

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

CONDOMINIUM PROJECT NAME:	The Villas at Poipu Kai
PROJECT ADDRESS:	2373 Ho'ohu Road, Koloa, Hawaii 96756
REGISTRATION NUMBER:	7123 (Conversion)
EFFECTIVE DATE OF REPORT:	September 28, 2012
THIS AMENDMENT:	<input checked="" type="checkbox"/> Must be read together with <input type="checkbox"/> Developer's Public Report dated <u>September 1, 2011</u> <input type="checkbox"/> Amended Report dated _____ <input type="checkbox"/> Supersedes all prior amendments: Includes all prior amendment(s) and <u>must</u> be read together with <input type="checkbox"/> Developer's Public Report dated _____ <input type="checkbox"/> Amended Report dated _____
DEVELOPER(S):	Regency Villas, LLC, a Hawaii limited liability company

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 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 sections 514B-86 and 514B-87, HRS, the terms and conditions of the purchaser's contract for sale, 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

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.

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):

A. Changes made as follows:

1. Pursuant to rights reserved to the Developer, the Developer amended the Declaration by instrument recorded July 5, 2012 as Document No. A-45690304, and amended the Condominium Map by instrument dated July 12, 2012, recorded as Document No. A-45760753, to (i) correct typographical errors, (ii) clarify that the Association will maintain all parking areas that are not garages, not only guest parking areas, (iii) reflect industry practice in respect of notice by insurers of cancellation or substantial modification of policies, (iv) update the legal description for the Community, (v) add water heaters as limited common elements to some Units, and (vi) delete the statement that the Recreational Facilities do not include the Clubhouse Unit.
2. Pursuant to rights reserved to the Developer, the Developer conveyed the Clubhouse Unit to the Association via Unit Deed and Reservation of Rights recorded on January 12, 2012 as Document No. A-43940958.
3. Pursuant to rights reserved to the Developer, Grant of Easement AU-1 (benefitting the Property) and Grant of Easement AU-2 (burdening the Property) ("Grants of Easements") were recorded as one indenture on March 28, 2012 as Document No. A-44700107.
4. The Tolling Agreement referenced in Exhibit T at paragraph 10 has expired. The Association of Apartment Owners of Manualoha filed a Complaint against the Developer alleging that there is an encroachment from the Project onto Easement 6A which benefits the Manualoha Community. The Developer is defending against the Complaint.
5. The Budget has been updated.

B. This resulted in changes to the following pages and exhibits to the Developer's Public Report:

1. Page 5 has been revised to reflect the date of the updated title report.
2. Page 10 has been revised to reflect the recordation of the amendments to the Declaration and the Condominium Map referenced above.
3. Page 13 has been revised to conform to the updated title report.
4. Exhibit A (Section 1.2 – Buildings and Other Improvements) has been revised to conform to the amended Declaration.
5. Exhibit H (Section 1.8 – Recreational and Other Common Facilities) has been revised to conform to the amended Declaration.
6. Exhibit I (Section 1.9 – Common Elements) has been revised to conform to the amended Declaration.
7. Exhibit J (Section 1.10 – Limited Common Elements) has been revised to conform to the amended Declaration.
8. Exhibit K (Section 1.11 – Special Use Restrictions) has been revised to conform to the amended Declaration.

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.

Changes continued:

9. Exhibit L (Section 1.12 – Encumbrances Against Title) has been revised to conform to the updated title report.
10. Exhibit P (Section 4.2 – Estimate of Initial Maintenance Fees) has been updated.
11. Exhibit T (Section 6 – Miscellaneous Information Not Covered Elsewhere in this Report) has been revised to remove reference to the Tolling Agreement which has expired and disclose the Complaint.

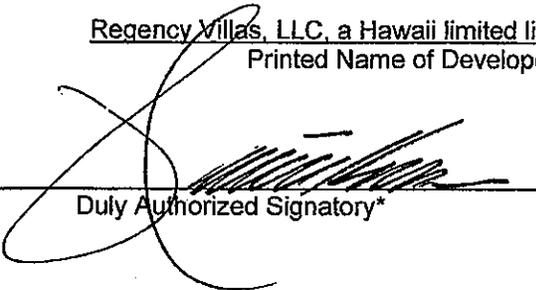
This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at (808) 586-2643 to submit your request.

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 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.

Regency Villas, LLC, a Hawaii limited liability company
Printed Name of Developer



Duly Authorized Signatory*

7/30/12

Date

J. Nathan Hale, its Manager
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Kauai

Planning Department, County of Kauai

***Must be signed for a corporation by an officer; 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.**

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.

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 I.

Described as follows:

Common Element	Number
Elevators	6
Stairways	12 (as further described in the Public Report)
Trash Chutes	5 (exterior)

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 J.

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: See Exhibit K
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: See Exhibit K
<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 L describes the encumbrances against title contained in the title report described below.

Date of the title report: March 24, 2011; Revised July 11, 2012

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

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
Bureau of Conveyances	7/14/2010	2010-100198

Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	1/31/2011	2011-024193
Bureau of Conveyances	6/13/2012	A-45690304

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
Bureau of Conveyances	7/14/2010	2010-100198

Amendments to Bylaws of the Association of Unit Owners		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	8/22/2011	2011-137842

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	
Bureau of Conveyances Map Number	4914
Dates of Recordation of Amendments to the Condominium Map: 7/12/2012	

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u>Q</u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: November 8, 2010 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit <u>R</u> contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other:

5.2 Sales to Owner-Occupants

If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sale to Owner-Occupants.

<input checked="" type="checkbox"/>	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B. See Exhibit S
<input type="checkbox"/>	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit _____.
<input checked="" type="checkbox"/>	Developer has or will designate the units for sale to Owner-Occupants by publication.

5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.

<input type="checkbox"/>	There are <u>no blanket liens</u> affecting title to the individual units.
<input checked="" type="checkbox"/>	There are <u>blanket liens</u> that may affect title to the individual units.

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	See page 13a
Tax Lien	See page 13a

5.4 Construction Warranties

<p>Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:</p> <p>Building and Other Improvements: See page 13a</p>
<p>Appliances: See page 13a</p>

Section 5.3 (Blanket Liens)
And
Section 5.4 (Construction Warranties)

5.3 Blanket Liens

<u>Type of Lien</u>	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	If the Developer places a blanket mortgage on the project, the buyer's interest under a sales contract will be subordinate to the interest of the mortgagee under such a mortgage. This means, among other things, that if the Developer defaults under the mortgage, the mortgagee may take over the project, cancel the sales contracts and refund the buyer's deposits, less escrow cancellation fees, and the buyer shall have no further interest in the project.
Tax Lien	A Department of Taxation, State of Hawaii, Tax lien was filed against Regency Villas LLC, the Developer, recorded August 9, 2011, Document No. 2011-127128. The buyer's interest under a sales contract will be subordinate to the interest of the lienor under such a tax lien. This means, among other things, that if the tax lien is foreclosed prior to conveyance to the buyer, the sales contract may be cancelled, buyer's deposits, less escrow cancellation fees, refunded, and the buyer shall have no further interest in the project. The Developer is working with the State Tax Department on a plan whereby Units will be released from the tax lien at closing.

5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:
Building and Other Improvements: None. Units will be sold "as-is"
Appliances: The Developer makes no warranty as to appliances or other consumer products installed in any Unit or in the common elements. If there are applicable manufacturer's or dealer's warranties relating to such appliances or other consumer products, the Developer will endeavor to assign and pass on to each Unit owner the benefit of such warranties.

EXHIBIT A

Section 1.2 -- Buildings and Other Improvements

DESCRIPTION OF BUILDINGS

The Community shall contain twenty eight (28) Units in six (6) buildings. Each building is identified on the Condominium Map by a letter designation, A through F. Each building has three (3) floors. The Units and buildings shall be constructed principally of concrete, metal, wood, glass and related building materials.

DESCRIPTION OF UNITS

There are fifteen (15) different unit types in the Community, designated as Unit types D, D-1, D-2, E, ER, E-1, ER-1, E-2, E-3, F, FR, F-1, F-2, F-3 and Clubhouse. A description of each unit type is as follows:

1. Unit Type D. The Unit is a single story, ground floor Unit containing eleven (11) rooms, consisting of three (3) bedrooms, one (1) den/bedroom, three (3) full bathrooms, one (1) half bathroom, one (1) living room, one (1) kitchen/dining room, and one (1) laundry room. The Unit also contains one (1) lanai. The Unit has a net living area of 2,114 square feet, and a net lanai area of 667 square feet, for a net total area of 2,781 square feet.
2. Unit Type D-1. The Unit is a single story, ground floor Unit containing eight (8) rooms, consisting of three (3) bedrooms, three (3) bathrooms, one (1) living/dining room, and one (1) kitchen. The Unit also contains one (1) lanai. The Unit has a net living area of 1,616 square feet, and a net lanai area of 315 square feet, for a net total area of 1,931 square feet.
3. Unit Type D-2. The Unit is a single story, ground floor Unit containing eight (8) rooms, consisting of three (3) bedrooms, three (3) bathrooms, one (1) living/dining room, and one (1) kitchen. The Unit also contains one (1) lanai. The Unit has a net living area of 1,644 square feet, and a net lanai area of 315 square feet, for a net total area of 1,959 square feet.
4. Unit Type E. The Unit is a single story, second floor Unit containing eight (8) rooms, consisting of three (3) bedrooms, three (3) bathrooms, one (1) living/dining room, and one (1) kitchen. The Unit also contains one (1) lanai. The Unit has a net living area of 1,616 square feet, and a net lanai area of 403 square feet, for a net total area of 2,019 square feet.
5. Unit Type ER. The Unit is a single story, second floor Unit containing eight (8) rooms, consisting of three (3) bedrooms, three (3) bathrooms, one (1) living/dining room, and one (1) kitchen. The Unit also contains one (1) lanai. The Unit has a net living area of 1,616 square feet, and a net lanai area of 403 square feet, for a net total area of 2,019 square feet.
6. Unit Type E-1. The Unit is a single story, second floor Unit containing eight (8) rooms, consisting of three (3) bedrooms, three (3) bathrooms, one (1) living/dining room, and one (1) kitchen. The Unit also contains one (1) lanai. The Unit has a net living area of 1,644 square feet, and a net lanai area of 403 square feet, for a net total area of 2,047

square feet.

7. Unit Type ER-1. The Unit is a single story, second floor Unit containing eight (8) rooms, consisting of three (3) bedrooms, three (3) bathrooms, one (1) living/dining room, and one (1) kitchen. The Unit also contains one (1) lanai. The Unit has a net living area of 1,644 square feet, and a net lanai area of 403 square feet, for a net total area of 2,047 square feet.
8. Unit Type E-2. The Unit is a single story, second floor Unit containing eight (8) rooms, consisting of three (3) bedrooms, three (3) bathrooms, one (1) living/dining room, and one (1) kitchen. The Unit also contains one (1) lanai. The Unit has a net living area of 1,616 square feet, and a net lanai area of 315 square feet, for a net total area of 1,931 square feet.
9. Unit Type E-3. The Unit is a single story, second floor Unit containing eight (8) rooms, consisting of three (3) bedrooms, three (3) bathrooms, one (1) living/dining room, and one (1) kitchen. The Unit also contains one (1) lanai. The Unit has a net living area of 1,644 square feet, and a net lanai area of 315 square feet, for a net total area of 1,959 square feet.
10. Unit Type F. The Unit is a single story, third floor Unit containing ten (10) rooms, consisting of three (3) bedrooms, one (1) study/bedroom, three (3) full bathrooms, one (1) half bathroom, one (1) living room, and one (1) kitchen/dining room. The Unit also contains three (3) lanais. The Unit has a net living area of 2,031 square feet, and a net lanai area of 752 square feet, and a net storage area of 28 square feet, for a net total area of 2,811 square feet.
11. Unit Type FR. The Unit is a single story, third floor Unit containing ten (10) rooms, consisting of three (3) bedrooms, one (1) study/bedroom, three (3) full bathrooms, one (1) half bathroom, one (1) living room, and one (1) kitchen/dining room. The Unit also contains three (3) lanais. The Unit has a net living area of 2,031 square feet, and a net lanai area of 752 square feet, and a net storage area of 28 square feet, for a net total area of 2,811 square feet.
12. Unit Type F-1. The Unit is a single story, third floor Unit containing eleven (11) rooms, consisting of three (3) bedrooms, one (1) study/bedroom, three (3) full bathrooms, one (1) half bathroom, one (1) living room, and one (1) kitchen/dining room. The Unit also contains four (4) lanais. The Unit has a net living area of 2,046 square feet, and a net lanai area of 896 square feet, and a net storage area of 28 square feet, for a net total area of 2,970 square feet.
13. Unit Type F-2. The Unit is a single story, third floor Unit containing eleven (11) rooms, consisting of three (3) bedrooms, one (1) study/bedroom, three (3) full bathrooms, one (1) half bathroom, one (1) living room, and one (1) kitchen/dining room. The Unit also contains three (3) lanais. The Unit has a net living area of 2,046 square feet, a net lanai area of 647 square feet, and a net storage area of 28 square feet, for a net total area of 2,721 square feet.
14. Unit Type F-3. The Unit is a single story, third floor Unit containing ten (10) rooms, consisting of three (3) bedrooms, one (1) study/bedroom, three (3) full bathrooms, one (1) half bathroom, one (1) living room, and one (1) kitchen/dining room. The Unit also

contains three (3) lanais. The Unit has a net living area of 1,994 square feet, and a net lanai area of 622 square feet, and a net storage area of 28 square feet, for a net total area of 2,644 square feet.

15. Clubhouse. This Unit is a single story nonresidential, first floor Unit containing eight (8) rooms consisting of a lounge/lobby room, an exercise room, a workroom, a meeting room/office, a kitchen, a conference room, a one-half bath and a storage room. The Unit also contains a lanai. The Unit has a net living area of 2,201 square feet and a net lanai area of 578 square feet for a net total area of 2,779 square feet.

LOCATION AND NUMBERING OF UNITS:

Each Unit shall be designated by the Building Number ("A", "B", "C", "D", "E" and "F") followed by the a number corresponding to the floor location of the Unit (e.g., Unit B110 is a first floor unit located in Building B, etc.). The Unit numbers and locations are more fully illustrated on the Condominium Map.

ACCESS TO COMMON ELEMENTS:

Each Unit in the Community has immediate access to the Common Elements of the Community or to a walkway leading to the common elements of the Community.

ACCESS TO A PUBLIC STREET:

The Community will have direct access to Hoohu Road, a public road.

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE BUILDINGS AND OTHER IMPROVEMENTS CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, HOUSE RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, HOUSE RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL.

EXHIBIT H

Section 1.8 -- Recreational and Other Common Facilities

The "Recreational Facilities" may include a pool, spa, Clubhouse Unit and barbeque area(s), as shown on the Condominium Map. The depiction of the Recreation Facilities shown on the Condominium Map is shown for general information only and may not reflect the actual location of the Recreation Facilities, any of which may be relocated by Declarant. Declarant has reserved the right to improve such areas with other recreational facilities, which may include, but are not limited to, picnic tables and additional barbeque area(s), all of which upon such construction shall be Common Elements of the Community.

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE RECREATIONAL AND OTHER COMMON FACILITIES CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, HOUSE RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, HOUSE RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL.

EXHIBIT I
Section 1.9 – Common Elements

COMMON ELEMENTS

The Common Elements of the Community shall specifically include, but are not limited to, the following:

1. The Land and those improvements to the Land, excluding the Units, but including without limitation the Community Access Road, exterior lighting fixtures located along and/or adjacent to the Community Access Road, the common area landscaping and similar improvements.
2. All the benefits, if any, inuring to the land or to the Community from all easements, if any, shown on the Condominium Map or listed in Exhibit "A" attached to the Declaration of Condominium Property Regime.
3. All structural components, such as foundations, girders, columns, beams, floor slabs, supports, main walls, load-bearing walls, floors, ceilings (except the inner or decorated surfaces of such walls, floors and ceilings), roofs, exterior stairs and stairways, landings, railings, elevators, elevator lobbies, hallways, and unassigned storage areas, entrances and exits (other than the hallways and storage areas, entry courts or entry areas included in the definition of a unit) of the buildings and/or Units, exterior doors and door frames, exterior window frames, and other building appurtenances; provided, however, that all rollers, locks, handles, tracks and appurtenant hardware associated with all windows, doors and exterior garage doors, if any, and all sliding screen doors, sliding glass doors and all glass and window screens shall be the responsibility of the Unit owners and all other portions of the walls, floors, or ceilings, are a part of the Common Element. If any chute, flue, duct, wire, conduit, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element appurtenant solely to that Unit, and any portion thereof serving more than one Unit or any portion of thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements.
4. All yards, grounds, gardens, planters, plants, landscaping, sidewalks, pathways, curbs, mailbox stations, lamp, lamp posts, trash receptacle areas, trash enclosures, electrical rooms, refuse facilities and loading areas, which may be shown on the Condominium Map.
5. All fences and outdoor walls.
6. All drainage facilities or swales, including the pond feature and storm water storage area as shown on the Condominium Map, pipes, shafts, wires, conduits or other utilities or service lines running through a Unit which are utilized for or serve more than one Unit, if any, or other features of the Community.
7. All non-assigned uncovered parking stalls as shown on the Condominium Map. There are 46 parking stalls in the Community, of which 34 are Common Elements. The remaining 12 parking stalls are assigned to, and are Limited Common Elements appurtenant to 12 Units as shown on Exhibit "D." 16 Units in the Community each have the right to use one (1) unassigned Common Element stall. 18 Common Element stalls may be used by guests, or, at the discretion of the Association and Managing Agent, may be used by Unit Owners. There are a total of 2

Common Element parking stalls in the Community that are suited or adaptable for use by persons with disabilities. Guest stalls may be retrofitted for exclusive use by disabled persons.

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

9. All ducts, electrical equipment, transformers, wiring, pipes and other central and appurtenant transmission facilities and installations over, under and across the Community, which are utilized by or serve more than one Unit or for services such as power, light, water, gas, sewer, drainage, telephone and radio and television signal distribution, if any.

10. All areas, rooms, spaces, structures, housings, chutes, shafts or facilities of the Community within or outside of the buildings, which are for common use or which serve more than one Unit, such as electrical, maintenance, service, security, machine, mechanical and equipment rooms and the equipment, machinery and facilities therein.

11. All other parts of the Community not included in the definition of a Unit, to the extent provided in the Declaration.

12. The Entry Sign Monument identifying the Community, which may be covered by a grant of easement in favor of the Association.

13. The "Recreational Facilities", which may include a pool, spa, Clubhouse Unit and barbeque area(s), as shown on the Condominium Map. The depiction of the Recreation Facilities shown on the Condominium Map is shown for general information only and may not reflect the actual location of the Recreation Facilities, any of which may be relocated by Declarant. Declarant has reserved the right to improve such areas with other recreational facilities, which may include, but are not limited to, picnic tables and additional barbeque area(s), all of which upon such construction shall be Common Elements of the Community.



THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE COMMON ELEMENTS CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, HOUSE RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, HOUSE RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL.

EXHIBIT J

Section 1.10 -- Limited Common Elements

LIMITED COMMON ELEMENTS

The Limited Common Elements are those certain parts of the Common Elements which are designated and set aside for the exclusive use of certain Units as follows:

1. Each Unit shall have for its exclusive use one (1) mailbox bearing the same number as such Unit.

2. Each Unit shall have assigned to it the use of an air conditioner condensing unit located on the side of the building in which the Unit is located. Each owner shall be responsible for the repair, maintenance and replacement of the assigned air conditioner condensing unit and all appurtenant equipment, pipes and wiring, regardless of location.

Air conditioning units as shown on the Condominium Map are Limited Common Elements appurtenant to Units as follows:

Unit No.	Air Conditioning Unit No.
A100 (Clubhouse)	AC-A3 AC-A4
A210	AC-A2
A211	AC-A1
A300	AC-A5 AC-A6
B110	AC-B5
B111	AC-B6
B210	AC-B4
B211	AC-B3
B300	AC-B1 AC-B2
C110	AC-C2
C111	AC-C4
C210	AC-C3
C211	AC-C5
C300	AC-C1 AC-C6
D110	AC-D3
D111	AC-D5
D210	AC-D1
D211	AC-D2
D300	AC-D4 AC-D6

E110	AC-E5
E111	AC-E2
E210	AC-E4
E211	AC-E1
E300	AC-E3 AC-E6
F100	AC-F5 AC-F6
F210	AC-F4
F211	AC-F3
F300	AC-F1 AC-F2

3. Each Unit will have exclusive use of a central vacuum canister, and to the extent water heaters are not provided inside Units, each Unit will have exclusive use of a water heater, located in unassigned storage areas within the buildings. Each owner shall be responsible for the repair, maintenance and replacement of the assigned central vacuum canister and water heater, and all appurtenant equipment, pipes and wiring.

4. Certain Units have the exclusive use of assigned garages and adjacent tandem parking stalls, as more fully described in Exhibit "C."

5. If any chute, flue, duct, wire, conduit, or any other fixture lies partially within and partially outside the designated boundaries of a Unit (including all facilities, piping, condenser units or the other components of the air conditioning system servicing the Unit), any portion thereof serving only that unit is a Limited Common Element appurtenant solely to that Unit, and any portion thereof serving more than one Unit or any portion of thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements.

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE LIMITED COMMON ELEMENTS CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, HOUSE RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, HOUSE RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL.

EXHIBIT K

Section 1.11 – Special Use Restrictions

1. Residential Purposes. The Units shall at all times be occupied and used only for residential purposes in accordance with applicable laws, the Declaration and the Bylaws, and for no other purposes. Specifically, the residential Units may be used for transient vacation rental purposes as allowed by law. Notwithstanding the foregoing, the Clubhouse Unit may be used for recreational and other accessory uses as allowed by the zoning regulations of the County and subject to rules and regulations established by the owner of the Clubhouse Unit.

2. Restrictions. The Units or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any fractional ownership, fractional interest, timesharing purpose or under any timesharing plan, arrangement or program, including without limitation any so-called "vacation license," "travel club membership," or "time-interval ownership" arrangement. The terms "fractional ownership", "fractional interest", or "timesharing plan" as used in this Section shall be deemed (i) to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess a Unit rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise; and (ii) not to include the rights of joint tenants, tenants in common, or tenants by the entirety to all use a Unit they own without limitation as to specific time periods, as owners of undivided interest in the Unit.

3. Limitation of Transfer of Short Term Ownership. The Unit Owners shall have the absolute right to sell, lease, rent or otherwise transfer their respective Units subject to all provisions of the Act and the Community Documents. Any lease or rental agreement of a Unit shall be in writing and shall provide that it shall be subject in all respects to the provisions of the Community Documents and that the failure of the lessee or tenant to comply with the terms of the Community Documents shall be a default under the lease or rental agreement.

4. Use of Unit. A Unit Owner shall not use his or her Unit and/or any appurtenant Limited Common Element for any purpose which will injure the reputation of the Community or suffer anything to be done or kept in his or her Unit or elsewhere in the Community which will (a) jeopardize the soundness of any building in the Community, (b) create a nuisance or interfere with or unreasonably disturb the rights of other Owners and occupants, (c) increase the rate of fire insurance on any structure or the contents of any structure, or (d) reduce the value of the Community or any structure in the Community.

5. Use of Parking Stalls. Use of those parking stalls, if any, which are not designated as Limited Common Elements appurtenant to any specific Unit, may be governed by rules and regulations adopted in accordance with the Bylaws to assure equitable use of the stalls by all Owners. The Board of Directors may install parking meters, gates, security devices, checkpoints and other equipment appropriate to this end and may issue stickers or adopt an allocation system. Adaptable stalls (stalls capable of being designated for use by disabled persons) may be retrofitted to limit their use to disabled persons.

6. Use of Recreational Facilities by Declarant. The Declarant on behalf of itself as the developer and not as a Unit owner, reserves the right to continue to use and enjoy the Recreational Facilities, without charge.

7. Use of Common Elements. Subject to the rights reserved by Declarant elsewhere in this Declaration or in the Bylaws and subject also to the exclusive or limited use of the Limited Common Elements that may be specified in this Declaration, each Unit Owner may use the Common Elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Unit Owners, provided that the Board of Directors shall have the right:

(a) To change the use of the Common Elements upon approval of seventy-five percent (75%) of the Owners;

(b) On behalf of the Association, to lease or otherwise use for the benefit of the Association those Common Elements that, in accordance with Section 514B-38(5) of the Act, the Board determines are not actually used by any Unit Owners for a purpose permitted in this Declaration so long as it does not adversely affect Declarant's rights and interests in the Common Elements, provided that, unless the approval of sixty-seven percent (67%) of the Owners is obtained, such lease shall not have a term of more than five (5) years and shall contain a provision that the lease or agreement for use may be terminated by either party thereto on not more than sixty (60) days' written notice; provided, however, that the foregoing approval requirement shall not apply to any leases, licenses, or other agreements entered into for the purposes authorized by Section 514B-140(d); and

(c) Provided it does not adversely affect Declarant's rights and interests in the Common Elements or Limited Common Elements, to lease or otherwise use for the benefit of the Association those parts of the Common Elements not falling within subsection (b) above, upon obtaining the approval of seventy-five percent of the Owners, including all directly affected Owners and in the case of Limited Common Elements, all Owners of Units to which such Limited Common Elements are appurtenant, and the approval of all mortgagees of record on Units with respect to which Owner approval is required, if such lease or use agreement would be in derogation of the interest of such mortgagees; provided, however, that the foregoing approval requirement shall not apply to any leases, licenses, or other agreements entered into for the purposes authorized by Section 514B-140(d); and

(d) To enact, amend and repeal rules and regulations reasonably restricting and regulating use of the Common Elements, provided that such rules and regulations shall be enacted, amended or repealed in accordance with and shall be consistent with the terms of the Community Documents, and shall not be in derogation of the rights reserved to Declarant in the Community Documents.

8. Lanais. Without limiting the generality of any other provision of this Declaration, the following provisions shall apply to lanais:

(a) Use of Lanais. Lanais shall be used only as outdoor living areas containing patio furniture, potted plants, and other similar outdoor furnishings that comply with the standards governing the appearance of such items as set forth in the Community Rules. Said furnishings shall be equipped with protective leg caps or other devices to prevent damage to the floor of the lanais. No Improvement shall be nailed, bolted, or otherwise attached to the floor, walls, or any other portion of the lanais. No hanging screens or banners and no other accoutrement (other than plants), which may be visible from any other Unit, the Common Elements, or the Community are permitted on any portion of the lanais. Any plants placed on lanais must have sufficiently large

receptacles to contain all drainage from such plants, and must not be allowed to collect condensates or moisture between the receptacles and the floor of the lanais. Owners may not install wet bars or refrigerators on the lanais.

(b) Limitations on Use. Lanais shall not be used for storage of any type, including, without limitation, boxes, tools, exercise and sports equipment, bicycles, cleaning utensils and supplies, or other household items. Lanais shall be maintained in a clean, neat, and sanitary condition at all times, and nothing shall be placed on Lanais so as to render them unsightly or offensive to the other Owners or to any other Units in the Community or its occupants. No dust, dirt, or other substances shall be shaken, swept, or thrown from or hosed off the lanais on or into any Common Elements. Any item which in the opinion of the Board or the Board is unsightly or offensive shall be removed from the lanais upon receipt of written notice of such determination from the Board or the Board. No Owner shall change or alter the surface or exterior of any lanais without the consent of the Board.

9. Rights of Persons with Disabilities. Subject to the provisions of this Declaration, each Owner shall have the right to modify the Owner's Unit and the Board and/or the Declarant has the right to modify the route over the Common Elements leading to the front door of the Unit, at the Owner's sole cost and expense, in order to facilitate access to the Unit by persons who are blind, visually handicapped, deaf, or physically disabled, or to alter conditions which could be hazardous to such persons. The rights granted by this Section are further subject to the following conditions: (i) the modifications shall be consistent with applicable building code requirements; (ii) the modifications shall be consistent with the intent of otherwise applicable provisions of this Declaration pertaining to safety or the aesthetic integrity of the Community; (iii) the modifications which are external to the Unit shall not prevent reasonable passage by other Owners or invitees on the Community, and shall be removed by the Owner when the Unit is no longer occupied by persons requiring those modifications; (iv) any Owner who intends to modify a Unit pursuant to this Section shall submit their plans and specifications to the Board for review to determine whether the modifications comply with the provisions of this Declaration; and (v) any change in the exterior appearance of a Unit shall be in accordance with the provisions of this Declaration and all applicable provisions of law. Any Owner with a disability desiring such a modification shall make such request, in writing, to the Board. That request shall set out, with specificity and in detail, the nature of the request and the reason that the requesting party needs to be granted such the modification. The Board shall not unreasonably withhold or delay its consent to such request and the Board shall not deny approval of the proposed modifications under this Section without good cause. Any request shall be deemed to be granted if not denied in writing within forty-five (45) days of the Board's receipt thereof, or within forty-five (45) days of the Board's receipt of additional information reasonably required by the Board in order to consider such request, whichever shall last occur.

10. Pets. No animals whatsoever, including without limitation, livestock, poultry, dogs, cats, or other common household pets, shall be allowed or kept in or on any part of the Community. The Association may establish a pets policy and amend the Bylaws accordingly with the affirmative vote or written consent of not less than sixty-seven percent (67%) of the Owners.

11. Master Association. There is a Poipu Kai Association, a master homeowner's association, as described in that certain First Restatement of the Declaration of Covenants and Restrictions of Poipu Kai Association dated August 10, 2010, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2010-128383 (the "Master Declaration"). The Property subject to this Declaration is a portion of Lot D-22 of the Poipu Kai Subdivision, as

more particularly described in Exhibit "A." The Master Declaration subjects the named lots to land classification and use restrictions, the rules and procedures of the Poipu Kai Design Committee, and the Poipu Kai Association, certain fund and assessment requirements, including but not limited to water, sewer, roadway and other assessments, and miscellaneous provisions for the development of the named properties as a planned community. Unit Owners in the Community are subject to the terms and covenants of the Master Declaration as well as the condominium documents of this Project.

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE SPECIAL USE RESTRICTIONS CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, HOUSE RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, HOUSE RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL.

EXHIBIT L

Section 1.12 -- Encumbrances Against Title

1. Reservation of mineral and water rights of any nature in favor of the State of Hawaii.

2. The terms and provisions contained in the following:

INSTRUMENT : FIRST RESTATEMENT OF THE DECLARATION
OF COVENANTS AND RESTRICTIONS OF
POIPU KAI ASSOCIATION

DATED : August 10, 2010
RECORDED : Document No. 2010-128383

The foregoing First Restatement of the Declaration of Covenants and Restrictions of Poipu Kai Association restates the original DECLARATION OF COVENANTS AND RESTRICTIONS dated January 8, 1979, recorded in Liber 13428 at Page 440, and any amendments and supplements thereto.

3. The terms and provisions contained in the following:

INSTRUMENT : FIRST RESTATEMENT OF THE BYLAWS OF
THE POIPU KAI ASSOCIATION

DATED : August 23, 2010
RECORDED : Document No. 2010-128382

The foregoing First Restatement of the Bylaws of the Poipu Kai Association restates the original unrecorded By-Laws dated January 11, 1979.

4. GRANT

TO : POIPU KAI ASSOCIATION, a Hawaii nonprofit corporation

DATED : August 1, 1979
RECORDED : Liber 13910 Page 298
GRANTING : a perpetual and non-exclusive easement in, upon, through, over and across Easement "3" for pedestrian access purposes, etc., said easement being more particularly described therein

5. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION

DATED : October 31, 1979
RECORDED : Liber 14168 Page 201

Said Declaration was amended by instrument dated February 23, 1981, recorded in Liber 15384 at Page 582.

6. The terms and provisions contained in the following:

INSTRUMENT : AGREEMENT

DATED : March 7, 2001
RECORDED : Document No. 2001-038223
PARTIES : REGENCY INVESTMENTS & DEVELOPMENT, LC, a Utah limited liability company, CHESTER WAYNE HUNT and LETITIA HUNT, Trustees of the Hunt Family Revocable Living Trust under unrecorded Trust Agreement dated October 15, 1990, STEVEN A. HUNT, Trustee of the Steven A. Hunt Revocable Trust dated July 1, 1998, LAUREN L. HUNT, Trustee of the Lauren L. Hunt Revocable Trust dated July 1, 1998, CHESTER WAYNE HUNT, husband of Letitia Hunt, and CLIFTON J. MIRANDA and JOYCE MIRANDA, husband and wife

7. "A portion of Easement "A" (10 feet wide) along Lot D-24, as shown in red on the map attached hereto and incorporated herein as Exhibit "B". A Grant of Easement conveying Easement "A" and other easements for pedestrian purposes to the County of Kauai, was executed by Leadership Homes of Hawaii, Inc., a Delaware corporation, prior to its conveyance of the above described property to The Housing Group, a California corporation licensed to do business in Hawaii, and will be executed, dated and recorded by the County of Kauai subsequent hereto. The recordation of the Grant of Easement shall relate back and said Grant of Easement shall be considered to have been in effect prior to the date of the conveyance of the above described property by Leadership Homes of Hawaii, Inc., to the Housing Group...", as set forth in Warranty Deed dated January 17, 1979, recorded in Liber 13428 at Page 503.
8. GRANT OF PERPETUAL EXCLUSIVE EASEMENT dated July 16, 1979, recorded in Liber 13860 at Page 210, as amended by instrument dated February 23, 1981, recorded in Liber 15384 at Page 573, granting a perpetual and exclusive easement for roadway and parking purposes in, upon, through, over and across Easement "6-A", said easement being more particularly described in Exhibit "C"

attached thereto.

9. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF RESTRICTIVE COVENANTS

DATED : June 18, 1999

RECORDED : Document No. 99-104872

10. DESIGNATION OF EASEMENT "AU-2"

SHOWN : on consolidation map prepared by Dennis M. Esaki, Land Surveyor, with Esaki Surveying & Mapping, Inc., dated March 31, 2005, approved by the Planning Commission of the County of Kauai on May 24, 2005

11. AMENDMENT OF EASEMENT AU-1 dated July 19, 2005, recorded as Document No. 2005-158630, by and between REGENCY VILLAS, LLC, a Hawaii limited liability company, and JOAN S. BENNION, a married woman.

12. The terms and provisions contained in the following:

INSTRUMENT : WAIVER, RELEASE AND INDEMNITY AGREEMENT

DATED : February 16, 2006

RECORDED : Document No. 2006-033275

PARTIES : REGENCY VILLAS, LLC ("Applicant") and the DEPARTMENT OF WATER, COUNTY OF KAUAI, a political subdivision of the State of Hawaii ("Department of Water")

13. MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING

LOAN/ACCOUNT NO. 724830-5.1

MORTGAGOR : REGENCY VILLAS, LLC, a Hawaii limited liability company

MORTGAGEE : AMERICA FIRST FEDERAL CREDIT UNION, a federally chartered credit union

DATED : January 17, 2007

RECORDED : Document No. 2007-012076

AMOUNT : \$15,000,000.00

AMENDED AND RESTATED AMENDMENT OF MORTGAGE

MORTGAGOR : REGENCY VILLAS, LLC, a Hawaii limited liability company,

MORTGAGEE : AMERICA FIRST FEDERAL CREDIT UNION, a federally chartered credit union

DATED : July 17, 2010

RECORDED : Document No. 2010-104574

AMOUNT : \$16,500,000.00

The foregoing Amended and Restated Amendment of Mortgage restates the original AMENDMENT OF MORTGAGE dated August 31, 2009, recorded as Document No. 2009-137432.

Said Amended and Restated Amendment of Mortgage was further amended by instrument dated September 29, 2010, recorded as Document No. 2010-158106.

14. The terms and provisions contained in the following:

INSTRUMENT : ASSIGNMENT OF LESSOR'S INTEREST IN LEASES

DATED : January 17, 2007

RECORDED : Document No. 2007-012077

PARTIES : REGENCY VILLAS, LLC, a Hawaii limited liability company, "Assignor", and AMERICA FIRST FEDERAL CREDIT UNION, a federally chartered credit union, "Assignee"

RE : to secure the repayment of that certain Note in the principal amount of \$15,000,000.00

15. FINANCING STATEMENT

DEBTOR : REGENCY VILLAS, LLC, a Hawaii limited liability company

SECURED

PARTY : AMERICA FIRST FEDERAL CREDIT UNION, a federally chartered credit union

RECORDED : Document No. 2007-012078

RECORDED ON: January 22, 2007

16. GRANT

TO : KAUAI ISLAND UTILITY COOPERATIVE and
HAWAIIAN TELCOM, INC.

DATED : April 25, 2008

RECORDED : Document No. 2008-128243

GRANTING : a perpetual right and easement for utility purposes
over, under, upon, across and through Easements
"E-1" and "E-2", said easements being more
particularly described in Exhibit "A" attached
thereto

17. GRANT

TO : BOARD OF WATER SUPPLY, COUNTY OF
KAUAI

DATED : November 13, 2008

RECORDED : Document No. 2009-029751

GRANTING : an easement for utility purposes on, over and
under Easement "W-1", said easement being more
particularly described in Exhibit "A" attached
thereto

18. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY
REGIME FOR "THE VILLAS AT POIPU KAI"
CONDOMINIUM PROJECT

DATED : July 14, 2010

RECORDED : Document No. 2010-100198

MAP : 4914 and any amendments thereto

Said Declaration was amended by instruments dated January 31,
2011, recorded as Document No. 2011-024193, and dated June 13,
2012, recorded as Document No. A-45690304.

19. The terms and provisions contained in the following:

INSTRUMENT : AMENDED AND RESTATED BYLAWS OF THE
ASSOCIATION OF UNIT OWNERS OF THE
VILLAS AT POIPU KAI

DATED : August 22, 2011

RECORDED : Document No. 2011-137842

The foregoing Amended and Restated Bylaws restate the original Bylaws dated July 14, 2010, recorded as Document No. 2010-100199.

20. CONVEYANCE OF WATER FACILITY dated December 11, 2008, recorded as Document No. 2009-126475.

21. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF CONSOLIDATION

DATED : December 1, 2010

RECORDED : Document No. 2011-015928

22. NOTICE OF LIEN

LIENOR : POIPU KAI ASSOCIATION

DEBTOR(S) : REGENCY VILLAS, LLC

DATED : January 28, 2010

RECORDED : Document No. 2010-014135

AMOUNT : \$1,709.61

-Note:- Attention is invited to the following:

(A) CANCELLATION OF NOTICE OF LIEN dated April 16, 2010, recorded as Document No. 2010-053596.

(B) Said Cancellation references the incorrect recording information for said Notice of Lien.

23. TAX LIEN

BY : DEPARTMENT OF TAXATION, STATE OF HAWAII

AGAINST : REGENCY VILLAS LLC

DATED : August 9, 2011

RECORDED : Document No. 2011-127128

AMOUNT : \$403,518.20

24. GRANT

TO : KAUAI PARTNERS, LLC, a Utah limited liability

company

DATED : March 13, 2012
RECORDED : Document No. A-44700107
GRANTING : a perpetual and nonexclusive easement over,
under, upon, across, and through Easement "AU-
2", for vehicular and pedestrian access and utility
service purposes, said easement being shown on
the map attached thereto as Exhibit "A"

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE ENCUMBRANCES AGAINST TITLE CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, HOUSE RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, HOUSE RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL.

EXHIBIT P

Section 4.2 – Estimate of the Initial Maintenance Fees

The Estimated Maintenance Fee Disbursements for The Villas at Poipu Kai have been compiled by Hawaiiana Management Company, a licensed property manager, assuming that all units in the Community as reflected on the Condominium Map are constructed. Although the property manager makes every effort to estimate the actual cost of operation, certain budget items, especially insurance in today's insurance market, may change. The Buyer is aware that such amounts are only estimates and may change for reasons beyond the control of Developer, and the Buyer hereby specifically accepts and approves any such changes. The Buyer is also aware that such estimates do not include the Buyer's obligation for payment of real property taxes. The Buyer understands that 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. Buyer understands that Developer has not independently confirmed the accuracy or content of the estimates prepared by the licensed independent managing agent. Further, the Developer advises that costs and expenses of maintenance and operation of a condominium community are very difficult to estimate initially and even if such maintenance charges have been accurately estimated, such charges will tend to increase in an inflationary economy and as the improvements age. Maintenance charges can vary depending on services desired by unit owners and may increase significantly depending on the level of services eventually selected by the Association's Board of Directors. The Buyer should examine the maintenance charges schedule to see what services are included in the schedule and address these issues with its Board upon its formation. Buyers should also be aware that the estimates provided are as of the date reflected in the Managing Agent's certification and do not reflect the actual charges that may be incurred upon the formation of the Association and the actual contracting for such services such as insurance and maintenance, etc.

The Developer intends to pay all of the actual common expenses for the units and the unit owner shall not be obligated for the payment of the owner's share of the common expenses until such time as the Developer causes a 30 day advance written notice to be sent to the Owners that, after a specified date, the unit owners shall be obligated to pay for the portion of common expenses that is allocated to their respective units. The developer shall mail the written notice to the owners, the association, and the managing agent, if any, at least thirty days before the specified date.

The estimate of the initial annual maintenance fees and monthly estimated Maintenance fees is attached hereto.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE ESTIMATE OF THE INITIAL MAINTENANCE FEES CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, HOUSE RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF SUCH RESERVED RIGHTS, PURCHASER CAN USE THIS SUMMARY OF SUCH RESERVED RIGHTS, PURCHASER SHOULD REFER TO THE

CONDOMINIUM DECLARATION TO DETERMINE THE ACTUAL RIGHTS RESERVED BY THE DEVELOPER. IF ANY CONFLICT OR DIFFERENCES EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DECLARATION, THE CONDOMINIUM DECLARATION WILL CONTROL.

CERTIFICATE

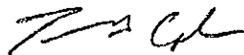
I, the undersigned, duly sworn on oath, depose and affirm as follows:

1. I am the Senior Vice President for Hawaiiana Management Company, Ltd., a Hawaii corporation, designated by the Developer of The Villas at Poipu Kai condominium project (the "Project") to act as the Managing Agent for the management and administration of the Project.

2. I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated cost for each unit in the Project, as set forth in Exhibit "1" attached hereto and hereby incorporated herein by reference, were determined in accordance with Section 514B-148 of the Hawaii Revised Statutes and Chapter 107 of the Hawaii Administrative Rules, and are reasonable estimates for the one-year period commencing June 2012, based on generally accepted accounting principles.

3. As permitted pursuant to Section 514B-148(b), new associations need not collect estimated reserves until the fiscal year which begins after the association's first annual meeting. The Developer has not conducted a reserve study for the Project. The budget amount for Reserves is an estimate only.

DATED: Honolulu, Hawaii, this 14th day of June, 2012.



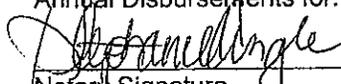
Name: KEVIN COLE
Title: SENIOR VICE PRESIDENT

Subscribed and sworn to before me
this 14th day of June, 2012.

State of Hawaii
City & County of Honolulu

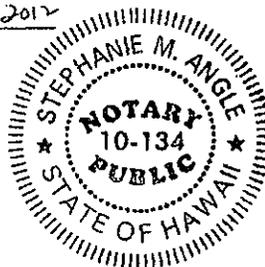
Date: June 14, 2012 # of Pages: 3

Doc Description: Certificate of Managing Agent & Estimated
Annual Disbursements for: The Villas at Poipu Kai

 6/14/2012
Notary Signature
Name: Stephanie M. Angle

No. & Expiration: 10-134

My commission expires: 6/13/2014
First Circuit, State of Hawaii



NOTARY CERTIFICATION

6-14-2012

Estimated Fee DisbursementThe Villas at Poipu Kai
(27 residential units
and 1 Clubhouse)

<u>Utilities and Services</u>	Monthly	Annually
Electricity (Common elements and Clubhouse only)	\$4,500.00	\$54,000.00
Water	\$1,300.00	\$15,600.00
Sewer	\$0.00	\$0.00
Telephone	\$100.00	\$1,200.00
<u>Maintenance, Repairs, Supplies</u>		
Buildings	\$600.00	\$7,200.00
Grounds Maintenance	\$3,500.00	\$42,000.00
Tree Trimming	\$100.00	\$1,200.00
Pool Maintenance	\$1,000.00	\$12,000.00
Pest Control	\$300.00	\$3,600.00
Maintenance	\$250.00	\$3,000.00
Supplies	\$100.00	\$1,200.00
<u>Management</u>		
Site Manager/Maintenance	\$5,337.50	\$64,050.00
Management Fee	\$1,032.00	\$12,384.00
Office Supplies	\$200.00	\$2,400.00
<u>Insurance</u>		
Property	\$4,763.00	\$57,156.00
General Liability	\$100.00	\$1,200.00
Umbrella	\$90.00	\$1,080.00
D & O	\$80.00	\$960.00
Bond	\$39.00	\$468.00
Equipment Breakdown	\$93.00	\$1,116.00
Taxes and Government Assessments	\$20.00	\$240.00
Professional Services/Legal/ Other	\$250.00	\$3,000.00
Audit and Tax Preparation	\$84.00	\$1,008.00
Poipu Kai Dues	\$369.25	\$4,431.00
Sub Total	\$24,207.75	\$290,493.00
Reserves	\$2,420.77	\$29,049.24
Total	\$26,628.52	\$319,542.24
Maintenance fee for Unit A-100	\$1,198.63	\$14,383.56
Grand Total	\$27,827.15	\$319,542.24

The cost of the Clubhouse maintenance, repair and operations is included as a common expense.

Estimated Maintenance Fees

The Villas at Poipu Kai
(27 residential units
and 1 Clubhouse)

Unit #	Type	Common Interest	Common Interest without Clubhouse	Additional Monthly fee for Unit A-100	Monthly Fee	Total Monthly Fee	Yearly Total
A100	Clubhouse	4.5013%			\$1,198.63	\$1,198.63	\$14,383.55
A210	ER1	3.3156%	3.49%	\$41.83	\$882.90	\$924.73	\$10,594.74
A211	ER	3.2702%	3.44%	\$41.23	\$870.81	\$912.04	\$10,449.67
A300	FR	4.5530%	4.72%	\$56.58	\$1,212.40	\$1,268.97	\$14,548.76
B110	D-1	3.1277%	3.30%	\$39.55	\$832.86	\$872.42	\$9,994.32
B111	D-2	3.1730%	3.34%	\$40.03	\$844.92	\$884.96	\$10,139.08
B210	E-2	3.1277%	3.30%	\$39.55	\$832.86	\$872.42	\$9,994.32
B211	E-3	3.1730%	3.34%	\$40.03	\$844.92	\$884.96	\$10,139.08
B300	F-1	4.8106%	4.98%	\$59.69	\$1,280.99	\$1,340.68	\$15,371.90
C110	D-1	3.1277%	3.30%	\$39.55	\$832.86	\$872.42	\$9,994.32
C111	D-2	3.1730%	3.34%	\$40.03	\$844.92	\$884.96	\$10,139.08
C210	E-2	3.1277%	3.30%	\$39.55	\$832.86	\$872.42	\$9,994.32
C211	E-3	3.1730%	3.34%	\$40.03	\$844.92	\$884.96	\$10,139.08
C300	F-1	4.8106%	4.98%	\$59.69	\$1,280.99	\$1,340.68	\$15,371.90
D110	D-1	3.1277%	3.30%	\$39.55	\$832.86	\$872.42	\$9,994.32
D111	D-2	3.1730%	3.34%	\$40.03	\$844.92	\$884.96	\$10,139.08
D210	E-2	3.1277%	3.30%	\$39.55	\$832.86	\$872.42	\$9,994.32
D211	E-3	3.1730%	3.34%	\$40.03	\$844.92	\$884.96	\$10,139.08
D300	F-2	4.4074%	4.58%	\$54.90	\$1,173.63	\$1,228.52	\$14,083.50
E110	D-1	3.1277%	3.30%	\$39.55	\$832.86	\$872.42	\$9,994.32
E111	D-2	3.1730%	3.34%	\$40.03	\$844.92	\$884.96	\$10,139.08
E210	E-2	3.1277%	3.30%	\$39.55	\$832.86	\$872.42	\$9,994.32
E211	E-3	3.1730%	3.34%	\$40.03	\$844.92	\$884.96	\$10,139.08
E300	F-3	4.2825%	4.45%	\$53.34	\$1,140.37	\$1,193.71	\$13,684.40
F100	D	4.5044%	4.67%	\$55.98	\$1,199.46	\$1,255.43	\$14,393.46
F210	E	3.2702%	3.40%	\$40.75	\$870.81	\$911.56	\$10,449.67
F211	E-1	3.3156%	3.45%	\$41.35	\$882.90	\$924.25	\$10,594.74
F300	F	4.5530%	4.72%	\$56.58	\$1,212.40	\$1,268.97	\$14,548.76
		100.0000%	100.0000%	\$1,198.63	\$26,628.52	\$27,827.15	\$319,542.24

The maintenance fees for A-100 (Clubhouse), owned by the Association, are incorporated into the monthly fees for each residential unit, based on each owner's common interest percentage.

EXHIBIT T

Section 6 -- Miscellaneous Information Not Covered Elsewhere in this Report

1. Developer may revise the specimen deed and sales contract for the Community to conform with any future amendments that may be made to the Declaration and the Community.
2. Each prospective purchaser should review the Condominium Map Site Plan so that they may identify easement areas benefiting the Community, which easements may affect the use of the Community, if any.
3. Act 119 passed by the State of Hawaii Legislature and effective July 1, 2004, contains important requirements you must follow before you file a lawsuit or other action for defective construction against the contractor who designed, repaired, or constructed your unit or facility. Ninety days before you file your lawsuit or other action, you must serve on the contractor a written notice of any construction conditions you allege are defective. Under the law, a contractor has the opportunity to make an offer to repair and/or pay for the defects. You are not obligated to accept any offer made by a contractor. There are strict deadlines and procedures under the law and failure to follow them may negatively affect your ability to file a lawsuit or other action.
4. Certain portions of the Community may be used as a sales office or model units. The Buyer is aware that noise and traffic from these areas may cause a disturbance. The Buyer is responsible for investigating noise levels in and around the Community to determine if the Buyer is satisfied with the acoustics and noise levels within the unit and within the Community as a whole. Developer makes no guaranty as to these matters now or in the future.
5. The Buyer should be aware that the Community may be periodically affected by certain environmental conditions due to historical, existing and prospective surrounding conditions and uses. Those uses include, without limitation, industrial, commercial and other non-residential uses, animal husbandry and pasture uses. Overhead and underground radio transmission wires and high voltage electric lines and facilities may be located within and around the Community. Such facilities purportedly may emit electric and magnetic emissions. Aircraft may fly in the proximity of or over or close to the Community. Buyers should also be aware that ongoing construction, commercial and industrial uses, plantation harvesting and farming may temporarily generate heavy dust and/or other nuisances. Pesticides and fertilizers were or may be used in the plantation harvesting and farming and may have long term effects on the land, water and environment.
6. Buyers are encouraged to find out which parking stalls are available for their use and the location of the parking stalls.
7. All prospective purchasers should be aware that the Association may enter into license agreements with individual owners of the adjacent Regency Villas at Poipu Kai community which would allow those owners the right to use the swimming pool, spa and barbecue facilities within the Community in exchange for a License Fee.

8. Developer has the reserved right to control the Association in accordance with Section 514B-106(d) of the Act, during which time Developer, or persons designated by Developer, may appoint and remove the officers and members of the Board of Directors. Such period of control of the Association by Developer (the "Control Period") shall terminate no later than the earlier of:

(a) Sixty (60) days after conveyance of seventy-five percent (75%) of the common interest appurtenant to Units to Owners other than Developer or an affiliate of Developer;

(b) Two (2) years after Developer has ceased to offer Units for sale in the ordinary course of business;

(c) Two (2) years after any right to add new Units was last exercised; or

(d) The day Developer, after giving written notice to Unit Owners, Records an instrument voluntarily surrendering all rights to control activities of the Association.

Developer may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of the Control Period, but in such event Developer may require, for the duration of the period of Developer control, that specified actions of the Association or Board, as described in a Recorded instrument executed by Developer, be approved by Developer before they become effective, provided, however, that during the Control Period (i) Developer must provide a copy of all amendments to the Department of Veterans Administration (the "VA"), and (ii) the Association may not make any material amendments or take any extraordinary actions as described in VA Pamphlet 26-7 revised, as may be applicable, without the approval of VA.

Until such time as the Declarant has turned over administration of the Community to the Association, Declarant shall have the right to amend the Bylaws without the approval, consent or joinder of, or notice to, any person or group of persons, including the Association, any Unit Owner or any mortgagee, lienholder, Unit purchaser or any other person who may have an interest in the Community.

9. All prospective purchasers should be aware that The Villas at Poipu Kai is within and a part of the master homeowners association known as the Poipu Kai Association, and is subject to certain conditions and restrictions contained in the various documents that affect the Community, including the covenants, conditions, restrictions, reservations, agreements, obligations and other provisions contained in the First Restatement of the Declaration of Covenants and Restrictions of Poipu Kai Association, as the same may be amended and/or supplemented.

10. The Association of Apartment Owners of Manualoha ("Association"), an adjacent condominium property, has alleged that there is an encroachment from the Community into Easement 6A, which benefits the Manualoha community. The Association filed a Complaint (Case No. 12-1-0055) against the Developer which was served on August 15, 2012. The Developer is defending against the Complaint.

Swt

Dr 1

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT CONTAINED IN THE DECLARATION, BY LAWS, CONDOMINIUM MAP, HOUSE RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS AS A

GENERAL SUMMARY, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE COMMUNITY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS EXHIBIT AND THE DECLARATION, BYLAWS, CONDOMINIUM MAP, HOUSE RULES OR OTHER DOCUMENTS OF THE COMMUNITY, SUCH DOCUMENTS WILL CONTROL.