

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

CONDOMINIUM PROJECT NAME:	KOLOA LANDING AT POIPU BEACH – PHASE I (Report covers Phase I consisting of 87 of 329 units)
PROJECT ADDRESS:	2641 Poipu Road Koloa, Hawaii 96756
REGISTRATION NUMBER:	6174
EFFECTIVE DATE OF REPORT:	<b>March 2, 2012</b>
THIS AMENDMENT:	<input checked="" type="checkbox"/> Must be read together with <input type="checkbox"/> Developer's Public Report dated _____ <input checked="" type="checkbox"/> Third Amended Report dated <u>December 6, 2010</u>  <input type="checkbox"/> Supersedes all prior amendments: Includes all prior amendment(s) and must be read together with <input type="checkbox"/> Developer's Public Report dated _____ <input type="checkbox"/> Amended Report dated _____
DEVELOPER(S):	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.

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610900.1 *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

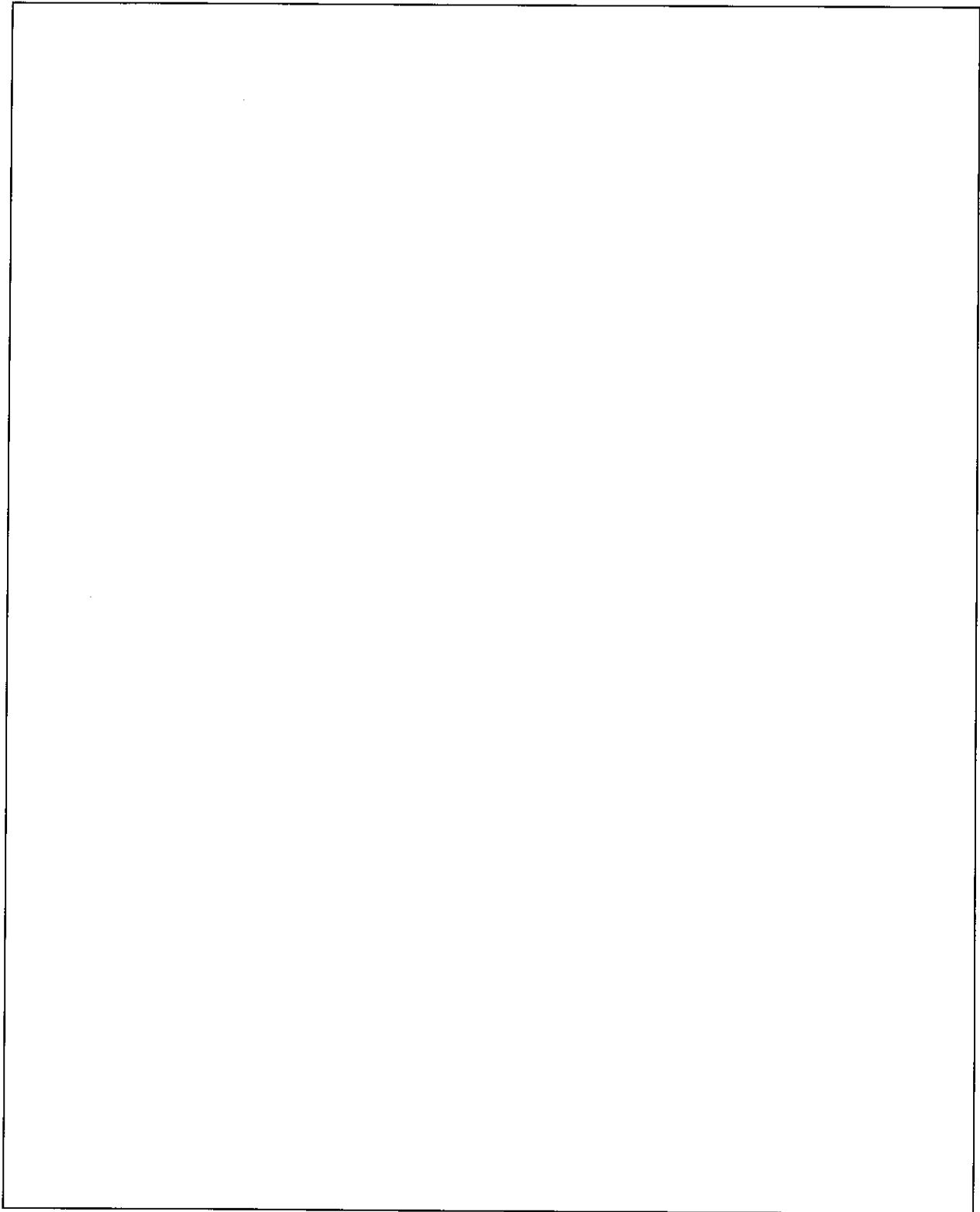
Summary of Changes from Earlier Developer's Public Report:

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. An updated title search has been obtained. Exhibit "G" has been updated.
2. The budget and maintenance fees listed in Exhibit "I" have been updated.

Changes continued:



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610975.1 *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 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,  
a Hawaii limited liability company

By Poipu Beach Management, LLC,  
a Hawaii limited liability company  
Its Manager

By Kent B. England  
Name: Kent B. England  
Its: President

27 DEC 2011  
Date

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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610975.1 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.

**1.8 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	Phase II: 31 Total Project: 42
Stairways	Phase II: 62 Total Project: 84
Trash Chutes	0

**1.9 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:

**1.10 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.

X	Pets: As set forth in the House Rules
X	Number of Occupants: As set forth in the House Rules
X	Other: See Exhibit "F" for Special Use Restrictions
	There are no special use restrictions.

**1.11 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: December 15, 2011

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

**EXHIBIT "G"**

**ENCUMBRANCES AGAINST TITLE**

1. Real property taxes that may be due and payable. For more information contact County of Kauai, Department of Finance, Real Property Tax Division.
2. Mineral and water rights of any nature in favor of the State of Hawaii.
3. 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.
4. 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. The terms and provisions contained in the following:

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

DATED : September 6, 2007  
FILED : Land Court Document No. 3673430  
MAP : 1878 and any amendments thereto

The foregoing Amended and Restated Declaration of Condominium Property Regime restates the original Declaration dated March 14, 2007, filed as Land Court Document No. 3575729, and any amendments thereto.

Said Amended and Restated Declaration was amended by instruments dated May 2, 2008, filed as Land Court Document No. 3743269 and dated October 14, 2010, filed as Land Court Document No. 4011478.

8. The terms and provisions contained in the following:

INSTRUMENT : AMENDED AND RESTATED BYLAWS OF ASSOCIATION OF KOLOA LANDING AT POIPU BEACH

DATED : September 6, 2007

FILED : Land Court Document No. 3673431

The foregoing Amended and Restated Bylaws restates the original Bylaws dated March 14, 2007, filed as Land Court Document No. 3575730, and any amendments thereto

9. DESIGNATION OF EASEMENT "119"

PURPOSE : pedestrian and vehicular ingress and egress

SHOWN : on Map 116, as set forth by Land Court Order No. 171951, filed on September 6, 2007

10. DESIGNATION OF EASEMENT "120"

PURPOSE : pedestrian and vehicular ingress and egress, landscaping, and utility

SHOWN : on Map 116, as set forth by Land Court Order No. 171951, filed on September 6, 2007

11. RESTRICTION OF VEHICLE ACCESS RIGHTS

ALONG : Poipu Road

SHOWN : on Map 116, as set forth by Land Court Order No. 171951, filed on September 6, 2007

12. SETBACK (8 feet wide)

PURPOSE : road widening reserve

ALONG : Kapili Road

SHOWN : on Map 116, as set forth by Land Court Order No. 171951, filed on September 6, 2007

13. GRANT

TO : HO'ONANI ROAD LLC, dba STEP INTO LIQUID, a Colorado limited liability company

DATED : March 28, 2007

FILED : Land Court Document No. 3641260

GRANTING : a perpetual, nonexclusive easement for (i) pedestrian and vehicular ingress and egress, (ii) landscaping, and (iii) utility purposes over, across and upon Easement "120" as shown on Map 116 of Land Court Application No. 956

14. GRANT

TO : JOSEPHINE M. GAMPON, as Trustee of the Jose Marquez Land Trust, and JOSEPHINE M. GAMPON as Trustee of the Ambrocia Gampon Marquez Land Trust, both with full powers to sell, lease, or otherwise deal with the land

DATED : April 18, 2007

FILED : Land Court Document No. 3641263



- GRANTING : a perpetual, nonexclusive easement for pedestrian and vehicular ingress and egress purposes over, across and upon Easement "119" as shown on Map 116 of Land Court Application No. 956
15. The terms and provisions contained in the following:
- INSTRUMENT : WAIVER, RELEASE AND INDEMNITY AGREEMENT
- DATED : April 1, 2008
- RECORDED : Document No. 2008-074920
- PARTIES : POIPU BEACH VILLAS, LLC, a Hawaii Limited Liability Company (Applicant) and the DEPARTMENT OF WATER, COUNTY OF KAUAI, a political subdivision of the State of Hawaii (Department of Water)
16. GRANT
- TO : GUERINO RASMAN and JULIANNA VIKTORIA RASMAN, husband and wife, and GERALD CARLO RASMAN, unmarried
- DATED : August 18, 2008
- FILED : Land Court Document No. 3789263
- GRANTING : a perpetual, nonexclusive easement for (i) pedestrian and vehicular ingress and egress, and (ii) utility purposes over, across and upon Easement "120" as shown on Map 116 of Land Court Application No. 956
17. GRANT
- TO : POIPU BEACH VILLAS, LLC, a registered Hawaii limited liability company
- DATED : September 15, 2008
- FILED : Land Court Document No. 3790304
- GRANTING : a perpetual, nonexclusive easement for pedestrian and vehicular ingress and egress purposes, over across and upon Easement "119" as shown on Map 116 of Land Court Application No. 956
18. Any rights or interests which may exist or arise by reason of the following facts shown on survey map prepared by Dennis M. Esaki, Land Surveyor, with Esaki Surveying & Mapping, Inc., dated August 20-23, 2008:
- Wall at Southwest side bordering Lot 110.
19. KOLOA LANDING AT POIPU BEACH CONDOMINIUM FRONT DESK UNIT LEASE AND AGREEMENT dated June 30, 2009, entered into between POIPU BEACH VILLAS, LLC, as Lessor, and AZUL HAWAII RESORTS-KOLOA, LLC, as Lessee.
- SUBORDINATION AGREEMENT
- DATED : as of November 20, 2009
- RECORDED : Document No. 2009-183643
- Subordinates said above Lease to the lien of that certain Mortgage filed as Land Court Document No. 3919075.

20. CONSTRUCTION MORTGAGE WITH ABSOLUTE ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

MORTGAGOR : POIPU BEACH VILLAS, LLC, a Hawaii limited liability company  
MORTGAGEE : ZIONS FIRST NATIONAL BANK, a National Banking Association  
DATED : as of November 20, 2009  
FILED : Land Court Document No. 3919075  
AMOUNT : \$49,000,000.00

21. The terms and provisions contained in the following:

INSTRUMENT : ASSIGNMENT OF LEASES AND RENTS  
DATED : as of November 20, 2009  
RECORDED : Document No. 2009-181363  
PARTIES : POIPU BEACH VILLAS, LLC, a Hawaii limited liability company, "Borrower", and ZIONS FIRST NATIONAL BANK, a national banking association, "Lender"  
RE : to secure the repayment of the principal sum of \$49,000,000.00

22. FINANCING STATEMENT

DEBTOR : POIPU BEACH VILLAS, LLC  
SECURED PARTY : ZIONS FIRST NATIONAL BANK  
RECORDED : Document No. 2010-003891  
RECORDED ON: January 11, 2010

23. GRANT in favor of KAUAI ISLAND UTILITY COOPERATIVE, dated July 28, 2010, filed as Land Court Document No. 4011161; granting a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines and/or underground lines, including also the right of entry for maintenance purposes, over, under, upon, across and through those certain premises described therein.

**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.**

Association of Apartment Owners  
Koloa Landing at Polpu Beach  
Estimated Annual Budget at Full Build Out & Estimated 2012 Budget for Phase One

I, Jeffrey Zogg, as an employee of Azul Hawaii Resorts, the condominium managing agent for the Association of Koloa Landing at Polpu Beach, hereby certify that the above estimated maintenance fee assessments and maintenance fee disbursements were prepared in accordance with general accounting principles on an accrual basis.

  
\_\_\_\_\_  
Signature

12/1/11  
\_\_\_\_\_  
Date

Pursuant to 514B-148, 7b, Hawaii Revised Statutes, a new association need not collect estimated replacement reserves until the fiscal year, which begins after the association's first annual meeting. The Developer has conducted a reserve study for the project.

The amounts set forth in this budget are estimates only and are based on the current price index. The amounts 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 US and/or globally may impact such costs. Purchasers are aware and acknowledge that the budget, and, as a result, each purchaser's maintenance fee, will likely increase due to the trend towards the increasing costs of insurance, energy and labor.



Azul Hawaii Resorts  
Updated: 12.1.11

Association of Apartment Owners  
Koloa Landing at Polpu Beach  
Estimated Annual Budget at Full Build Out

	Monthly	Annual
<b>Revenue</b>		
General Assessment	500,017	6,000,200
Reserve Assessment	26,100	313,200
Transfer to Reserve Fund	(26,100)	(313,200)
Front Desk Services to Owners	6,460	77,520
Transfer to Front Desk Owners	(6,460)	(77,520)
C2 License Fee	13,414	160,970
Transfer to C2 Owners	(13,414)	(160,970)
Interest Income	0	0
Vending Income	0	0
Other Income	0	0
<b>Total Revenue</b>	<b>500,017</b>	<b>6,000,200</b>
<b>Expenses - Operations</b>		
<b>Payroll &amp; Related</b>		
Salaries & Wages Administration	15,658	187,900
Salaries & Wages Security	0	0
Salaries & Wages Maintenance	34,742	416,900
Salaries & Wages Grounds	0	0
Salaries & Wages Pool	21,300	255,600
Salaries & Wages Public Areas Cleaning	32,858	394,300
Vacation Pay   Holiday   Sick & Other	0	0
Payroll Taxes & Benefits	30,642	367,700
<b>Total Payroll &amp; Related</b>	<b>135,200</b>	<b>1,622,400</b>
<b>Administrative</b>		
Accounting Fees	1,058	12,700
Provision for Bad Debt	300	3,600
Directors' Travel & Telephone Conf	667	8,000
Dues & Publications	0	0
Employee Motivation	450	5,400
General Excise Tax	0	0
Legal Fees	500	6,000
Licenses & Taxes	558	6,700
Copier Expense	0	0
Office Equipment	967	11,600
Office Supplies	242	2,900
Housekeeping Supplies	1,467	17,600
Other Professional Fees	958	11,500
Outside Contract Services	1,158	13,900
Postage & Freight	733	8,800
Telephone (Local   Long Dist   Coll)	1,950	23,400
Telephone Lease   Maint   Interest	0	0
Travel	0	0
Meetings	0	0
Business Entertainment	192	2,300
Automobile Expense	1,742	20,900
Bank Charges	100	1,200
<b>Total Administrative</b>	<b>13,042</b>	<b>156,500</b>
<b>Maintenance</b>		
Building   FFE Maintenance	1,642	19,700
Contract Electrical   Plumbing	1,083	13,000
Decorations	2,367	28,400
Equipment Rental   Maint. Supplies	2,508	30,100
Elevator	16,975	203,700
Grounds & Landscaping	48,483	581,800
Life   Safety, Lock & Key   Lighting	692	8,300
Other Professional Fees	583	7,000
Painting	533	6,400
Pest Control	3,317	39,800
Plumbing & Heating	383	4,600
Refuse Removal	6,050	72,600
Security Services	12,683	152,200
Swimming Pool Maintenance	7,275	87,300
Uniforms	233	2,800
<b>Total Maintenance</b>	<b>104,808</b>	<b>1,257,700</b>



Azul Hawaii Resorts  
 Updated: 12.1.11

Association of Apartment Owners  
 Koloa Landing at Polpu Beach  
 Estimated Annual Budget at Full Build Out

Expenses - Operations	Monthly	Annual
<b>Utilities</b>		
Electricity	98,525	1,182,300
Gas	5,917	71,000
Sewer	12,233	146,800
Water	20,467	245,600
Cable Television	14,308	171,700
<b>Total Utilities</b>	<b>151,450</b>	<b>1,817,400</b>
<b>Other</b>		
Insurance	83,183	998,200
Management Fees	5,208	62,500
Rent   Maintenance Fees	7,125	85,500
<b>Total Other</b>	<b>95,517</b>	<b>1,146,200</b>
<b>Totals</b>		
<b>Total Operating Expenses</b>	<b>500,017</b>	<b>6,000,200</b>
<b>Total Operating Cash Flow</b>		
<b>Non Cash</b>		
Depreciation		
<b>Total Non Cash</b>		
<b>Net Profit/Loss</b>		



Azul Hawaii Resorts  
 Updated: 12.1.11

Association of Apartment Owners  
 Koloa Landing at Polpu Beach  
 % of Common Interest by Unit Type  
 Estimated Monthly Fees at Full Build Out

Unit Type	% of Common Interest	# of Units	ESTIMATED MONTHLY				Total
			Front Desk Svs for Owners	C2 Ucnse Fee	Molnt Fee	Capital Reserve	
A1	0.179696%	8	20.00	41.53	898.51	46.90	1,006.94
A1-R	0.179696%	8	20.00	41.53	898.51	46.90	1,006.94
B2	0.224979%	48	20.00	41.53	1,124.93	58.72	1,245.18
B2-R	0.224979%	48	20.00	41.53	1,124.93	58.72	1,245.18
C2	0.244034%	4	20.00	41.53	1,220.21	63.69	1,345.44
C2-R	0.244034%	4	20.00	41.53	1,220.21	63.69	1,345.44
D2	0.264114%	18	20.00	41.53	1,320.62	68.93	1,451.08
D2-R	0.264114%	19	20.00	41.53	1,320.62	68.93	1,451.08
E2	0.278457%	4	20.00	41.53	1,392.33	72.68	1,526.54
E2-R	0.278457%	4	20.00	41.53	1,392.33	72.68	1,526.54
F2	0.313495%	16	20.00	41.53	1,567.53	81.82	1,710.88
F-R	0.313495%	8	20.00	41.53	1,567.53	81.82	1,710.88
G3	0.353245%	43	20.00	41.53	1,766.29	92.20	1,920.01
G3-R	0.353245%	50	20.00	41.53	1,766.29	92.20	1,920.01
J3	0.383570%	15	20.00	41.53	1,917.92	100.11	2,079.56
J3-R	0.383570%	15	20.00	41.53	1,917.92	100.11	2,079.56
PH-1	0.610598%	1	20.00	41.53	3,053.09	159.37	3,273.99
PH-2	0.619204%	5	20.00	41.53	3,096.12	161.61	3,319.27
PH-2-R	0.619204%	5	20.00	41.53	3,096.12	161.61	3,319.27
C1 - Snack Bar	0.244034%	1	0.00	0.00	1,220.21	63.69	1,283.91
C2 - Spa	0.691943%	1	0.00	0.00	3,459.83	180.60	3,640.43
C3 - Office	0.335624%	1	0.00	0.00	1,678.18	87.60	1,765.77
C4 - Convenience Store	0.136053%	1	0.00	0.00	680.29	35.51	715.80
C5 - Multi-Purpose Rm	0.383365%	1	0.00	0.00	1,916.89	100.06	2,016.95
C6 - Maintenance Bldg	1.088311%	1	0.00	0.00	5,491.74	286.66	5,778.40

(329 total)

12/1/11

**Association of Koloa Landing at Polpu Beach  
2012 Estimated Budget  
(Phase One)**

	Monthly	Annual
<b>Revenue</b>		
General Assessment	146,976	1,763,707
Reserve Assessment	0	0
Reserve Assessment Transfer	0	0
Front Desk Services	1,700	20,400
Front Desk Services Transfer	-1,700	-20,400
C2 License Fee Assessment	2,650	30,600
C2 License Fee Assessment Trans	-2,550	-30,600
<b>Total Revenue</b>	<b>146,976</b>	<b>1,763,707</b>
<b>Expense- Operations</b>		
<b>WAGES &amp; BENEFITS</b>		
Administration	7,830	93,960
Maintenance	17,371	208,457
Janitorial	8,485	101,825
Pool	5,601	60,008
Payroll Taxes	4,573	54,877
Workers Comp	876	10,600
Health Insurance	2,485	29,585
<b>Total WAGES &amp; BENEFITS</b>	<b>47,101</b>	<b>565,218</b>
<b>OPERATING EXPENSES</b>		
Housekeeping Supplies	379	4,549
Office Supplies	62	743
Postage and Delivery	0	0
Telephone	503	6,036
Licenses & Taxes	131	1,572
Meals and Entertainment	50	600
Computer and Office Equipment	250	3,000
Relocation Expenses	0	0
Bank Fees	25	300
Payroll Processing	300	3,600
Accounting & Audit Fees	274	3,285
Professional Fees	55	663
T&E - Ground	0	0
Consulting	75	900
Flowers and Decorations	611	7,332
Automobile Expenses	450	5,400
<b>Total OPERATING EXPENSES</b>	<b>3,165</b>	<b>37,980</b>
<b>MAINTENANCE</b>		
Uniforms	60	714
Maintenance Supplies	648	7,776
Contract Electrical/Plumbing	279	3,348
Repairs and Maint - Building	424	5,088
Elevator Maintenance	4,383	52,591
Plumbing & Heating	89	1,184
Security Services	4,367	52,407
Lighting/Lock & Key	180	2,155
Grounds & Landscaping	16,692	200,307
Painting	138	1,652
Pest Control	855	10,266
Swimming Pool Maintenance	1,879	22,550
Other	150	1,800
Refuse Removal	2,083	25,000
<b>Total MAINTENANCE</b>	<b>32,236</b>	<b>386,836</b>
<b>UTILITIES</b>		
Internet	432	5,185
Electricity	33,000	396,000



12/1/11

Association of Koloa Landing at Polpu Beach  
2012 Estimated Budget  
(Phase One)

	<u>BUDGET</u>	<u>ACTUAL</u>
Gas/Propane	2,045	24,543
Cable/Internet	3,282	39,148
Water	5,286	63,427
Sewer	3,160	37,921
<b>Total UTILITIES</b>	<u>47,185</u>	<u>566,224</u>
<b>OTHER</b>		
Property Management Fees	5,000	60,000
Rent Expense	0	0
Insurance - General	12,275	147,300
Real Property Tax	13	151
Interest Expense	0	0
Depreciation Expense	0	0
<b>Total OTHER</b>	<u>17,288</u>	<u>207,451</u>
<b>Total Expense</b>	<u>146,978</u>	<u>1,763,707</u>

**Association of Koloa Landing at Poipu Beach  
2012 Estimated Budget  
(Phase One)**

Unit Type	# of units	Monthly-2012 Budget				Total
		Front Desk Svs Fee	C2 License	Maint. Fee	Capital Reserve	
B2	32	20.00	30.00	1,280.91	0.00	1,330.91
D2	6	20.00	30.00	1,503.73	0.00	1,553.73
E2	8	20.00	30.00	1,585.39	0.00	1,635.39
F2	4	20.00	30.00	1,784.87	0.00	1,834.87
G3	27	20.00	30.00	2,011.19	0.00	2,061.19
J3	6	20.00	30.00	2,183.85	0.00	2,233.85
PH-2	2	20.00	30.00	3,525.42	0.00	3,575.42
C3- Office	1	0.00	0.00	1,910.88	0.00	1,910.88
C4- Convenience Store	1	0.00	0.00	774.61	0.00	774.61
(87 total)						

In accordance with Hawaii condominium law, only those units with certificates of occupancy in the Project are currently being assessed maintenance fees. As such, only units in Phase I are responsible for paying maintenance fees at this point in the development of the Project. The maintenance fees for the 87 units in Phase I are calculated based on each unit's common interest in proportion to those completed units in Phase I. In other words, since all 87 units are responsible for 100% of the common expenses, each unit will pay that portion of the common expenses for Phase I that is proportionate to its common interest allocation in the entire project. In order to calculate each unit's proportionate share, each unit's common interest was divided by the aggregate of all Phase I units' common interest. As the units in Phase II receive certificates of occupancy and the amenities and facilities in Phase II are constructed, the common expense and the maintenance fees will be accordingly adjusted.