

**AMENDMENT 2 TO
DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME:	THE VILLAS AT POIPU KAI
PROJECT ADDRESS:	2373 Ho'ohu Road Koloa, HI 96756
REGISTRATION NUMBER:	7123 (Conversion)
EFFECTIVE DATE OF REPORT:	August 1, 2016
THIS AMENDMENT:	<input checked="" type="checkbox"/> Must be read together with <input checked="" type="checkbox"/> Developer's Public Report dated <u>September 1, 2011</u> <input checked="" type="checkbox"/> Amended Report dated <u>September 28, 2012</u> <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

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

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Summary of Changes from Earlier Developer's Public Report:

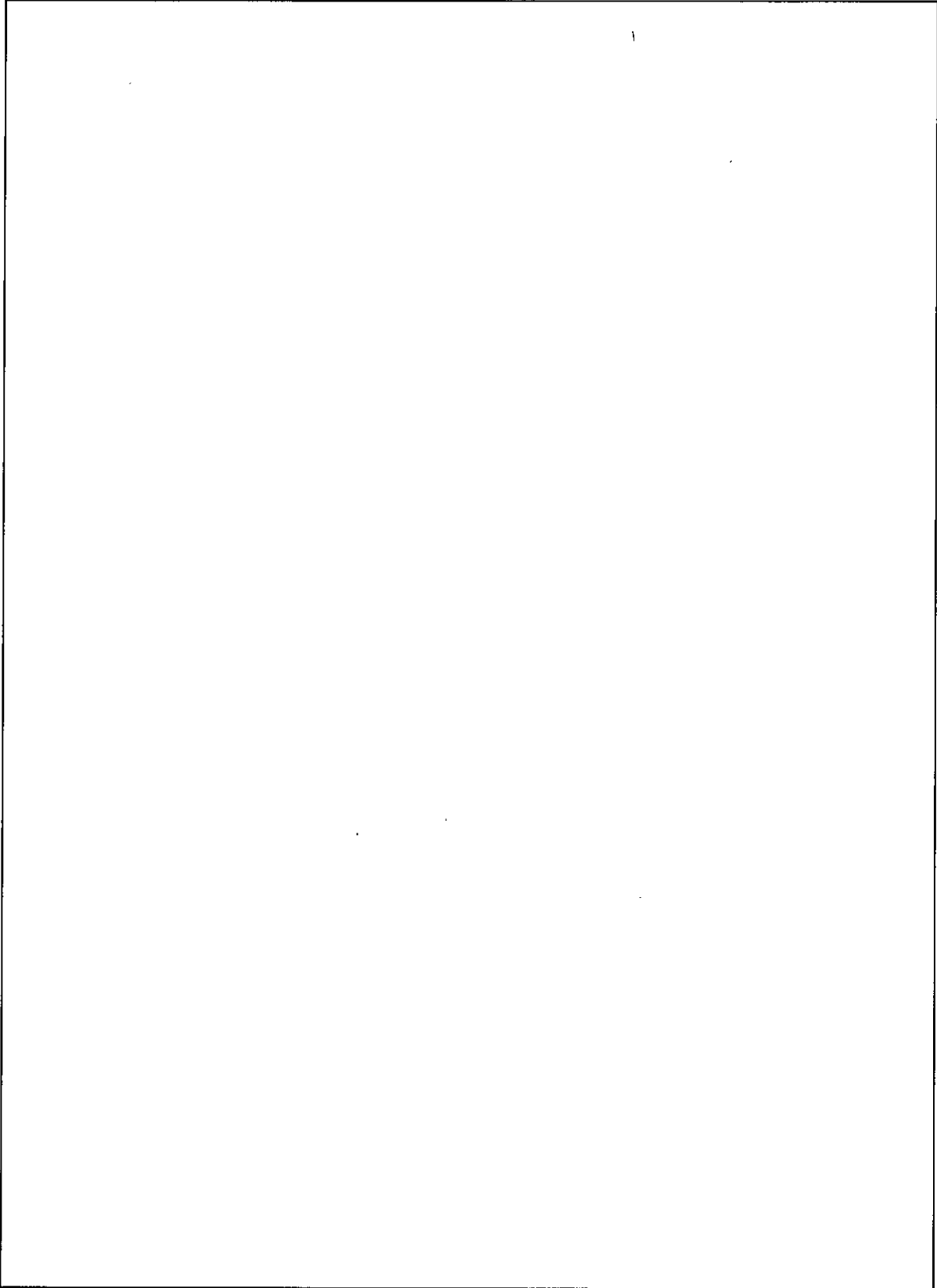
This summary contains a general description of the changes, if any, made by the developer since the last Developer's Public Report was issued an effective date. It is not necessarily all inclusive. Prospective purchasers and purchasers must read this amendment together with the last Developer's Public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

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

- A. Changes made as follows:
1. Section 2.1 - Developer has been revised to delete J. Nathan Hale as sole manager and replace him with Gregory A. Stuart.
 2. The Complaint referenced in Exhibit T as paragraph 10 was dismissed with prejudice.
 3. The Budget has been updated.
- B. This resulted in changes to the following pages and Exhibits to the Developer's Public Report and Amendment No. 1 to the Developer's Public Report:
1. Page 9 has been revised to reflect the replacement Manager of Developer.
 2. Exhibit P (Section 4.2 - Estimate of Initial Maintenance Fees) has been updated.
 3. Exhibit T (Section 6 - Miscellaneous Information Not Covered Elsewhere in this Report) Paragraph 10 has been deleted as the Complaint referenced in Exhibit T to Amendment No. 1 was dismissed with prejudice.

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Changes continued:



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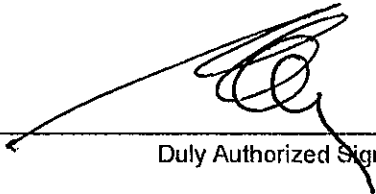
The Developer declares subject to the penalties set forth in Section 514B-69, HRS that this project continues to conform to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project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

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

Printed Name of Developer


Duly Authorized Signatory*

July 27, 2016

Date

Gregory A. Stuart, 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.**

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2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer(s)	Name: Regency Villas, LLC, a Hawaii limited liability company P.O. Box 101 Riverton, Utah 84065 Business Phone Number: (801) 541-7025 E-mail Address: greg@gstuart.net
Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).	Manager: Gregory A Stuart Members: Nathan Hale Investments, LLC, a Utah limited liability company Mai Ke Kula, LLC, a Hawaii limited liability company
2.2 Real Estate Broker	Name: Kauai Heritage Properties, LLC Business Address: P.O. Box 69 Koloa, Hawaii 96756 Business Phone Number: (808) 742-1191 E-mail Address: Hannah@kauaihp.com
2.3 Escrow Depository	Name: Title Guaranty Escrow Services, Inc. Business Address: 235 Queen St, Honolulu, HI 96813 Business Phone Number: (800) 521-0211 E-mail Address: main@tghawaii.com
2.4 General Contractor	Name: NA Business Address: Business Phone Number: E-mail Address:
2.5 Condominium Managing Agent	Name: Hawaiiana Management Company, Ltd. Business Address: 711 Kapiolani Boulevard, Suite 700 Honolulu, Hawaii 96813 Business Phone Number: (808) 593-9100 E-mail Address: phyllisok@hmcmtg.com
2.6 Attorney for Developer	Name: Case Lombardi & Pettit Nancy J. Youngren, Esq. Business Address: 737 Bishop Street, Suite 2600 Honolulu, Hawaii 96813 Business Phone Number: (808) 547-5400 E-mail Address: njy@caselombardi.com

EXHIBIT P

Section 4.2 -- Estimate of the 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 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 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. 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 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.

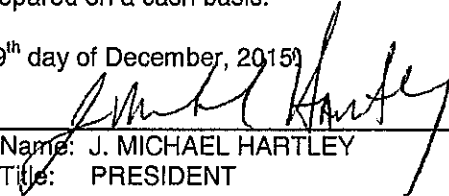
2. Attached hereto is a true and correct copy of the projected budget for the Project. The estimates contained therein, including the maintenance fee assessments and disbursements, are based upon and in reliance on the assumptions, expense and income data provided by the Developer along with information gathered by the Managing Agent from projects of comparable size and character. The estimated figures do not account for inflation, market adjustments, future utility rate changes, future insurance premium rate changes or other unanticipated events, including but not limited to, acts of government, acts of God, terrorism or war. In addition, the projected budget is based upon and in reliance on discussions with the Developer.

3. I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated cost for each unit in the Project, as 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 that the Managing Agent made a good faith effort to calculate such estimates for the one-year period commencing December 2015, based on generally accepted accounting principles.

4. 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 conducted a reserve study for the Project. The budget amount for Reserves is an estimate only, which was derived from the reserve study.

5. The Budget has been prepared on a cash basis.

DATED: Honolulu, Hawaii, this 9th day of December, 2015



Name: J. MICHAEL HARTLEY
Title: PRESIDENT

Subscribed and sworn to before me
this 9th day of December, 2015.

State of Hawaii
City & County of Honolulu

Date: December 9, 2015 # of Pages: 3

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

 12/9/2015
Notary Signature

Name: Stephanie M. Angle

No. & Expiration: 10-134

6/13/2018

First Circuit, State of Hawaii

NOTARY CERTIFICATION



Estimated Fee Disbursement

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

Utilities and Services	Monthly	Annually
Electricity (Common elements and Clubhouse only)	\$5,500.00	\$66,000.00
Water	\$2,000.00	\$24,000.00
Telephone	\$100.00	\$1,200.00
Maintenance, Repairs, Supplies		
Buildings	\$700.00	\$8,400.00
Grounds Maintenance	\$3,700.00	\$44,400.00
Tree Trimming	\$105.00	\$1,260.00
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
Management		
Site Manager Payroll	\$6,862.50	\$82,350.00
Site Manager Maintenance	\$5,000.00	\$60,000.00
Management Fee	\$1,080.00	\$12,960.00
Office Supplies	\$210.00	\$2,520.00
Insurance		
Property Package (Property, Gen Liab, Umbrella)	\$6,600.00	\$79,200.00
D&O	\$90.00	\$1,080.00
Bond	\$40.00	\$480.00
Equipment Breakdown	\$100.00	\$1,200.00
Taxes and Government Assessments	\$33.00	\$395.00
Professional Services/Legal/Other	\$750.00	\$3,000.00
Audit & Tax Preparation	\$50.00	\$1,008.00
Poipu Kai Dues	\$369.25	\$4,431.00
Subtotal	\$34,939.75	\$419,277.00
Reserves	\$8,400.00	\$100,800.00
Total	\$43,339.75	\$520,077.00
Maintenance fee, Unit A100	\$1,950.85	\$23,410.20
Grand Total	\$45,290.60	\$543,487.20

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%			\$1,950.85	\$1,950.85	\$23,410.23
A210	ER1	3.3156%	3.49%	\$68.08	\$1,436.97	\$1,505.06	\$18,060.69
A211	ER	3.2702%	3.44%	\$67.11	\$1,417.30	\$1,484.41	\$17,812.87
A300	FR	4.5530%	4.72%	\$92.08	\$1,973.26	\$2,065.34	\$24,784.07
B110	D-1	3.1277%	3.30%	\$64.38	\$1,355.54	\$1,419.92	\$17,038.99
B111	D-2	3.1730%	3.34%	\$65.16	\$1,375.17	\$1,440.33	\$17,283.94
B210	E-2	3.1277%	3.30%	\$64.38	\$1,355.54	\$1,419.92	\$17,038.99
B211	E-3	3.1730%	3.34%	\$65.16	\$1,375.17	\$1,440.33	\$17,283.94
B300	F-1	4.8106%	4.98%	\$97.15	\$2,084.90	\$2,182.05	\$26,184.65
C110	D-1	3.1277%	3.30%	\$64.38	\$1,355.54	\$1,419.92	\$17,038.99
C111	D-2	3.1730%	3.34%	\$65.16	\$1,375.17	\$1,440.33	\$17,283.94
C210	E-2	3.1277%	3.30%	\$64.38	\$1,355.54	\$1,419.92	\$17,038.99
C211	E-3	3.1730%	3.34%	\$65.16	\$1,375.17	\$1,440.33	\$17,283.94
C300	F-1	4.8106%	4.98%	\$97.15	\$2,084.90	\$2,182.05	\$26,184.65
D110	D-1	3.1277%	3.30%	\$64.38	\$1,355.54	\$1,419.92	\$17,038.99
D111	D-2	3.1730%	3.34%	\$65.16	\$1,375.17	\$1,440.33	\$17,283.94
D210	E-2	3.1277%	3.30%	\$64.38	\$1,355.54	\$1,419.92	\$17,038.99
D211	E-3	3.1730%	3.34%	\$65.16	\$1,375.17	\$1,440.33	\$17,283.94
D300	F-2	4.4074%	4.58%	\$89.35	\$1,910.16	\$1,999.51	\$23,994.06
E110	D-1	3.1277%	3.30%	\$64.38	\$1,355.54	\$1,419.92	\$17,038.99
E111	D-2	3.1730%	3.34%	\$65.16	\$1,375.17	\$1,440.33	\$17,283.94
E210	E-2	3.1277%	3.30%	\$64.38	\$1,355.54	\$1,419.92	\$17,038.99
E211	E-3	3.1730%	3.34%	\$65.16	\$1,375.17	\$1,440.33	\$17,283.94
E300	F-3	4.2825%	4.45%	\$86.81	\$1,856.02	\$1,942.84	\$23,314.05
F100	D	4.5044%	4.67%	\$91.10	\$1,952.20	\$2,043.30	\$24,519.61
F210	E	3.2702%	3.40%	\$66.33	\$1,417.30	\$1,483.63	\$17,803.51
F211	E-1	3.3156%	3.45%	\$67.30	\$1,436.97	\$1,504.28	\$18,051.33
F300	F	4.5530%	4.72%	\$92.08	\$1,973.26	\$2,065.34	\$24,784.07
		100.0000%	100.0000%	\$1,950.85	\$43,339.75	\$45,290.60	\$543,487.23

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.

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.