

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer DONALD OLIVER BIEBER and GLENDA ANN BIEBER, and BRUCE LEONARD RATZLAFF and DENISE GAIL RATZLAFF
Address 41-016 Hihimanu Street, Waimanalo, Hawaii 96795

Project Name(*) : HIHIMANU ESTATES
Address: 41-557 Hihimanu Street, Waimanalo, Hawaii 96795

Registration No. 4320 (Partial Conversion) Effective date: February 22, 2000
Expiration date: March 22, 2001

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

 X **FINAL:** The developer has legally created a condominium and has filed
(white) complete information with the Commission.

- [X] No prior reports have been issued
- [] This report supersedes all prior public reports
- [] This report must be read together with _____

 SUPPLEMENTARY: Updates information contained in the
(pink) [] Prelim. Public Report dated _____
 [] Final Public Report dated _____
 [] Supp. Public Report dated _____

- And [] Supersedes all prior public reports
- [] Must be read together with _____
- [] This report reactivates the _____
public report(s) which expired on _____

(*) Exactly as named in the Declaration

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General Information on Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: DONALD OLIVER BIEBER and GLENDA ANN BIEBER, and
BRUCE LEONARD RATZLAFF and DENISE GAIL RATZLAFF Phone: (808) 259-9138
Name (Business)
41-016 Hilu Street
Business Address
Waimanalo, Hawaii 96795

Names of officers or general partners of developers who are corporations or partnerships:

N/A

Real Estate
Broker: Property Merchants, Inc. dba
Century 21 All Islands Phone: (808) 263-2100
Name (Business)
767 Kailua Rd., Ste. 102
Business Address
Kailua, Hawaii 96734

Escrow: Fidelity National Title Insurance Company Inc. Phone: (808) 536-0404
Name (Business)
201 Merchant St., Suite 2100
Business Address
Honolulu, Hawaii 96813

General
Contractor: Bruce L. Ratzlaff for Units 555, 557 & 557A Phone: (808) 394-8015
Name (Business)
c/o 41-016 Hilu Street
Business Address
Waimanalo, Hawaii 96795

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

Attorney for
Developer: Jeffrey S. Grad Phone: (808) 521-4757
Name (Business)
841 Bishop Street, Suite 1800
Business Address
Honolulu, Hawaii 96813

**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. 99-166883
Book _____ Page _____
 Filed - Land Court - Document No. 2582431

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

Amendment to Declaration filed and recorded as Document Nos. 2606007 and 00-018157

- 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. 2982
 Filed - Land Court Condo Map No. 1319

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

Amendment to Condominium Map filed and recorded as Document Nos. 2606007 and 00-018157

- 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. 99-166884
 Filed - Land Court Condo Map No. 2582432

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

D. House Rules. The Board of Directors may adopt house rules to govern the use and operation of the common elements and limited common elements. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt house rules.

E. Changes to Condominium Documents

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of common interest which must vote for or give written consent to changes:

	Minimum Set by Law	<u>This Condominium</u>
Declaration (and Condo Map)	75% *	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	--	<u>n/a</u>

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. Developer:

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules.

See attached Exhibit "A"

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 41-557 Hihimanu Street Tax Map Key (TMK) : (1) 4-1-22-21
Waimanalo, Hawaii 96795

[] Address [] TMK is expected to change because _____

Land Area: 22,447 [X] square feet [] acre(s) Zoning: R-5

(Fee Owner): DONALD OLIVER BIEBER and GLENDA ANN BIEBER, and
BRUCE LEONARD RATZLAFF and DENISE GAIL RATZLAFF
Name

41-016 Hilu Street
Address

Waimanalo, Hawaii 96795

Lessor: _____
Name

Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: 4 Floors Per Building 1

[] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[] Concrete [] Hollow Tile [x] Wood

[] Other _____

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Permitted By Zoning
[X] Residential	<u>1</u>	[X] Yes [] No	[] Ohana	_____	[] Yes [] No
[] Commercial	_____	[] Yes [] No	[] Industrial	_____	[] Yes [] No
[] Mix Res/Comm	_____	[] Yes [] No	[] Agricultural	_____	[] Yes [] No
[] Hotel	_____	[] Yes [] No	[] Recreational	_____	[] Yes [] No
[] Timeshare	_____	[] Yes [] No	[X] Other- garages shed	<u>2</u> <u>1</u>	[x] Yes [] No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

[x] Yes [] No

5. Special Use Restrictions:

The Declaration, Bylaws, and House Rules 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 -0- Trash Chutes -0-

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)	Net Other Area (sf)	(Identify)
<u>Unit 557</u>	<u>1</u>	<u>3/2</u>	<u>1,344</u>	<u>135</u>	<u>400</u>	<u>Garage</u>
<u>Unit 555A</u>	<u>1</u>	<u>--</u>	<u>--</u>		<u>160</u>	<u>Shed</u>
<u>Unit 555</u>	<u>1</u>	<u>--</u>	<u>--</u>		<u>440</u>	<u>Garage</u>
<u>Unit 557A</u>	<u>1</u>	<u>--</u>	<u>--</u>		<u>440</u>	<u>Garage</u>

Total Apartments: 4

*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:

The outside surfaces of the exterior walls and roof and the bottom surfaces of the footings and foundations of each Unit.

Permitted Alterations to Apartments:

See attached Exhibit "B"

7. Parking Stalls:

Total Parking Stalls: 6

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for each unit other than Unit 555A)	<u>2</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>6</u>
Guest	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unassigned	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Extra for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other: Unit 557A	<u> </u>	<u>2</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>2</u>
Total Covered & Open	<u>8</u>	<u> </u>	<u>-0-</u>	<u> </u>	<u>-0-</u>	<u> </u>	<u>8</u>

Each apartment will have the exclusive use of at least two (2)* parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

[] Commercial parking garage permitted in condominium project.

[] Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[X] There are no recreational or common facilities.

[] Swimming pool [] Storage Area [] Recreation Area

[] Laundry Area [] Tennis Court [] Trash Chute/Enclosure(s)

[] Other: _____

9. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations

[X] There are no violations. [] Violations will not be cured.

[] Violations and cost to cure are listed below. [] Violations will be cured by _____ (Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

(For conversions of residential apartments in existence for at least five years):

N/A

1. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u> X </u>	_____	_____
Structures	<u> X </u>	_____	_____
Lot	<u> X </u>	_____	_____

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit C .

as follows:

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.

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

[x] described in Exhibit D

[] as follows:

Note: Reference to said Exhibit D to " Dwelling Areas " does not mean legally subdivided lots.

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 _____.

[x] as follows:

Unit 555	-	25%
Unit 555A	-	25%
Unit 557	-	25%
Unit 557A	-	25%

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or 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 October 18, 1999 and issued by Old Republic Title & Escrow of Hawaii.

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.

[x] 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>
Mortgages	Buyer's interest may be terminated by mortgagee but Buyer shall be entitled to return of his deposit, less escrow cancellation fee.

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:

Developer is making a one year warranty from the date of substantial completion on the materials and workmanship of the Project.

2. Appliances:

Purchaser shall have the direct benefit of any manufacturer's or dealer's warranties covering the furnishings and appliances in the Apartments.

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

Units 555, 557 and 557A were completed in December, 1999.
Unit 555A (storage shed) was constructed in the 1940's.

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 for future development (such as additions, mergers or phasing):

IV. CONDOMINIUM MANAGEMENT

A. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

- not affiliated with the Developer
- the developer or the Developer's affiliate
- self-managed by the Association of Apartment Owners
- other _____

B. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your apartment and the apartment may be sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit H contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

See attached Disclosure Abstract (Exhibit H)

C. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

- None Electricity (___ Common Elements only ___ Common Elements & Apartments)
- Gas (___ Common Elements only ___ Common Elements & Apartments)
- Water Sewer Television Cable
- Other _____

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

[x] Specimen Sales Contract

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

[x] Escrow Agreement dated September 30 1999

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

[] Other _____

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, 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 condominium 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 given 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.
- D) House Rules, if any.
- E) Condominium Map.
- F) Escrow Agreement.
- G) Hawaii's Condominium Law (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other Declaration of Easements A and B for Vehicle Access and Utility Purposes, Land Court Document No. 2599962

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. 4320 filed with the Real Estate Commission on December 14, 1999.

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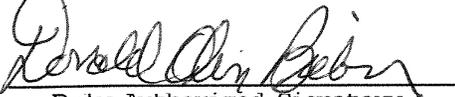
C. Additional Information Not Covered Above

Paragraph 8(a) of the Declaration of Condominium Property Regime provides for non-exclusive easements over common and limited common elements primarily for support and maintenance of utility services. While not intended, it is possible that such easements could be deemed common element and the costs to maintain such could be a common expense.

Pursuant to Sections 16-99-33(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Developer/Owner(s) Denise G. Ratzlaff, RS57567, is a current an active Hawaii-licensed real estate salesperson. Further, that Denise G. Ratzlaff, is associated with Property Merchants, Inc., the project broker. Pursuant to Section 16-99-11(c), HAR, "(n)o licensee shall be allowed to advertise 'For Sale by Owner', 'For Rent by Owner', 'For Lease by Owner', 'For Exchange by Owner'."

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers 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.

DONALD OLIVER BIEBER and GLENDA ANN BIEBER, and
BRUCE LEONARD RATZLAFF and DENISE GAIL RATZLAFF
Name of Developer

By  Sept. 30, 1999
Duly Authorized Signatory Date

Donald Oliver Bieber
print name & title of person signing above

Distribution:

Department of Finance, City and County of Honolulu
Planning Department, City and County of Honolulu
Federal Housing Administration

EXHIBIT "A"

DEVELOPER'S RESERVED RIGHTS

The Developer (Declarant) has reserved the following rights to change the Declaration, Condominium Map, By-Laws or House Rules:

Paragraph 21 of the Declaration states:

"Except as otherwise provided herein, this Declaration may be amended by vote of seventy-five percent (75%) of the Unit Owners, effective only upon the recording of an instrument setting forth such amendment and vote duly executed by such Owners or by the proper officers of the Association. In addition, the approval of eligible holders of first mortgages on Units to which are appurtenant at least 51% of the common interest of the project shall be required for any material amendment to the Declaration or any amendment of a provision for the express benefit of holders or insurers of first mortgages on Units. An eligible holder is a holder of a first mortgage on a Unit which has made a written request to the Association that it receive notices of proposed changes to the Declaration. A material amendment to the Declaration is one which establishes, provides for, governs or regulates any of the following: (1) voting; (2) assessments, assessment liens, or subordination of such liens; (3) reserves for maintenance, repair and replacement of the common elements; (4) insurance or fidelity bonds; (5) rights to use of the common elements; (6) responsibility for maintenance and repair of the project; (7) expansion or contraction of the project for the addition, annexational or withdrawal of property to or from the project; (8) boundaries of any Unit; (9) the interest in the common elements; (10) convertibility of Units into common elements or of common elements into Units; (11) leasing of Units; (12) imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer or otherwise convey his or her interest in the Unit; or (13) establishment of self management by the Association after professional management has previously been required by any of the mortgage holders.

"As Built" Certificate. Notwithstanding the foregoing, however, if (1) at any time prior to the first filing in the Recording Office of a conveyance of a Unit, the Declarant may amend this Declaration (including all exhibits) and the By-Laws in any manner, without the consent of any Unit purchaser; and (2) at any time thereafter, the Declarant may amend this Declaration (and when applicable, the Condominium Map) to file the "As Built" verified statement required by Section 514A-12 of the Act.

Changes Made Under Paragraph 20. Notwithstanding the foregoing, the Owner of any Unit shall have the right without the consent or joinder of any other person to amend this Declaration and the Condominium Map to reflect the changes made to a Unit in accordance with Paragraph 20.1 of this Declaration. Promptly upon completion of such changes, the Owner of the changed Unit shall duly record with the Recording Office an amendment to this Declaration and to the Condominium Map, together with a complete set of the floor plans of the Project as so altered, certified as built by a registered architect or

professional engineer. All existing Unit Owners and all future Unit Owners and their mortgagees, by accepting an interest in a Unit, shall be deemed to have given each Unit Owner a Power of Attorney to execute an amendment to the Declaration solely for the purpose of describing the changes to his respective Unit on the Declaration so that each Unit Owner shall hereafter have a Power of Attorney from all the other Unit Owners to execute such amendment to the Declaration. This Power of Attorney shall be deemed coupled with each Owner's interest in his Unit (including his common interest) and shall be irrevocable.

Declarants' Right to Amend Prior to Conveyance of All Units.

Notwithstanding the foregoing, prior to the filing in the Recording Offices of Apartment Deeds conveying, or otherwise transferring all of the Units in the Project to persons other than (a) persons who are signatories to this Declaration, and (b) any mortgagee of the Declarants, the Declarants shall have and hereby reserve the right to amend this Declaration, the Bylaws and the Condominium Map, without the approval, consent or joinder of any Owner, mortgagee, lessee or purchaser of a Unit or any other person holding any right, title or interest in any Unit or the Project, (i) to make such amendments as may be required by law, by the Real Estate Commission of the State of Hawaii, by any title insurance company issuing a title insurance policy on the Project or any of the Units or any interest therein, by any institutional lender lending funds on the security of the Project or any of the Units or any interest therein, provided, however, that no such amendment which would change the common interest appurtenant to a Unit for which an Apartment Deed has been filed in the Recording Offices, or which would substantially change the design, location or size of such Unit, shall be made without the consent to such amendment by the Owner of such Unit, and (ii) to amend or change the common interest appurtenant to the configuration of, the number of rooms of, the size of, or the location of any Unit (and the limited common elements appurtenant thereto) for which an Apartment Deed has not been filed in the Recording Offices.

Declarants' Right to Amend Prior to Conveyance of 25% of Common

Interests. Notwithstanding the foregoing, prior to filing in the Recording Offices of Apartment Deeds conveying or otherwise transferring Units to which are appurtenant 25% or more of the common interests, to persons other than (a) persons who are signatories to this Declaration, and (b) any mortgagee of the Declarants, the Declarants shall have the right to amend this Declaration, the Bylaws and the Condominium Map in any manner whatsoever; provided, however, that no such amendment which would change the common interest appurtenant to Unit for which an Apartment Deed has been filed in the Recording Offices, or substantially change the design, location or size of such Unit or the building in which it is located, shall be made without the joinder of the Owner of such Unit."

EXHIBIT "B"

PERMITTED ALTERATIONS TO APARTMENTS.

1. Sub-paragraph 20.1 of the Declaration states:

"Changes to Dwellings. Notwithstanding anything to the contrary contained in this Declaration, each Unit Owner, with the required consent of any holder of any mortgage affecting the Owner's Unit, shall have the right at his sole option at any time and from time to time without the consent of any other person to improve, renovate, remodel, make additions to, enlarge, remove, replace or restore the improvements to or in his Unit or portions thereof or to make improvements upon the Dwelling Area appurtenant to the Unit (collectively, the foregoing are referred to "changes") subject to the following conditions:

(i) All building plans for any such changes shall be prepared by a licensed architect or professional engineer, and such changes shall conform with the requirements of applicable City and County building, zoning and other applicable City and County laws and ordinances.

(ii) Any change to a Unit must be made within the Dwelling Area to which the Unit is appurtenant and may not interfere with the other Owner's use or enjoyment of his Unit, the common elements or appurtenant limited common elements.

(iii) All newly-constructed improvements (exclusive of fences or walls) shall maintain a minimum setback of five (5) feet from all property lines (including all individual limited common element land area perimeter boundaries, or such greater distance as may be required by applicable zoning ordinances.

(iv) No change to a Unit will be made if the effect of such change would be to exceed the Unit's proportionate share of the allowable floor area, lot area coverage, number of dwelling units on the Land, or septic or sewer capacity allocable to the Land, as set forth in zoning and building codes applicable to the Land in effect when the change is to be made. For purposes hereof, the "proportionate share" for each Unit shall be a fraction having as its numerator the area of the Dwelling Area appurtenant to the Unit and having as its denominator the sum of the areas of all the Dwelling Areas appurtenant to each of the Units.

(v) All such changes shall be at the expense of the Unit Owner making the change and shall be expeditiously made and in a manner that will not unreasonably interfere with the other Unit Owner's use of his Dwelling Area.

(vi) During the entire course of such construction, the Unit Owner making such change will cause to be maintained at his expense builder's all-risk insurance in an amount not less than the estimated cost of construction. The Association shall be named as an additional insured and, upon the request of the Association, evidence of such insurance shall be deposited with the Association or its Managing Agent, if any.

(vii) The Owner of the changed Unit shall have the right to utilize, relocate and realign existing and/or to develop additional, central and appurtenant installations for services to the Unit affected by such change for electricity, sewer and other utilities and services and when applicable, to add, delete, relocate, realign, designate and grant easement and rights-of-way over, under and on the common elements as necessary or desirable in connection therewith; provided that the same shall not cause any interruption in the service of such utilities to any other part of the Project.

(viii) If the consent or joinder of another Owner is required by the Act, then each such Owner hereby consents in advance to such change.

(ix) Each and every conveyance, lease and mortgage or other lien made or created on any Unit and all common interests and other appurtenances thereto shall be subject to the provisions of this paragraph and any lease of a Dwelling Lot shall reserve to all Owners the rights set forth in this paragraph.

(x) This Declaration is being imposed on the Land before completion of the contemplated construction of a residence on each of Dwelling Area 555, Dwelling Area 555A and Dwelling Area 557A. Consequently, the restrictions contained in this Section 20 shall be construed liberally, and each Owner ("Non-Building Owner") shall cooperate with the other Owner ("Building Owner") with respect to the Building Owner's construction of a residence, including his obtaining building, utility and other governmental permits and his obtaining utility services into his Dwelling Area which may be necessary or desirable for the residence to be built by Building Owner. Notwithstanding the foregoing, the Non-Building Owner shall not be required to incur any cost or expense hereunder without being reimbursed by the Building Owner. All costs incurred in the building of the residence shall be borne by the Building Owner, who shall indemnify and hold the Non-Building Owner harmless from any loss, liability, damage or expense incurred or suffered by the Non-Building Owner on account of such building by the Building Owner."

EXHIBIT "C"

COMMON ELEMENTS. Paragraph 5 of the Declaration designates certain portions of the Project as "common elements", including specifically but not limited to:

1. The Land in fee simple;
2. Rights appurtenant to the Land, as more fully described in Exhibit "A", including without limitation the rights over the Road Easement located on TMK(1) 4-1-22:22 and the "Utility Easement - Convenience Driveway" shown on the Condominium Map, subject, however, to the rights of others who may be legally entitled to use such roadway or driveway.
3. All other portions of the Land and improvements not specifically heretofore designated as Units, but which are intended for common use and all other devices and installations existing for or rationally of common use or necessary to the existence, upkeep and safety of the Condominium Property Regime.

EXHIBIT "D"

LIMITED COMMON ELEMENTS. Paragraph 6 of the Declaration designates:

Certain parts of the common elements, herein called the "Limited Common Elements", are hereby designated and set aside for the exclusive use of each Unit, and each Unit shall have appurtenant thereto exclusive easements for the use of such limited common elements. Unless otherwise specified, all costs of every kind pertaining to each limited common element, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne immediately by the Unit to which it is appurtenant. The limited common elements so set aside and reserved are as follows:

(a) The site on which Unit 555 is located, consisting of the land beneath and immediately adjacent to Unit 555, as shown and delineated on the Condominium Map as "Dwelling Area 5,410 S.F." (including the airspace above such site) is for the exclusive benefit of Unit 555.

(b) The site on which Unit 555A is located, consisting of the land beneath and immediately adjacent to Unit 555A, as shown and delineated on the Condominium Map as "Dwelling Area 5,181 S.F." (including the airspace above such site) is for the exclusive benefit of Unit 555A.

(c) The site on which Unit 557 is located, consisting of the land beneath and immediately adjacent to Unit 557, as shown and delineated on the Condominium Map as "Dwelling Area 5,754 S.F." (including the airspace above such site) is for the exclusive benefit of Unit 557.

(d) The site on which Unit 557A is located, consisting of the land beneath and immediately adjacent to Unit 557A, as shown and delineated on the Condominium Map as "Dwelling Area 5,213 S.F." (including the airspace above such site) is for the exclusive benefit of Unit 557A.

(e) Road Easement shown as "RD. Easement" on the Condominium Map is for the exclusive use of Unit 557A.

Note: The "Dwelling Areas" herein described are not legally subdivided lots.

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. For Real Property Taxes that may be due and owing, reference is made to the Office of the Tax Assessor, City and County of Honolulu.

1. Title to all minerals and metallic mines reserved to the State of Hawaii.

2. (A) "Saving and Excepting from this conveyance, and also reserving unto said Grantor, its successors and assigns, all water and water rights appurtenant to said land, together with an Easement and/or right of entry, to be reasonably exercised, to use, lay, construct, maintain and repair water pipelines and any water system or water works now or hereafter located on, in, above or under the said premises;" as reserved in Deed dated December 12, 1951, recorded in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 134479.

Note: The foregoing water rights were conveyed by Waimanalo Agricultural Development Company, Limited to Hawaii Irrigation Authority by Deed dated February 2nd, 1954, recorded in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 158336.

(B) Grant of Easement dated November 29, 1942, recorded in said Office as Document No. 614732, in favor of City and County of Honolulu, granting an easement for sewer purposes (As to Lot 129-Roadway).

3. Perpetual covenants and conditions as contained in that certain Deed dated December 12, 1951, recorded in said Office as Document No. 134479.

4. Agreement dated August 11, 1951, recorded in said Office as Document No. 242059, by and between Territory of Hawaii, now the State of Hawaii, and Alexander Wah Kong Young and Betty Omizo Young, husband and wife, re Lots 113, 114 and 115 will be appurtenant to Parcels A, B and C (Unregistered Land).

5. "Reserving to the State of Hawaii, its successors and assigns, in perpetuity, all minerals, mineral substances, oils and natural gases of every sort and description that may be upon the surface or in or under that land hereinabove described, together with the rights to enter upon said land for purposes of mining, drilling or otherwise capturing, collecting or extracting the same and of transporting such raw or processed materials off said land.", as reserved in Land Patent Grant No. 13,637.

6. Covenants, conditions and restrictions as contained in Land Patent Grant No. 13,637.

7. Mortgage dated February 9, 1999, recorded in said Bureau as Document No. 99-022885 and also filed as Land Court Document No. 2521280.

8. Declaration of Condominium Property Regime dated September 30, 1999, recorded in said Bureau as Document No. 99-166883 and also filed in said Office as Document No. 2582431, as amended (Project covered by Condominium Map No. 2982 and Condominium File Plan No. 1319, as amended). By-Laws dated September 30, 1999, recorded as Document No. 99-166884, and also filed in said Office as Document No. 2582432.

9. Declaration of Easements A and B for Vehicle Access and Utility Purposes, recorded in said Bureau as Document No. 00-001804, and also filed in said Office as Document No. 2599962.

EXHIBIT "F"

SUMMARY OF THE PROVISIONS OF THE SALES CONTRACT (consisting of Standard DROA Form and attached "Special Provisions to the "DROA")

1. Description of the Property to be Conveyed: Fee simple title to the Apartment, together with the furnishings and appliances and an undivided interest in the common elements.

2. Purchase Price and Terms. The purchase price set forth on page 1 of the DROA is to be paid as follows:

- a. An initial deposit;
- b. An additional cash deposit, if any;
- c. The balance of the purchase price is to be paid to escrow by purchaser before closing.

3. Financing of Purchase. Paragraph 16 of the Special Provisions provides if Buyer desires financing, a loan application must be made within ten (10) days and if Buyer's application is not approved within forty-five (45) days after the application, then either Seller or Buyer may cancel the Sales Contract. Upon such cancellation, Buyer's deposits will be refunded by escrow without interest.

4. Closing Costs. Pursuant to Paragraph 14 of the Special Provisions, the Buyer is required to pay at closing all escrow fees, Buyer's notary fees and all recording fees. Buyer's proportionate share of any liability insurance premium, real property taxes, maintenance fees and any other charges with respect to the Property shall be pro-rated between Seller and Buyer as of the date of final closing.

5. Closing. Seller has agreed to cause the Apartment to be sold to the Buyer within the time period set forth on page 1 of the DROA, which is expected to occur within 90 days of the date of the DROA.

6. Seller's Rights to Cancel Sales Contract. The Seller may cancel the Sales Contract with the Buyer if (a) Buyer fails to qualify for a permanent loan (paragraph 14 of the Special Provisions); (b) Buyer defaults under the Sales Contract (paragraph 5.2 of the Special Provisions); or (c) Buyer dies prior to Closing Date (paragraph 5.1 of the Special Provisions). Pursuant to Paragraph 5.2 of the Special Provisions, If Buyer fails to close as required, then after ten (10) days following Seller's notice of Buyer's default, if Buyer has not cured his default under the Sales Contract, the Seller may cancel the Sales Contract and all sums previously paid by Buyer will belong absolutely to the Seller as liquidated damages. Additionally, Seller may pursue any other remedy, and all costs, including reasonable attorney's fees, incurred by reason of default by the Buyer shall be borne by the Buyer. Time is the essence of the Sales Agreement.

7. No Present Transfer and Subordination to Construction Loan.

(a) The Sales Contract may be subject to existing loans, and any security interest now or hereafter obtained by Lender is or will be prior and senior to any rights arising under the Sales Contract. This obligation to subordinate the purchaser's right under the Sales Contract to loans now or hereafter made by the Seller is set forth in Paragraph 4 of the Special Provisions.

(b) Seller may also assign by way of security all of its interest in the Sales Contract, as collateral for the repayment of the loan and if the Lender acquires the Seller's interest in the Sales Contract, then the Buyer is obligated to perform the Sales Contract, and to attorn to and recognize the Lender as the seller under the Sales Contract.

8. Rights of Buyer to Cancel the Sales Contract. The Buyer has the right to cancel the Sales Contract under the following conditions:

a. At any time within thirty (30) days following the date the Final Public Report is delivered to Buyer. If Buyer so cancels, Buyer will be entitled to receive refund of any deposits, less any escrow cancellation fees and other costs up to \$250. If Buyer does not act within the thirty (30) day period, or if the Apartment is conveyed to the Buyer, Buyer will be deemed to have executed the receipt for the Final Public Report and to have waived his right to cancel (paragraphs 6.1 and 6.3 of the Special Provisions).

b. The Buyer may cancel his purchase if there is a material change in the Project which directly, substantially and adversely affects the use or value of the Buyer's Apartment or the amenities available for the Buyer's use (paragraph 7.1 of the Special Provisions).

c. Buyer fails to qualify for permanent financing (paragraph 16 of the Special Provisions).

9. Paragraph 10 of the Special Provisions provides that the Buyer acknowledges that he or she has examined (and agrees to be bound) by the following:

- (a) The floor plans for the Project;
- (b) Escrow Agreement;
- (c) The Declaration of Condominium Property Regime, By-Laws of the Association of Apartment Owners;
- (d) The Apartment Deed;
- (e) Disclosure Abstract; and
- (e) The Final or Supplementary Public Report

EXHIBIT "G"

SUMMARY OF THE MATERIAL PROVISIONS OF THE ESCROW AGREEMENT

Summary of the Condominium Escrow Agreement between the Developer and Old Republic Title & Escrow of Hawaii.

1. All deposits will be paid to Escrow. A copy of each Sales Contract and all payments made to purchase an Apartment shall be turned over to the Escrow Agent.

2. Refunds. A Buyer shall be entitled to a return of his funds, and Escrow shall pay such funds to such Buyer, without interest, in accordance with the Sales Contract if any of the following has occurred:

(a) Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, the purchaser has exercised his right to cancel the contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; or

(d) A purchaser has exercised his right to rescind the contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended.

Upon such refund, Escrow Agent shall be entitled to a reasonable fee not less than \$25 or a fee commensurate with the work done by Escrow prior to cancellation.

3. Requirements Prior to Disbursement of Buyer's Funds. Escrow Agent shall make no disbursements of Buyer's funds, pursuant to paragraph 5 of the Escrow Agreement until all of the following have occurred:

(a) the Real Estate Commission has issued a final public report (the "Final Report") on the Project;

(b) Seller or Seller's attorney has given a written opinion to Escrow stating that all of the requirements of Sections 514A-39.5 (as to contingent final public reports), 514A-40 (as to final public reports) and 514A-63 of the Hawaii Revised Statutes, then applicable to the Project, have been satisfied.

(c) Seller shall have given Escrow a written waiver of any option reserved in any sales contract to cancel such sales contract.

4. Purchaser's Default. Seller must notify Escrow in writing if Purchaser defaults, and must certify that Seller has canceled the Purchaser's Sales Contract. After such cancellation Escrow will treat the Purchaser's funds less Escrow's cancellation fees as belonging to the Seller.

EXHIBIT "H"

DISCLOSURE ABSTRACT

1. (a) PROJECT: HIHIMANU ESTATES
41-557 Hihimanu Street
Waimanalo, Hawaii 96795
 - (b) DEVELOPER: Donald O. and Glenda A. BIEBER -and-
Bruce L. and Denise G. RATZLAFF
c/o 41-016 Hilu Street
Waimanalo, Hawaii 96795

Telephone: (808) 259-9138
 - (c) MANAGING
AGENT: Self-Managed by the Association
of Apartment Owners
2. Breakdown of annual maintenance fees and monthly estimate costs for each unit are more fully described on Exhibit "1" attached hereto (revised and updated every twelve (12) months and certified to have been based on generally accepted accounting principles).
- Note: Developers disclose that no reserve study was done in accordance with Chapter 514A-83.6, HRS, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.
3. DESCRIPTION OF ALL WARRANTIES COVERING THE DWELLINGS AND COMMON ELEMENTS:
- The Developer is making a one year warranty from the date of substantial completion on the materials and workmanship of Units 555, 557 and 557A. Developer is not making any warranties relating to the materials and workmanship of Unit 555A.
4. USE OF UNITS. The HIHIMANU ESTATES Condominium Project will consist of four (4) units which will be used for residential purposes by the respective owners thereof, their tenants, families and domestic servants and social guests, and for other purpose permitted by the zoning ordinance for the City and County of Honolulu then in effect.

EXHIBIT "1"
ESTIMATED OPERATING EXPENSES
For Period November 1, 1999 to October 31, 2000
As Prepared by Developer

Estimated Annual Expenses

Ground Maintenance	
Water/Sewer	\$-0-
* Electricity:	\$-0-
**Fire/Liability Insurance:	\$-0-
Management Fee:	\$-0-
Miscellaneous:	\$-0-
 TOTAL ANNUAL EXPENSES	 \$-0-

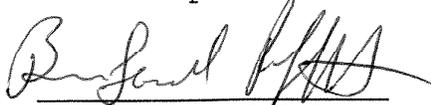
Estimated Monthly Expenses \$-0-

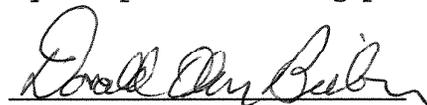
Estimated Monthly Maintenance Fee
for Each Apartment: \$-0-

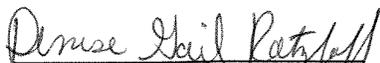
Note: * All utilities will be separately metered or otherwise charged, and the common elements will incur no separate utility charges.

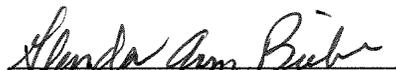
** Section 514A-86, Hawaii Revised Statutes, requires the Association of Apartment Owners to purchase fire insurance to cover the improvements of the Project, and that premiums be common expenses. Developer anticipates that the Association may elect to permit individual apartment owners to obtain and maintain separate policies of fire insurance and name the Association as an additional insured. In such case, fire insurance premiums will be the responsibility of individual apartment owners and not common expenses.

The Developer certifies that the maintenance fees and costs as estimated by the Developer is based on generally accepted accounting principles.


BRUCE LEONARD RATZLAFF


DONALD OLIVER BIEBER


DENISE GAIL RATZLAFF


GLENDA ANN BIEBER

"Developer"



TITLE GUARANTY OF HAWAII

INCORPORATED

235 QUEEN STREET HONOLULU, HAWAII 96813
PHONE: (808) 533-6261 FAX: (808) 521-0221

EXHIBIT "I"

2599962 R BIEBER GLENDA A S
R BIEBER DONALD O S
R RATZLAFF BRUCE L S
R RATZLAFF DENISE G S

TITLE GUARANTY OF HAWAII, INCORPORATED
HEREBY CERTIFIES THAT THIS IS A TRUE COPY
OF THE ORIGINAL DOCUMENT RECORDED AS
LAND COURT DOCUMENT NO. **2599962**

WHICH CREATED TRANSFER CERTIFICATE
OF TITLE NO. **526162**

AND ALSO RECORDED AS REGULAR SYSTEM DOCUMENT NO. **2000-001804**
ON **JANUARY 06, 2000** AT **8:01 A.M.**

BY:

DATE OF RECORDING : JANUARY 06, 2000
DESCRIPTION : EAS A LOT 114 APP 1569 &C
DOCUMENT TYPE : DECLN
TCT NO. : 526162

001804 R BIEBER GLENDA A S
/ R BIEBER DONALD O S
R RATZLAFF BRUCE L S
R RATZLAFF DENISE G S

DATE OF RECORDING : JANUARY 06, 2000
DESCRIPTION : EAS A WAIMANALO
DOCUMENT TYPE : DECLN COVEN

FILE 283654

Waimanalo, District of Koolauapoko, City and County of Honolulu, which are described as follows:

(a) Lot 113, area 6,124.0 square feet, and all of that certain parcel of land, area 5,297 square feet, situate, lying and being adjacent to the Southeast boundary of said Lot 113, both lots being shown on said Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application 1569 (hereinafter collectively "Lot B");

(b) Lot 115, area 8,360.0 square feet, and all of that certain parcel of land, area 2,696 square feet, situate, lying and being adjacent to the Southeast boundary of said Lot 115, both lots being shown on said Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application 1569 (hereinafter collectively "Lot C"); and

(c) Lot 114, area 6,227 square feet, and all of that certain parcel of land, area 274 square feet, situate, lying and being between Hihimanu Street and Lot 114, both lots being shown on said Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application 1569 (hereinafter collectively "Lot A").

2. Said Lots A, B and C, which are noted on Transfer Certificates of Title Nos. 526,162 and 526,164, may be collectively referred to as the "Lots" and individually as a "Lot".

3. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to a Lot or any portion thereof. At the time of execution of this Declaration, Declarants are the Owner of the Lots.

4. The Lots are contiguous, juxtaposed and/or in such relationship to each other, that it would be desirable to establish easements for common access and utility purposes, which easements are intended to burden or benefit each of the Lots and bind or benefit all persons having any interest in a Lot or any part thereof, and their respective heirs, successors and assigns.

5. It is desirable to establish (a) a nonexclusive Easement A over a portion of Lot A for vehicle access and for utility purposes; (b) a nonexclusive Easement B for vehicle

access and for utility purposes.

6. It is desirable to establish the terms and conditions for the use of Easement A and Easement B.

NOW THEREFORE, each of the Lots hereafter shall be held, leased, mortgaged, conveyed, used, occupied and improved subject to and with the benefit and protection of the easement and agreement hereafter set forth, which shall run in favor of or burden each of the Lots, as the case may be, as hereinafter provided, and shall be binding upon all parties having any right, title and interest in the Lots or portions thereof.

1. Declaration of Easements. The following nonexclusive easements for roadway access and for utility purposes between each of the Lots and Hihimanu Street are hereby declared and established:

(i) over, across and under that portion of Lot A consisting of approximately 275 square feet, which is designated as "Easement A" and is more fully described in Exhibit "A" attached hereto and made a part hereof; and

(ii) over, across and under that portion of Lot B consisting of approximately 1,390 square feet, which is designated as "Easement B" and is more fully described in Exhibit "B" attached hereto and made a part hereof (hereinafter collectively "Easement Areas").

2. Easement A is hereby declared to be appurtenant to Lot B and Lot C, provided that Lot A reserves the right to use Easement A in common with the Owners of Lot B and Lot C.

3. Easement B is hereby declared to be appurtenant to Lot A and Lot C, provided that Lot B reserves the right to use Easement B in common with the Owners of Lot A and Lot C.

4. This Declaration of Easements A and B shall be subject to all prior existing easements and encumbrances of record heretofore affecting each of the Lots.

5. Terms and Conditions of the Easements. The use of Easement A and Easement B by those entitled thereto shall be subject to the following terms and conditions:

(a) Any facilities, equipment or improvements owned by an Owner of a Lot and located within an Easement Area shall be kept in good and safe condition and repair by such Owner, subject only to reasonable wear and tear and damage caused by others;

(b) No Owner of a Lot shall park or store vehicles or other items within an Easement Area or otherwise hinder or impede the use of such Easement Area by those entitled to use them, provided, however, that an Owner of a Lot may park vehicles on account of an emergency or store construction equipment on a temporary basis; provided that such shall not materially interfere with the use of the Easement by others entitled thereto;

(c) An Owner of a Lot ("Indemnifying Owner") exercising his right to use an Easement shall indemnify and hold harmless the Owners of the other Lots from and against all loss, liability, damage or expense suffered or incurred by such Owner indemnified hereunder, arising out of or caused by such Indemnifying Owner's negligence or willful behavior, or the failure of such Indemnifying Owner to comply with its obligations with respect to the Easement;

(d) An Owner of a Lot shall have the right to require the Owners of the other Lots to grant or join in the grant of easements within an Easement for utility purposes in favor of the City and County of Honolulu, appropriate public or private utility companies, and/or to the Owners of the other Lots. Such grant of easement shall be in locations reasonably acceptable to the recipient of such easement on the following conditions:

(i) An Owner requesting such grant or joinder shall pay for all of the costs incurred by the other Owners in connection with such request and preparation of such grant or joinder;

(ii) Any such grant shall be subject: (aa) an obligation of the grantee to hold the grantor and its successors and assigns harmless against claim, loss or expense arising from the use of such utility easement; and (bb) that the use of the easement by the grantee shall not materially interfere with the use of the Easement by the other Owners;

(e) So long as they shall own at least one Lot, the Declarants shall have the right to further grant roadway and

utility easements within the areas of the Easements to any subsequent owner, lessee or mortgagee of a Lot without the consent or joinder of any other Lot Owner, provided that such grant is upon and subject to all of the applicable terms and conditions set forth in this Declaration.

6. Construction within the Easement Areas.

(a) Construction of Roadway Within Easement Area by Declarants. So long as they shall own at least one Lot, the Declarants shall have the right at any time and from time to time, at Declarants' sole cost, to construct, reconstruct, install, modify, remove and replace the roadway, utility lines and such other related improvements and facilities (collectively the "Roadway Improvements") within an Easement as the Declarants shall deem necessary or desirable.

(c) Approval of Construction of Roadway. The making of Roadway Improvements by an Owner other than the Declarants within an Easement Area shall require the prior written approval of all of the Owners, which approval shall not be unreasonably withheld; provided, however, that if making of a Roadway Improvement is for the purpose of installation of utilities for the benefit of an Owner of a single Lot, the consent by the Owners of other Lots shall not be so required.

(d) Conditions to Construction. Prior to commencement by any Owner other than the Declarants of making any Roadway Improvement within an Easement Area, such Owner shall provide for the benefit of the Owners of other Lots adequate security or other undertakings in a form and in an amount sufficient to (i) protect such other Owners against any claims, liabilities, causes of action and/or damages arising out of, related to or connected with the exercise of the Owner's right to make such Roadway Improvements or facilities, and (ii) assure the completion of said Improvements and/or facilities free and clear from any and all mechanics' and materialmen's liens.

(e) Completion of Roadway Improvements. After the completion of any Roadway Improvement permitted in the Easement Area, the Owner (other than the Declarants) making such Improvements shall restore the surface of the ground and surrounding area within the Easement Area to the condition thereof prior to such work, to the extent that such restoration is reasonably possible.

7. Repair and Maintenance of Easements.

(a) Covenant to Maintain and Repair. The Owners of the Lots shall have the joint and several duty and obligation to maintain, repair, upkeep and preserve the roadway and other improvements within Easement Areas in good order and condition subject to reasonable wear and tear and uninsured hazards.

(b) Votes Regarding Repair and Maintenance. Any decision to incur, expend and/or use funds or monies to operate, maintain, upkeep, repair or protect the roadway shall be affirmatively approved by a majority of the Owners. For purposes hereof, a "majority of the Owners" shall mean those Owners who have the obligation to pay for more than 50% of the costs of such repair and maintenance.

(c) Sharing of Costs. All costs relating to repair and maintenance of the Easements shall be borne one-half by the Owners of Lot B and one-half by the Owners of Lot C; provided, however, if the Owner of Lot A utilizes the Easements, then all of such costs shall be borne one-third by the Owner of Lot A, one-third by the Owner of Lot B and one-third by the Owner of Lot C.

8. Defaults.

Whenever under any provision of this Declaration, an Owner shall be obligated to make any payment or expenditure, or to do any act or thing, or to incur any liability whatsoever, and such Owner fails, refuses or neglects to perform as herein required, the other non-defaulting Owner or Owners shall be entitled but shall not be obligated to make any such payment or expenditure, or to do any such act or thing, or to incur any such liability, all on behalf of and at the cost and for the benefit of the defaulting Owner, and in such event the amount thereof shall be due to and at the option and upon demand by the non-defaulting Owner or Owners, together with interest on any such amounts unpaid at a rate equal to the lesser of twelve percent (12%) or the maximum rate allowable by law from the date when due, and the defaulting Owner shall reimburse the non-defaulting Owner or Owners for any and all loss, damage or expense, including reasonable attorney's fees, which the non-defaulting Owner or Owners may suffer or be put to by reason thereof. Nothing contained herein shall prevent the non-defaulting Owner or Owners, at the cost of and for the benefit of the defaulting

Owner, from satisfying any judgment, liability or lien, as the case may be, in the event the defaulting Owner fails or refuses to satisfy the same as herein provided. To the extent that a non-defaulting Owner or Owners are damaged, said non-defaulting Owner or Owner may file an appropriate civil action against the defaulting Owner in a court of proper venue and seek a court order, decree and/or injunction to compel performance.

9. Reserved Rights of an Owner of a Burdened Lot. The Owner of a Lot burdened by an Easement shall have the right to use his burdened Lot for any purposes not inconsistent with the right of the Owners of the Benefitted Lot(s), including without limitation, the right of such Owner to use the Easement in common with the Owners of the Benefitted Lot(s).

10. Termination. Any Easement granted hereby shall automatically terminate (a) on the date that the area of such Easement is dedicated to and accepted by the City and County of Honolulu, the State of Hawaii, or any other governmental agency for use as a "public" roadway; or (b) by written agreement signed by all of the Owners of the Lots and filed with the Office of the Assistant Registrar of the Land Court and recorded at the Bureau of Conveyances.

11. Miscellaneous Provisions.

(a) Amendment. This Declaration may be amended only by a written instrument executed by all of the Owners. Any amendment authorized hereby shall be evidenced by an instrument in writing, signed and acknowledged by each of the Owners, (and each of their Mortgagees, if required under their mortgage), which amendment shall be effective upon filing in the Land Court and recordation at the Bureau of Conveyances.

(b) Costs. Any costs and expenses including attorneys fees, incurred by any Owner in enforcing the terms, conditions and provision of this Declaration, including reasonable attorney's fees, shall be assessed against a defaulting Owner.

(c) Severability. If any provision of this Declaration, or any section, sentence, clause, phrase or word or the application thereof in any circumstances, shall be held invalid, the validity of the remainder of this Declaration and of the application of such provision, sentence, clause, phrase or word under any other circumstances shall not be affected.

(d) No Waiver. The failure to enforce any provision of this Declaration shall not constitute a waiver thereof or of the right to enforce such provision thereafter.

12. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of the parties to this Agreement, except as expressly provided above.

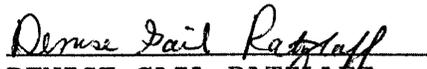
IN WITNESS WHEREOF, the Declarants have hereunto caused this Declaration to be executed as of the date hereinabove set forth.



BRUCE LEONARD RATZLAFF



DONALD OLIVER BIEBER



DENISE GAIL RATZLAFF



GLENDA ANN BIEBER

STATE OF HAWAII)
) SS.
CITY AND COUNTY OF HONOLULU)

On this 30th day of December, 1999, before me personally appeared BRUCE LEONARD RATZLAFF and DENISE GAIL RATZLAFF, known to me to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

L. S.

Ronald L. Sauder
Ronald L. Sauder
Notary Public, above mentioned State

My Commission expires: 11/28/2003

STATE OF HAWAII)
) SS.
CITY AND COUNTY OF HONOLULU)

On this 30th day of December, 1999, before me personally appeared DONALD OLIVER BIEBER and GLENDA ANN BIEBER, known to me to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

L. S.

Ronald L. Sauder
Ronald L. Sauder
Notary Public, above mentioned State

My Commission expires: 11/28/2003

EXHIBIT "A"

EASEMENT A

For Vehicle Access and Utility Purposes
Waimanalo, Koolaupoko, Oahu, Hawaii

Being a portion of Lot 114 of Land Court Application 1569 as shown on Map 2.

Being, also, a portion of Grant 13637 to Alexander Wah Kong Young and Betty Omizu Young.

Beginning at the south corner of this parcel of land and on the easterly side of Hihimanu Street, the coordinates of said point of beginning referred to Government Triangulation Station "WAIMANALO RIDGE" being 3033.04 feet South and 3714.47 feet East, thence running by azimuths measured clockwise from True South:

- | | | | | |
|----|------|-----|--------|---|
| 1. | 165° | 20' | 2.06 | feet along the easterly side of Hihimanu Street; |
| 2. | 239° | 30' | 133.50 | feet along the remainders of Grant 13637 and Lot 114 of Ld. Ct. App. 1569; |
| 3. | 329° | 30' | 2.06 | feet along Lot 115 of Ld. Ct. App. 1569; |
| 4. | 59° | 30' | 134.08 | feet along Lot 113 of Ld. Ct. App. 1569 and the remainder of Grant 13637 to the point of beginning and containing an area of 275 square feet. |

END OF EXHIBIT "A"

EXHIBIT "B"

For Vehicle Access and Utility Purposes

Waimanalo, Koolaupoko, Oahu, Hawaii

Being a portion of Lot 113 of Land Court Application 1569 as shown on Map 2.

Being also, a portion of Grant 13637 to Alexander Wah Kong Young and Betty Omizu Young.

Beginning at the west corner of this parcel of land and on the easterly side of Hihimanu Street, the coordinates of said point of beginning referred to Government Triangulation Station "WAIMANALO RIDGE" being 3003.04 feet South and 3714.47 feet East, thence running by azimuths measured clockwise from True South:

- | | | | | |
|----|------|-----|--------|--|
| 1. | 239° | 30' | 134.08 | feet along the remainder of Grant 13637 and Lot 114 of Ld. Ct. App. 1569; |
| 2. | 329° | 30' | 9.94 | feet along Lot 115 of Ld. Ct. App. 1569; |
| 3. | 59° | 30' | 121.79 | feet along the remainders of Lot 113 of Ld. Ct. App. 1569 and Grant 13637; |
| | | | | thence along the remainder of Lot 113 of Ld. Ct. App. 1569 on a curve to the left, the chord azimuth and distance being: |
| 4. | 22° | 25' | 24.12 | feet; |
| 5. | 165° | 20' | 25.45 | feet along the easterly side of Hihimanu Street to the point of beginning and containing an area of 1390 square feet. |

END OF EXHIBIT "B"