OWNERS OF
KAI ANI VILLAGE, INC., a Hawaii
nonprofit corporation

By _____
Name:
Title:
"Grantor"

COUNTY OF MAUI

By _____
Name:
Title:
"Grantee"

APPROVED AS TO FORM
AND LEGALITY:

Name:
Deputy Corporation Counsel
County of Maui

STATE OF _____)
)
COUNTY OF MAUI) SS.

On this the ____ day of _____, 20____, before me personally
appeared _____ personally known to me **-OR-** proved to
me on the basis of satisfactory evidence who, being by me duly sworn or affirmed, did say that such
person executed the foregoing instrument as the free act and deed of such person, and if applicable
in the capacities shown, having been duly authorized to execute such instrument in such capacities.

Printed Name: _____
Notary Public, State of Hawaii
My commission expires: _____

(Official Stamp or Seal)

Doc. Date: <u>undated at the time of Notarization</u>	# Pages: _____
Notary Name: _____	Second Circuit
Doc. Description: <u>Amendment to Grant of Easement</u>	
_____ Notary Signature	_____ Date
(Official Stamp or Seal)	
NOTARY CERTIFICATION (at time of notarization)	

STATE OF HAWAII)
) SS.
COUNTY OF MAUI)

On this the ____ day of _____, 20____, before me personally
appeared _____ personally known to me **-OR-** proved to
me on the basis of satisfactory evidence who, being by me duly sworn or affirmed, did say that such
person executed the foregoing instrument as the free act and deed of such person, and if applicable
in the capacities shown, having been duly authorized to execute such instrument in such capacities.

Printed Name: _____
Notary Public, State of Hawaii
My commission expires: _____

(Official Stamp or Seal)

Doc. Date: <u>undated at the time of Notarization</u>	# Pages: _____
Notary Name: _____	Second Circuit
Doc. Description: <u>Amendment to Grant of Easement</u>	
_____ Notary Signature	_____ Date
(Official Stamp or Seal)	
NOTARY CERTIFICATION (at time of notarization)	

**SECOND AMENDED
DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME	KAI ANI VILLAGE
Project Address	1367 and 1415 South Kihei Road, Kihei, Hawaii 96753-8107
Registration Number	6160
Effective Date of Report	
Developer(s)	KAI ANI VILLAGE, INC.

Preparation of this Report

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. The law defines "material facts" to mean "any fact, defect, or condition, part or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale."

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. This issuance by the Commission of an effective date for this Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts or all pertinent changes, or both, about the project have been fully or adequately disclosed; or (3) is not the Commission's judgment of the value or merits of the project.

This report may be used by the Developer for promotional purposes only if it is used in its entirety. No person shall advertise or represent that the Commission has approved or recommended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developers Public Report, clearly reflecting the changes, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

Purchasers are encouraged to read this report carefully and to seek professional advice before signing a sales contract for the purchase of a unit in the project.

Signing a sales contract may legally bind a purchaser to purchase a unit in the project, though a purchaser may have rights to cancel or rescind a sales contract under particular circumstances that may arise.

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

1.9 Common Elements

<p>Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.</p>									
<p>Described in Exhibit <u>G</u>.</p>									
<p>Described as follows:</p>									
<table border="1"> <thead> <tr> <th>Common Element</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Elevators</td> <td>N/A</td> </tr> <tr> <td>Stairways</td> <td>40</td> </tr> <tr> <td>Trash Chutes</td> <td>N/A</td> </tr> </tbody> </table>		Common Element	Number	Elevators	N/A	Stairways	40	Trash Chutes	N/A
Common Element	Number								
Elevators	N/A								
Stairways	40								
Trash Chutes	N/A								

1.10 Limited Common Elements

<p>Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.</p>
<p>Described in Exhibit <u>H</u>.</p>
<p>Described as follows:</p>

1.11 Special Use Restrictions

<p>The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.</p>	
<input checked="" type="checkbox"/>	<p>Pets: An owner may raise, maintain and keep not more than two (2) generally recognized domestic house pets, such as dogs or cats, the aggregate weight of such pet(s) not to exceed 65 lbs in weight when such pet(s) are fully grown.</p>
<input type="checkbox"/>	<p>Number of Occupants: N/A</p>
<input checked="" type="checkbox"/>	<p>Other: See page 1a for description of use of Live-Work Units vs. Residential Units</p>
<input type="checkbox"/>	<p>There are no special use restrictions.</p>

1.12 Encumbrances Against Title

<p>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 a unit in the project. Encumbrances shown may include blanket liens which will be release prior to conveyance of a unit (see Section 5.3 on Blanket Liens)</p>
<p>Exhibit <u>I</u> describes the encumbrances against title contained in the title report described below.</p>
<p>Date of the title report: December 17, 2009</p>
<p>Company that issued the title report: Title Guaranty of Hawaii, Inc.</p>

2. PERSONS CONNECTED WITH THE PROJECT

<p>2.1 Developer</p>	<p>Name: Kai Ani Village, Inc. Business Address: 25 North Santa Anita Avenue, Suite A, Arcadia, California 91006</p> <p>Business Phone Number: (626) 447-3121 E-mail Address: lars@victorydevelopmenthawaii.com</p>
<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	<p>Kai Ani Village, Inc.:</p> <p>Chief Executive Officer: Todd Leibl President: Lars Dennert Chief Operating Officer: Tim Piasky Secretary: Todd Leibl Treasurer: Todd Leibl Vice President of Operations: Greg Walker</p>
<p>2.2 Real Estate Broker</p>	<p>Name: Coldwell Banker Island Properties Business Address: 161 Wailea Ike Place, Suite A-102 Kihei, Hawaii 96753</p> <p>Business Phone Number: (808) 875-7000 E-mail Address: bob@bobcella.com</p>
<p>2.3 Escrow Depository</p>	<p>Name: Fidelity National Title & Escrow of Hawaii, Inc. Business Address: 201 Merchant Street, Suite 2100 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 536-0404</p>
<p>2.4 General Contractor</p>	<p>Name: Betsill Brothers Construction, Inc. Business Address: 635 Kenolio Road Kihei, Hawaii 96753</p> <p>Business Phone Number: (808) 847-6406</p>
<p>2.5 Condominium Managing Agent</p>	<p>Name: Aloha Property Management, Inc. Business Address: 115 East Lipoa Street, #100 Kihei, Hawaii 96753</p> <p>Business Phone Number: (808) 891-0053</p>
<p>2.6 Attorney for Developer</p>	<p>Name: Chun Rair & Yoshimoto LLP Business Address: 1000 Bishop Street, Suite 1000 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 528-4200</p>

EXHIBIT "I"

Kai Ani Village

Encumbrances Against Title

1. Any and all real property taxes that may be due and owing to the County of Maui, Department of Finance, Real Property Tax Division.
2. Any matters regarding the designation of the land as being a wetland; and any and all applicable governmental laws, ordinances and regulations arising out of said designation.
3. – As to Parcel Second, only:-

(A) Designation of Easement "A" for guy wire purposes, as per survey of Allen K. Watanabe, Land Surveyor, with the Engineering Division, Department of Public Works and Waste Management, County of Maui, dated August 10, 1995, and more particularly described as follows:

Beginning at the southwest corner of this easement, being 169° 42' 00" 346.91 feet from the southwest corner of Lot 1 of the Smith Family Trust Consolidation, on the East side of South Kihei Road, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUU OLAI" being 6,014.82 feet north and 23,396.73 feet west, thence running by azimuths measured clockwise from true South:

1. 169° 42' 00" 5.00 feet along East side of South Kihei Road;
2. 259° 42' 00" 15.00 feet along the remainder of Lot 1 of the Smith Family Trust Consolidation, being also the remainder of Grant 11,647 to Mrs. Eugenia U. Smith;
3. 349° 42' 00" 5.00 feet along the remainder of Lot 1 of the Smith Family Trust Consolidation, being also the remainder of Grant 11,647 to Mrs. Eugenia U. Smith;
4. 79° 42' 00" 15.00 feet along the remainder of Lot 1 of the Smith Family Trust Consolidation, being also the remainder of Grant 11,647 to Mrs. Eugenia U. Smith to the point of beginning and containing an area of 75 square feet, more or less.

(B) A grant of easement for utility purposes, in favor of Maui Electric Company, Limited and Verizon Hawaii, Inc. (now Hawaiian Telcom, Inc.), recorded on November 19, 1996 in the Bureau of Conveyances of the State of Hawaii as Document No. 96-163758.

(C) A grant of easement for utility purposes, in favor of Hawaiian Telcom, Inc., recorded on February 27, 2009 in said Bureau as Document No. 2009-061415.

4. The terms and provisions of the Agreement Regarding Affordable Housing made by and between FPA Kihei Group, LLC, a Delaware limited liability company and the County of Maui, a political subdivision of the State of Hawaii, dated October 25, 2006, recorded in said Bureau as Document No. 2006-197860.
5. The terms and conditions contained in the Declaration of Condominium Property Regime for "Kai Ani Village" Condominium Project dated November 1, 2006, recorded in said Bureau as Document No. 2006-210176 with Map 4337 and any amendments thereto.

Said Declaration was amended by instrument dated December 18, 2006, recorded in said Bureau as Document No. 2006-231829.

Said interest of FPA Kihei Group, LLC was assigned to Kai Ani Village, LLC by Assignment of Declarant's Rights dated June 19, 2007, recorded in said Bureau as Document No. 2007-116443.

Said Declaration was further amended by instrument dated July 12, 2007, recorded in said Bureau as Document No. 2007-124793.

Said Declaration was further amended by instrument dated August 20, 2008, recorded in said Bureau as Document No. 2008-134009.

6. The terms and conditions contained in the By-Laws of the Association of Apartment Owners dated November 1, 2006, recorded in said Bureau as Document No. 2006-210177.

Said interest of FPA Kihei Group, LLC was assigned to Kai Ani Village, LLC by Assignment of Declarant's Rights dated June 19, 2007, recorded in said Bureau as Document No. 2007-116443.

7. -As to First Parcel, only:-

(A) A grant of a non-exclusive, perpetual easement for water, sewer, and drainage purposes and to construct, reconstruct, maintain, operate, repair and replace water, sewer and drainage structures over, under, across, and through Utility Easement No. 8, as being more particularly described in Exhibit "A" attached thereto, in favor of the County of Maui, a political subdivision of the State of Hawaii dated January 4, 2007, recorded in said Bureau as Document No. 2007-052321.

(B) A grant of a non-exclusive, perpetual easement for utility purposes over, under, across, and through Utility Easement No. "8-A", as being more particularly described in Exhibit "A" attached thereto and shown on the map attached thereto as Exhibit "B" in favor of the County of Maui, a political subdivision of the State of Hawaii, dated August 5, 2008, recorded in said Bureau as Document No. 2009-102199.

8. Memorandum of Contingent Payment Agreement dated February 8, 2007, recorded in said Bureau Document No. 2007-109725 by and between Victory Development, Inc., a California corporation, and FPA Kihei Group, LLC, a Delaware limited liability company, as seller, and Kai Ani Village, LLC, a Hawaii limited liability company, as buyer.

Subordination Agreement dated December 14, 2009, recorded in said Bureau as Document No. 2009-189380; subordinates said above Memorandum of Contingent Payment Agreement to the lien of those certain Mortgages recorded as Document Nos. 2009-189379 and 2009-189384.

Subordination Agreement dated December 14, 2009, recorded in said Bureau as Document No. 2009-189382; subordinates said above Memorandum of Contingent Payment Agreement to the lien of that certain Mortgage recorded in said Bureau as Document No. 2009-189381.

9. Terms and provisions contained in that certain unrecorded Settlement Agreement dated January 9, 2006, made by and between FPA Kihei Group, LLC and Kihei Kauhale Nani Community Association, as set forth in instrument dated June 8, 2007, recorded in said Bureau as Document No. 2007-109723.
10. Utility Easement in favor of Maui Electric Company, Limited and Hawaiian Telecom, Inc., dated May 7, 2008, recorded in said Bureau as Document No. 2009-139876; granting a perpetual right and easement for utility purposes.

Amendment of Easement dated October 29, 2009, recorded in said Bureau as Document No. 2009-180091.

11. - As to Units 1-101 through 2-204, only: -

First Mortgage, Security Agreement and Financing Statement (Fixture Filing) dated December 14, 2009, recorded in said Bureau as Document No. 2009-189379.
12. – As to Units 3-101 through 15-204, only: –

Mortgage, Security Agreement and Fixture Filing dated December 14, 2009, recorded in said Bureau as Document No. 2009-189381.
13. – As to Units 4-101 through 15-204, only: –

Second Mortgage, Security Agreement and Financing Statement (Fixture Filing) dated December 14, 2009, recorded in said Bureau as Document No. 2009-189384.
14. The item(s) shown on the survey map of Sherman Dudley DePonte, Registered Professional Land Surveyor, Certificate No. 6960, dated May 7, 2009:
 - (A) Concrete walkway from the East Lipoa Street right-of-way crosses onto subject parcel (Lot 1) by as much as 0.3 of a foot.
 - (B) Concrete and rock drainage with pipe fence for South Kihei Road improvements crosses onto subject parcel (Lot 2) by as much as 24.2 by 130.3 feet.
 - (C) Concrete bridge for South Kihei Road improvements cross onto subject parcel (Lot 2) by as much as 22.4 feet.
 - (D) Sanitary sewer lines and fixtures that follow along the South Kihei Road right-of-way are onto subject parcel (Lot 2).
 - (E) Water fixture crosses onto subject parcel (Lot 1) by as much as 9.9 feet.
15. Encroachments or any other matters which a survey prepared after May 7, 2009 would disclose.
16. Any unrecorded leases and matters arising from or affecting the same.
17. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land.