

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer: STEVEN LEE POTTS and CATHERINE L. POTTS
Address: P.O. Box 4588, Kent, Washington 98032

Project Name(*): KAPAHI CONDOMINIUM
Address: 5897 Kapahi Road, Kapahi, Kapaa, Kauai, Hawaii

Registration No. 2779 Effective date: October 25, 1999
(Partial Conversion) Expiration date: November 25, 2000

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports: Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission. [] No prior reports have been issued. [] This report supersedes all prior public reports. [] This report must be read together with

X SUPPLEMENTARY: (pink) This report updates information contained in the: [] Preliminary Public Report dated: [X] Final Public Report dated: April 30, 1993 [] Supplementary Public Report dated:

And [] Supersedes all prior public reports. [X] Must be read together with Final Public Report [X] This report reactivates the Final Public Report public report(s) which expired on June 30, 1995

(* Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report.

Not Required - Disclosures covered in this report.

As Exhibit G

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the developer.

Changes made are as follows:

1. The public report format currently in use by the Real Estate Commission ("Commission") is different from that upon which the developer's Final public report was issued. Although this Supplementary report is to be read with the developer's Final public report, if a prospective purchaser desires to compare the Final report to the Supplementary, information contained on a specific page of the Supplementary report will not coincide to the same page number in the developer's Final report. Therefore, it is suggested that the table of contents be referred to when making comparisons between reports.
2. A Farm dwelling has been constructed on Unit 2.
3. Unit 2 is currently listed for sale with Kauai Realty, Inc., P.O. Box 1246, Lihue, HI 96766, whose telephone number is (808) 245-1651.
4. The escrow company for Unit 2 is Security Title Corporation, at 4370 Kukui Grove Street, Suite 207, Lihue, HI 96766, whose telephone number is (808) 245-6975.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Steven Lee Potts and Catherine L. Potts Phone: (253) 874-6070
Name*
P O Box 4588 (Business)
Business Address
Kent, WA 98032

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership(LLP); or manager and members of a Limited Liability Company(LLC)(attach separate sheet if necessary):

N/A

Real Estate Broker*: Kauai Realty, Inc. Phone: (808) 245-1651
Name (Business)
P O Box 1246
Business Address
Lihue, HI 96766

Escrow: Security Title Corporation Phone: (808) 245-6975
Name (Business)
4370 Kukui Grove St., Ste. 207
Business Address
Lihue, HI 96766

General Contractor*: n/a Phone: _____
Name (Business)
Business Address

Condominium Managing Agent*: Self-managed by the Association of Apartment Owners Phone: _____
Name (Business)
Business Address

Attorney for Developer: STEVEN R. LEE, ESQ. Phone: (808) 246-1101
Name (Business)
4473 Pahee Street, Suite L
Business Address
Lihue, Hawaii 96766

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

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

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. 92-109406
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment to Declaration of Condominium Property Regime of Kapahi Condominium, dated 8-20-92 as Doc. No. 92-143473; and Second Amendment to Declaration of Condominium Property Regime of Kapahi Condominium and Condominium Map #1695, dated 8-31-99 as Doc. No. 99-147208.

B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. 1695
 Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: Second Amendment to Declaration of Condominium Property Regime of Kapahi Condominium and Condominium Map No. 1695 dated August 31, 1999 as Document No. 99-147208.

C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment 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 which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances: Document No. 92-109407
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

Fee Owner: Steven Lee Potts and Catherine L. Potts - Unit 2 only
Name
P.O. Box 4588
Address
Kent, Washington 98032

Lessor: N/A
Name
Address

C. Buildings and Other Improvements:

1. New Building(s) Conversion of Existing Building(s) Both New Building(s) and Conversion

2. Number of Buildings: 4 Floors Per Building Unit 1: 2
Unit 2: 2
 Exhibit _____ contains further explanations. Other Structures: 1

3. Principal Construction Material:

Concrete Hollow Tile Wood
 Other _____

4. Uses Permitted by Zoning:

	No. of <u>Aprs.</u>	Use Permitted <u>By Zoning</u>		No. of <u>Aprs.</u>	Use Permitted <u>By Zoning</u>
<input type="checkbox"/> Residential	—	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	—	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	—	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	—	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	—	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Agricultural	<u>2</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	—	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	—	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	—	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: _____	—	<input type="checkbox"/> Yes <input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
 Yes No

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

[] Pets: _____

[] Number of Occupants: _____

[] Other: _____

[X] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 2 Trash Chutes: 0

Apt. Type	Quantity	BR/Barh	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
<u>1</u>	<u>1</u>	<u>2/2</u>	<u>1555</u>	<u>280</u>	<u>Lanai</u>
<u>1</u>	<u>1</u>	<u>0/0</u>	<u>0</u>	<u>360</u>	<u>Workshop</u>
<u>2</u>	<u>1</u>	<u>3/2</u>	<u>2020</u>	<u>692</u>	<u>Garage/utility room</u>
<u>1</u>	<u>1</u>	<u>0/0</u>	<u>0</u>	<u>580</u>	<u>Deck</u>
<u>1</u>	<u>1</u>	<u>0/0</u>	<u>0</u>	<u>100</u>	<u>Shed</u>

Total Number of Apartments: 2

*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment: Per Article II of the Declaration of Condominium Property Regime, the boundaries of each apartment shall be the outer surface of the entire building. Wires or conduits, pipes or any utility lines running over, under or through any apartment which are utilized for or serve more than one unit shall not be deemed a part of the apartment, the same being deemed common elements.

Permitted Alterations to Apartments: Permitted alterations to apartments are as allowed by County of Kauai zoning ordinances and recorded restrictions on the project, if any. Upon construction of each permanent improvement, an amendment to the Declaration of Condominium Property Regime will be required to disclose actual improvements as a matter of public record.

2. **Limited Common Elements:** Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which use them, as described in the Declaration, are:

described in Exhibit E.

as follows:

3. **Common Interest:** Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit C.

as follows:

E. **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 an apartment in the project.

Exhibit F describes the encumbrances against the title contained in the title report dated September 14, 1999 and issued by Security Title Corporation.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

There are no blanket liens affecting title to the individual apartments.

There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	If foreclosed, Buyer's deposit shall be refunded (less any escrow cancellation fee) and the sales contract between Seller and Buyer shall be cancelled.

F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements: None

2. Appliances: None

G. Status of Construction and Date of Completion or Estimated Date of Completion:

Unit 1 structures were completed in 1988.

Unit 2 Farm Dwelling was completed in 1995 and Unit 2 shed was built in 1992.

H. Project Phases:

The developer [] has [X] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

Notice to Owner Occupants

Specimen Sales Contract

Exhibit B contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated September 1, 1999

Exhibit D contains a summary of the pertinent provisions of the escrow agreement.

Other Specimen Apartment Deed

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

A) The Developer delivers to the buyer a copy of:

- 1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; AND
- 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); AND

C) One of the following has occurred:

- 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
- 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
- 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND
- B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- D) House Rules, if any.
- E) Condominium Map, as amended.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other Mortgage

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 2779 filed with the Real Estate Commission on December 28, 1992

Reproduction of Report. When reproduced, this report must be on:

YELLOW paper stock WHITE paper stock PINK paper stock

D. The developers hereby certify that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developers to buyers concerning the Project have been reviewed by the developers and are, to the best of developers' knowledge, information and belief, true, correct and complete.



STEVEN LEE POTTS

Date: 9/7/99



CATHERINE L. POTTS

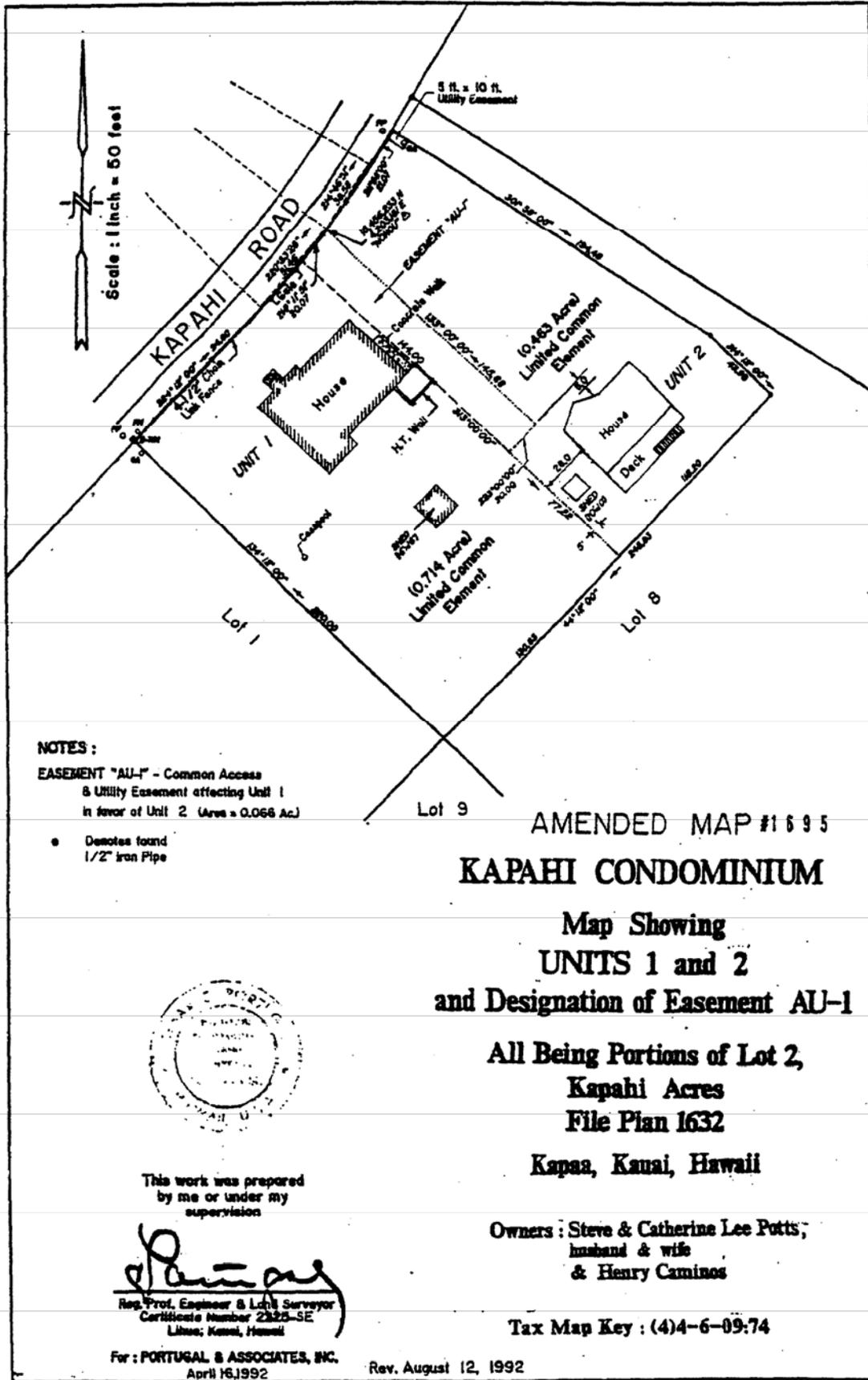
Date: 9/7/99

Distribution:

Department of Finance, County of Kauai
Planning Department, County of Kauai

EXHIBIT A

Condominium Map and Limited Common Element Locations



NOTES:

EASEMENT "AU-1" - Common Access & Utility Easement affecting Unit 1 in favor of Unit 2 (Area = 0.066 Ac.)

- Denotes found 1/2" Iron Pipe

Lot 9

AMENDED MAP #1695

KAPAHU CONDOMINIUM

Map Showing
UNITS 1 and 2
and Designation of Easement AU-1

All Being Portions of Lot 2,
Kapahi Acres
File Plan 1632

Kapaa, Kauai, Hawaii

Owners: Steve & Catherine Lee Potts;
husband & wife
& Henry Caminos

Tax Map Key: (4)4-6-09:74



This work was prepared
by me or under my
supervision

[Signature]
 Reg. Prof. Engineer & Land Surveyor
 Certificate Number 2325-SE
 License, Kauai, Hawaii

For: PORTUGAL & ASSOCIATES, INC.
April 16, 1992

Rev. August 12, 1992
Rev. July 27, 1999

Job No. 2365
FB Kapaa 7

EXHIBIT C

SCHEDULE OF APARTMENTS AND COMMON INTERESTS

Qty.	Unit No.	Area of Limited Common Element* (Acres)	No. of Br./Bath	Appx. Net Living Area (Sq. Ft.)	Appx. Other Area (Sq. Ft.)	% of Common Int.
1	1	0.714	2/2	1,555	280	50%
1	1		0/0		360	
1	2	0.463	3/2	2,020	1,272	50%
1	2		0/0		100	

Pursuant to Section 16-107-5, Hawaii Administrative Rules, reference is hereby made to the method by which common interest has been computed. Units 1 and 2 will each burden the common elements equally. Therefore, the assessment of undivided interest both for common expense and for voting is 50% for each unit.

The common interest appurtenant to each unit shall be permanent. Subject to the zoning requirements and amendments of the Condominium Map and the Declaration of Condominium Property Regime, each unit owner may use the unit, alter or add to it in any manner deemed desirable, so long as it is permitted by law and the Declaration of Protective Covenants and House Rules, if any. If adjoining unit owners desire to alter and/or transfer portions of their respective units, they can do so by the filing of an amendment to the Condominium Map and the Declaration of Condominium Property Regime together with their respective signatures.

***Note: Land areas referenced herein are not legally subdivided lots.**

END OF EXHIBIT C

EXHIBIT D

SUMMARY OF PORTIONS OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between SECURITY TITLE CORPORATION ("Escrow"), and STEVEN LEE POTTS and CATHERINE L. POTTS ("Seller"), contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. Whenever Seller enters into a sales contract for the sale of an apartment, Seller will require that payments due under the sales contract be made to Escrow and will deliver an executed copy of the sales contract to Escrow.

2. Escrow will receive payments under the sales contract and sums received from any other source with respect to the project. Funds held under the Agreement will initially be deposited in an account for the project. Interest on all funds will be paid to Seller.

3. Escrow will release from the trust fund and disburse Buyer's funds at closing, unless: (a) Buyer has elected within seven days of signing the sales contract to cancel and receive all funds paid, without deduction; or (b) the Real Estate Commission has not issued a Final Public Report on the project or the requirements of the sales contract have not been met; or (c) Seller has not satisfied Escrow that all other requirements of Hawaii Revised Statutes have been met.

4. Escrow will return deposited sums to the Buyer without interest if Seller and Buyer give Escrow written notice to return the funds to Buyer, if there is a right to cancellation and refund of monies under the sales contract or otherwise. If there is a cancellation under the seven-day right, no fees will be charged Buyer. Thereafter, in the event of a cancellation as a matter of agreement or right, Buyer's funds shall be returned to Buyer less Escrow's cancellation fee, if any, and all other costs incurred in connection with the Escrow, not less than \$25.00.

5. Escrow will arrange for and supervise the signing of all documents which are to be signed subsequent to and contemplated by the sales contract.

6. As Escrow's compensation for its performance under this Agreement, Escrow will receive its schedule rate for each apartment for which an apartment deed of the project is handled by Escrow and recorded in the Bureau of Conveyances of the State of Hawaii. Escrow will record all applicable documents. The cost of title insurance will be an additional amount, based upon schedule rate.

SPECIAL NOTICE: THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE AGREEMENT. WHILE ONE CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE AGREEMENT, ONE MUST REFER TO THE ACTUAL AGREEMENT TO DETERMINE THE RIGHTS AND OBLIGATIONS OF THE PARTIES. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE AGREEMENT, THE AGREEMENT WILL CONTROL AND NOT THIS SUMMARY.

END OF EXHIBIT D

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SUMMARY OF PORTIONS OF ESCROW AGREEMENT

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1. Whenever Seller enters into a sales contract for the sale of an apartment, Seller will require that payments due under the sales contract be made to Escrow and will deliver an executed copy of the sales contract to Escrow.

2. Escrow will receive payments under the sales contract and sums received from any other source with respect to the project. Funds held under the Agreement will initially be deposited in an account for the project. Interest on all funds will be paid to Seller.

3. Escrow will release from the trust fund and disburse Buyer's funds at closing, unless: (a) Buyer has elected within seven days of signing the sales contract to cancel and receive all funds paid, without deduction; or (b) the Real Estate Commission has not issued a Final Public Report on the project or the requirements of the sales contract have not been met; or (c) Seller has not satisfied Escrow that all other requirements of Hawaii Revised Statutes have been met.

4. Escrow will return deposited sums to the Buyer without interest if Seller and Buyer give Escrow written notice to return the funds to Buyer, if there is a right to cancellation and refund of monies under the sales contract or otherwise. If there is a cancellation under the seven-day right, no fees will be charged Buyer. Thereafter, in the event of a cancellation as a matter of agreement or right, Buyer's funds shall be returned to Buyer less Escrow's cancellation fee, if any, and all other costs incurred in connection with the Escrow, not less than \$25.00.

5. Escrow will arrange for and supervise the signing of all documents which are to be signed subsequent to and contemplated by the sales contract.

6. As Escrow's compensation for its performance under this Agreement, Escrow will receive its schedule rate for each apartment for which an apartment deed of the project is handled by Escrow and recorded in the Bureau of Conveyances of the State of Hawaii. Escrow will record all applicable documents. The cost of title insurance will be an additional amount, based upon schedule rate.

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END OF EXHIBIT D

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

1. Real property taxes which may be due and owing, reference is made to the County of Kauai, Department of Finance, Real Property Assessment Division for information. The premises may be subject to "rollback" or retroactive property taxes. As of September 14, 1999, taxes were delinquent since 1998-1999.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Easement B, (50 feet) for utility purposes, as shown on File Plan No. 1632.
4. Agreement to Incorporate Agricultural Restrictions dated July 13, 1979, recorded in the Bureau of Conveyances of the State of Hawaii in Book 13965 Page 552, to which reference is hereby made.

5. GRANT

In favor of: Citizens Utilities Company and Hawaiian Telephone Company
Dated: October 1, 1979
Book: 14471
Page: 663
Purpose: Easement for utilities purposes over, under, across and through Easement B.

6. The terms and provisions of that certain Farm Dwelling Agreement dated May 2, 1988, recorded in said Bureau of Conveyances in Book 21910 Page 285, to which reference is hereby made.

7. MORTGAGE

Mortgagor: Henry N. Caminos, unmarried, and Steven Lee Potts and Catherine L. Potts, husband and wife
Mortgagee: Kauai Community Federal Credit Union, a federally chartered credit union
Dated: August 18, 1994
Document No.: 94-144360
To Secure: \$180,000.00 and any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to. (Also effects other property)

8. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the following:

DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "KAPAHI":

Dated: June 2, 1992
Document No.: 92-109406

The foregoing Condominium Property Regime was amended by the following:

Dated: August 20, 1992
Document No.: 92-143473

The foregoing Condominium Property Regime was further amended by the following:

Dated: August 31, 1999
Document No.: 99-147208

Subordination Of Declaration of Condominium Property Regime of "KAPAHI" and Bylaws of the Association of "KAPAHI" dated August 18, 1994, and recorded in the Bureau of Conveyances of the State of Hawaii in Document No. 94-144361, Re: the foregoing Declaration of Condominium Property Regime, is hereby subordinated to that certain mortgage, shown as encumbrance no. 7.

9. BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF "KAPAHI"

Dated: Undated
Document No.: 92-109407

Subordination Of Declaration of Condominium Property Regime of "KAPAHI" and Bylaws of the Association of "KAPAHI" dated August 18, 1994, and recorded in the Bureau of Conveyances of the State of Hawaii in Document No. 94-144361, Re: the foregoing Declaration of Condominium Property Regime, is hereby subordinated to that certain mortgage, shown as encumbrance no. 7.

10. The terms and provisions of that certain Waiver and Release dated December 15, 1991 and recorded in said Bureau of Conveyances in Document No. 92-004482, re: water services, to which reference is hereby made.
 11. The terms and provisions of that certain original Apartment Deed dated December 9, 1993, to which reference is hereby made.
 12. Any and all easements encumbering the apartment herein identified and described, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, as amended, and/or said Apartment Deed and/or as shown on said Condominium Map No. 1695.
13. COUNTY TAX LIEN

Taxpayer: Steven Lee Potts and Catherine L. Potts
Dated: September 3, 1998
Document No.: 98-133725
Amount: \$571.05

The term "Condominium Estate" as used herein refers to the ownership of a single unit or units in a multi-unit structure, with common elements, as provided for by Chapter 514A, Hawaii Revised Statutes.

END OF EXHIBIT F

EXHIBIT G

AMENDED DISCLOSURE ABSTRACT FOR
KAPAHI

Pursuant to Hawaii Revised Statutes, Section 514(A)-61, the Developer of KAPAHI makes the following disclosures:

1. The Developer of the project is STEVEN LEE POTTS and CATHERINE L. POTTS, P O Box 4588, Kent, WA 98032.

2. The original Exhibit H reflects the current annual maintenance fees. The Developer hereby certifies that the amounts have been based on generally accepted accounting principles.

3. No warranty will apply to any individual agricultural units. There are pre-existing structures on the property and no warranty will be made regarding the agricultural buildings.

4. There will be no commercial use except those agricultural activities permitted by the Kauai County Comprehensive Zoning Ordinance. No condominium units will be used for both hotel and residential use; these are condominium units in which residential use is permitted, but hotel use is not.

5. Since the original public report, Unit 2 was improved with a farm dwelling, as anticipated by the original Declaration for the Project. It is a two-story dwelling constructed of wood, with three bedrooms, two bathrooms, family room, living room, dining room, kitchen, with a net living area of 2,020 square feet. The residence also has a garage/utility room which is 692 square feet, and deck areas totaling 580 square feet.

6. The escrow company for the sale of Unit 2 is Security Title Corporation at 4370 Kukui Grove St., Ste. 207, Lihue, HI 96766; the telephone number is (808) 245-6975.

7. The real estate broker for the sale of Unit 2 is Kauai Realty, Inc. whose address is P. O. Box 1246, Lihue, HI 96766; the telephone number is (808) 245-1651.



STEVEN LEE POTTS



CATHERINE L. POTTS

Date: 9/7/99

Date: 9/7/99

RECEIPT

The undersigned has/have received a copy of the foregoing amended disclosure abstract with Exhibit H this ___ day of _____, 19__.

Purchaser(s)
