

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

CONDOMINIUM PROJECT NAME:	KOLOA LANDING AT POIPU BEACH
ADDRESS:	2641 Poipu Road Koloa, Hawaii 96756
REGISTRATION NUMBER:	6174
EFFECTIVE DATE OF REPORT:	June 20, 2007
MUST BE READ TOGETHER WITH DEVELOPER'S PUBLIC REPORT DATED:	February 20, 2007
DEVELOPER:	Poipu Beach Villas, LLC

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 desires 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 use 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 Developers 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 sections 514B-86 and 514B-87, HRS, the terms and conditions of the purchaser's contract for sale, and applicable common law.

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

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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. Page 10, Section 3. Recordation of the following documents:
 - A. Declaration of Condominium Property Regime dated March 14, 2007 recorded as Document No. 3575729.
 - B. Bylaws of the Association of Apartment Owners dated March 14, 2007 recorded as Document No. 3575730.
 - C. Condominium Map filed as Map No. 1878.
2. Page 18, Section 6.2, second paragraph, first line. Delete the words "Managing Agent or".
3. Exhibit "G". Updated list of encumbrances
4. Exhibit "I". Updated budget.
5. Updated title report dated March 12, 2007 from Title Guaranty of Hawaii, Inc.

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Changes continued:

N/A

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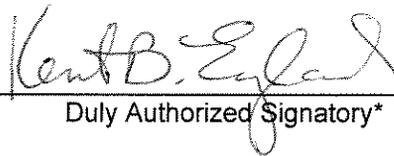
The Developer declares subject to the penalties set forth in Section 5148-69, HRS that this project continues to conform to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 5148-5 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 violations 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.

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.

Poipu Beach Villas, LLC

Printed Name of Developer



Duly Authorized Signatory*

March 13, 2007

Date

Kent B. England, President

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Kauai

Planning Department, County of Kauai

***Must be signed for a corporation by an officer; 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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1.9 Common Elements

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.

Described in Exhibit “D”

Described as follows:

Common Element	Number
Elevators	42
Stairways	84
Trash Chutes	0

1.10 Limited Common Elements

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.

Described in Exhibit “E”.

Described as follows:

1.11 Special Use Restrictions

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.

<input checked="" type="checkbox"/>	Pets: As set forth in the House Rules
<input checked="" type="checkbox"/>	Number of Occupants: As set forth in the House Rules
<input checked="" type="checkbox"/>	Other: See Exhibit “F” for Special Use Restrictions
<input type="checkbox"/>	There are no special use restrictions.

1.12 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 a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

Exhibit “G” describes the encumbrances against title contained in the title report described below.

Date of the title report: March 12, 2007

Company that issued the title report: Title Guaranty of Hawaii, Inc.

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3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

3.1 Declaration of Condominium Property Regime

The Declaration of Condominium Property Regime contains a description of the land, buildings, units, common interests, common elements, limited common elements, and other information relating to the condominium project.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	March 14, 2007	3575729

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
N/A		

3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters that affect how the condominium project will be governed.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	March 14, 2007	3575730

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number
N/A		

3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.

Land Court Map Number	1878
Bureau of Conveyances Map Number	
Dates of Recordation of Amendments to the Condominium Map:	
N/A	

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.

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

1. Consolidation of Lots. Subsequent to condominiumization of the Property, developer intends to consolidate the lots underlying the Project. Such areas are depicted in the Condominium Map and on the attached Exhibit "M" and the developer's right to perform such subdivision and withdrawal and/or consolidation is further described in the Declaration.
2. Commercial Units. The developer owns the six (6) Commercial Units in the Project, as further depicted in the Condominium Map. The developer may, at its sole discretion, either a) operate the Commercial Units it owns to provide revenue generating services to Owners, their invitees, occupants and guests and potentially the public and may retain any compensation paid to the developer by such activity or by any vendors operating services in such units in such area; b) convey the Commercial Units to the association or another third party upon condominiumization pursuant to its right to do so in accordance with the declaration; c) lease out the Commercial Unit to other vendors to operate revenue generating activities; or (d) use the Commercial Units as office space.

The developer intends to lease Commercial Unit 3 (or Front Desk Unit) to the Resort Manager together with all of the Limited Common Elements appurtenant thereto, including the Limited Common Element Resort Amenities, for use in its management, administration and operation of the Project at a First Class Standard, as further described in the Declaration.

Patrons of the Commercial Units may also have an easement to access and utilize the Limited Common Element Resort Amenities and any accompanying services provided thereon; provided that such patrons pay an equitable fee for such use.

3. Public Access and Parking. Since the Project is in close proximity to the beach, there may be a public beach access located directly adjacent to the Project. The Developer will also be dedicating eight (8) parking stalls located next to Commercial Unit 6, as depicted on the Condominium Map, to the County for public beach parking as required in its Special Management Area Permit (see 4. below). Owners are aware that the public's exercise of its access rights to the Commercial Units (see 2. above), the beach, and use of the public parking stalls may produce some noise and nuisance at the Project.
4. Special Management Area Permit (SMA(U)-2004-6). The project is located within a Special Management Area under Hawaii Revised Statutes, Chapter 205A, Part II, which generally requires that certain types of development on or near the shoreline may require application and issuance of a Special Management Area use permit. Such permit will be available for review upon request.
5. Construction and Marketing in Phases. The Developer, for registration purposes, may eventually separate the total units in the Project into groups covered by multiple Public Reports in order to accommodate changing construction and/or marketing strategies. This Report, however, currently covers all of the Units in the Project.

The Developer hereby discloses that although separate Public Reports may eventually be filed and issued for each phase of the Project, all 329 units, or lesser number actually constructed, still legally comprise a single condominium project. In other words, the act of separating the various units into different marketing and sales phases does not create separate and distinct condominium projects, but only creates separate "projects" for public report purposes. Accordingly, the common elements described in Exhibit "D" attached serve each of the 329 units.

EXHIBIT "G"

ENCUMBRANCES AGAINST TITLE

1. Stipulation and Decree dated June 7, 1951, filed in the Circuit Court of the Fifth Circuit, State of Hawaii, Equity No. 144, filed as Land Court Document No. 135050, re: to receive water from the Konohiki of the Ahupuaa of Koloa in a constant stream in the amount of 45,000 gallons per day.

2. Water rights, claims or title to water, whether or not shown by public record.

3. -AS TO ROADWAY LOTS 162, 163 AND 202:-

Access rights in favor of all interior lots for ingress and egress to and from a public highway over and across roadway lots, as set forth by Land Court Order No. 9840, filed September 22, 1950.

4. -AS TO LOT 217-A:-

Unrecorded License Agreement dated December 1, 1994 in favor of POIPU KAPILI ASSOCIATION OF APARTMENT OWNERS, an unincorporated condominium association, as set forth in Deed dated December 12, 1996, filed as Land Court Document No. 2357022.

5. The terms and provisions contained in the following:

INSTRUMENT : LIMITED WARRANTY DEED WITH COVENANTS, RESERVATIONS,
RESTRICTIONS ON SALE AND DISCLOSURES

DATED : November 2, 2000
FILED : Land Court Document No. 2662386
RECORDED : Document No. 2000-155601

The foregoing includes, but is not limited to, matters relating to agricultural activities, including sugar cane burning, on nearby lands

6. Archaeological sites disclosed by the Archaeological Report dated June 2004 that are not resolved in accordance with the recommendations contained in said Report.

7. Encroachments or any other matters as shown on survey map prepared by Dennis M. Esaki, Land Surveyor, with Esaki Surveying & Mapping, Inc., dated June 10, 2005, last revised July 26, 2005.

8. Encroachments or any other matters which a survey prepared after July 26, 2005 would disclose.

9. MORTGAGE AND FIXTURE FILING

MORTGAGOR : POIPU BEACH VILLAS, LLC, a Hawaii limited liability company

MORTGAGEE : FREMONT INVESTMENT & LOAN, a California industrial bank

DATED : as of July 27, 2005
FILED : Land Court Document No. 3305912
AMOUNT : \$21,750,000.00 - covers the land herein besides other land

10. The terms and provisions contained in the following:

INSTRUMENT : ASSIGNMENT OF RENTS (AND LEASES)

DATED : as of July 27, 2005

RECORDED : Document No. 2005-151567

PARTIES : POIPU BEACH VILLAS, LLC, a Hawaii limited liability company ("Borrower"), and FREMONT INVESTMENT & LOAN, a California industrial bank ("Lender")

11. The terms and provisions contained in the following:

INSTRUMENT : NEGATIVE PLEDGE AGREEMENT

DATED : February 9, 2007

FILED : Land Court Document No. 3563208

PARTIES : POIPU BEACH VILLAS, LLC, a Hawaii limited liability company ("Borrower") and JPMORGAN CHASE BANK, N.A., a national banking association ("Lender")

12. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR
"KOLOA LANDING AT POIPU BEACH" CONDOMINIUM PROJECT

DATED : March 14, 2007

FILED : Land Court Document No. 3575729

MAP : 1878 and any amendments thereto

13. The terms and provisions contained in the following:

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS

DATED : March 14, 2007

FILED : Land Court Document No. 3575730

14. Any unrecorded leases and matters arising from or affecting the same.

15. Real property taxes that may be due and payable. For more information contact County of Kauai, Department of Finance, Real Property Tax Division.

EXHIBIT "I"

BUDGET

THE AMOUNTS SET FORTH BELOW ARE ESTIMATES ONLY AND MAY CHANGE FOR REASONS BEYOND THE CONTROL OF THE DEVELOPER.

INSURANCE, ENERGY AND LABOR COSTS ARE CURRENTLY IN FLUX AND CAN SUBSTANTIALLY INCREASE OVER A SHORT PERIOD OF TIME. THE DEVELOPER CANNOT PREDICT HOW CHANGES IN THE ECONOMIC, SOCIAL AND POLITICAL CONDITIONS IN HAWAII, THE U.S. AND/OR GLOBALLY MAY IMPACT SUCH COSTS. PURCHASERS ARE AWARE AND ACKNOWLEDGE THAT THE BUDGET, AND, AS A RESULT, EACH PURCHASER'S MAINTENANCE FEE, MAY INCREASE SUBSTANTIALLY DUE TO INCREASING COSTS, INCLUDING COSTS ATTRIBUTED TO THE INSURANCE COVERAGE AND ENERGY.

PURCHASER RECOGNIZES AND ACKNOWLEDGES THAT SUCH COMMON INTERESTS AND MAINTENANCE FEES ARE SUBJECT TO CHANGE AS THE PROJECT EVOLVES. SUCH ESTIMATES ARE NOT INTENDED TO BE AND DO NOT CONSTITUTE ANY REPRESENTATION OR WARRANTY BY THE DEVELOPER, INCLUDING BUT NOT LIMITED TO ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF SUCH ESTIMATES.

**AOAO KOLOA LANDING AT POIPU BEACH
BUDGET**

	Monthly Budget	Annual Budget
REVENUES:		
Maintenance Fees	\$367,140	\$4,405,680
Capital Reserve	0	0
Interest - Operating	0	0
Interest - Capital	0	0
Late Fee	0	0
Rental Income	0	0
Other Income	0	0
TOTAL REVENUES	\$367,140	\$4,405,680
EXPENSES:		
UTILITIES		
Electricity	\$23,850	\$286,200
Gas	8,960	107,520
Sewer	11,940	143,280
Water	13,700	164,400
Telephone	1,800	19,200
Television Cable	14,180	170,160
Internet Service	3,620	43,440
TOTAL UTILITIES	\$77,850	\$934,200
BUILDING & MAINTENANCE		
Air Conditioning	\$3,000	\$36,000
Cleaning Supplies	500	6,000
Communications - Internal	360	4,320
Elevator	18,730	224,760
Electric Bulbs	300	3,600
Fire Equipment	810	9,720
Grounds & Grounds Supplies	0	0
Tree Trimming	0	0
Pest Control	1,500	18,000
Pool & Spa	0	0
Refuse	6,900	82,800
Repairs & Purchases	1,500	18,000
Watchmen	19,510	234,120
TOTAL BUILDING & MAINTENANCE	53,110	637,320
ADMINISTRATION		
Date Processing	430	5,160
Management Fee	5,150	61,800
Salaries - Utility Cleaning	7,870	94,440
Salaries - Maintenance	6,220	74,640
Salaries - Manager & Admin	0	0
Payroll Taxes	0	0
Group Insurance	0	0
Worker's Compensation	0	0
TOTAL ADMINISTRATION	19,670	236,040
OTHER EXPENSE		
Automobile	200	2,400
Insurance - Directors & Officers Liability	420	5,040
Insurance - Property	68,950	827,400
Insurance - General Liability	2,710	32,520
Insurance - Umbrella Liability	1,420	17,040
Insurance - Other	480	5,760
Legal & Audit	400	4,800
Office Supplies & Printing	350	4,200
Miscellaneous	600	7,200

**AOAO KOLOA LANDING AT POIPU BEACH
BUDGET**

	Monthly Budget	Annual Budget
Travel Expenses	220	2,640
Taxes - General Excise	0	0
Taxes - Federal Income	0	0
Taxes - State Income	0	0
License Fee	127,600	1,531,200
Master Association Dues	13,160	157,920
TOTAL OTHER EXPENSE	216,510	2,598,120
NON-OPERATING TRANSACTIONS		
Operating Reserve - Transfer From	0	0
Operating Reserve - Transfer To	0	0
Capital Reserve - Transfer From	0	0
Capital Reserve - Transfer To	0	0
TOTAL NON-OPERATING	\$0	\$0
TOTAL EXPENSES	\$367,140	\$4,405,680
NET	\$0	\$0

Unit Type	% of Interest	# of Units	Estimated Monthly		
			Maint Fee	Cap Res	Total
A1	0.185644%	8	\$681.57	\$0.00	\$681.57
A1-R	0.185644%	8	681.57	0.00	681.57
B2	0.221210%	48	812.15	0.00	812.15
B2-R	0.221210%	48	812.15	0.00	812.15
C2	0.247320%	4	908.01	0.00	908.01
C2-R	0.247320%	4	908.01	0.00	908.01
D2	0.261916%	18	961.60	0.00	961.60
D2-R	0.261916%	19	961.60	0.00	961.60
E2	0.275074%	4	1,009.91	0.00	1,009.91
E2-R	0.275074%	4	1,009.91	0.00	1,009.91
F2	0.308379%	16	1,132.18	0.00	1,132.18
F2-R	0.308379%	8	1,132.18	0.00	1,132.18
G3	0.357102%	43	1,311.06	0.00	1,311.06
G3-R	0.357102%	50	1,311.06	0.00	1,311.06
J3	0.379717%	15	1,394.09	0.00	1,394.09
J3-R	0.379717%	15	1,394.09	0.00	1,394.09
PH-1	0.601955%	1	2,210.02	0.00	2,210.02
PH-2	0.608328%	5	2,233.42	0.00	2,233.42
PH-2-R	0.608328%	5	2,233.42	0.00	2,233.42
Snack Bar - C1	0.244853%	1	898.95	0.00	898.95
Spa - C2	0.988045%	1	3,627.51	0.00	3,627.51
Office - C3	0.515676%	1	1,893.25	0.00	1,893.25
Convenience Store - C4	0.165085%	1	606.09	0.00	606.09
Multi Purpose Rm - C5	0.219566%	1	806.11	0.00	806.11
Maint. Bldg - C6	1.101940%	1	4,045.66	0.00	4,045.66

NOTE: This budget does not include individual unit electrical costs and replacement reserve funding.

I, Ruth Okada, employed by ResortQuest Hawaii, LLC, the proposed condominium managing agent for the condominium project, Koloa Landing At Poipu Beach, hereby certify that the above estimates of maintenance fee assessments and maintenance fee disbursements for 2006 were prepared in accordance with generally accepted accounting principles.

Ruth Okada

Date: 3/13/07