

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Y.B. INVESTMENTS, INC., a Hawaii corporation
Address 2250 Kalakaua Avenue #310, Honolulu, Hawaii 96815

Project Name(\*): AHUIMANU WOODS III
Address: 47-610 C & D Hui Ulili Street, Kaneohe, Hawaii 96744

Registration No. 4040 Effective date: February 4, 2000
Expiration date: March 4, 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 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.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
[X] This report must be read together with Preliminary Public Report issued November 25, 1998

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

FORM: RECO-30 286/986/189/1190/892/0197

**Disclosure Abstract:** Separate Disclosure Abstract on this condominium project:

Required and attached to this report  
as Exhibit A

Not Required - Disclosures covered in this report.

**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:

See Page 2A

**SPECIAL ATTENTION**

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

This public report does not constitute approval of the Project by the Real Estate Commission, or any other governmental agency, nor does it ensure that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

## Summary of Changes from Preliminary Public Report

Since the Preliminary Public Report was issued, a number of changes have occurred which affect the Project:

1. Construction of Units C and D was substantially completed on October 7, 1999. The Department of Planning and Permitting of the City and County of Honolulu issued a letter on December 30, 1999, stating that the units met all applicable code requirements when they were constructed.

2. The floor plans and elevations for Units C and D have changed and the changes are reflected in the recorded Condominium Map. One of those changes is that Unit C includes a jacuzzi. The jacuzzi which is part of Unit C will be the responsibility of the owner of Unit C and the occupants thereof to ensure the safety of all persons. The Developer will not be liable to any owner, occupant or other person for any loss or injury in connection with the jacuzzi. This means that no one will have the right to file any lawsuit against the Developer for any matter in connection with the jacuzzi.

3. An underground sewer tank and pump has been installed for each unit, within the limited common element land area appurtenant thereto. (See Exhibit F)

4. A building setback line exists within each limited common element land area and is shown on the Condominium Map. The setback line means that no buildings, structures or other improvements can be constructed within the area between the boundary and the setback line. (See Exhibit F)

5. The construction warranties have changed. (See Exhibits A and H) Those changes are reflected in the Ahuimanu Woods Addendum 01/00 filed with this Final Public Report and described in Exhibit I, and the revised Ahuimanu Woods III Limited Warranty Condominium Deed filed with this Final Public Report.

6. A Declaration of Driveway Easement was recorded, which sets forth the terms and conditions for the use, maintenance, benefits and obligations of the driveway leading to the Project. In addition, the Developer refinanced the Project and executed a Mortgage and an Assignment in favor of First Hawaiian Bank, which replaced the Negative Pledge Agreements that were previously recorded against the Project. Finally, the Declaration, By-Laws and Condominium Map for the Project were revised and recorded. (See Exhibit G)

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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 the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

**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. \_\_\_\_\_  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. 2600121

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

N/A

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. \_\_\_\_\_  
 Filed - Land Court Condo Map No. 1332

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

N/A

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. \_\_\_\_\_  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. 2600122

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

N/A

Fee Owner: \_\_\_\_\_  
Name

\_\_\_\_\_  
Address

Lessor: \_\_\_\_\_  
Name

\_\_\_\_\_  
Address

C. **Buildings and Other Improvements:**

1.  New Building(s)  Conversion of Existing Building(s)  Both New Building(s) and Conversion \*  
\*Developer has completed construction prior to issuance of this Final Public Report.

2. Number of Buildings: 2 Floors Per Building Unit C - 2, Unit D - 1

Exhibit \_\_\_\_\_ contains further explanations.

3. **Principal Construction Material:**

Concrete  Hollow Tile  Wood

Other \_\_\_\_\_

4. **Uses Permitted by Zoning:**

	No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>		No. of <u>Apts.</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 type="checkbox"/> Agricultural	___	<input 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: \_\_\_\_\_

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: N/A Stairways: Unit C - 2 Trash Chutes: N/A

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>Unit C</u>	<u>1</u>	<u>4/3</u>	<u>2,414</u>	<u>411</u>	<u>garage</u>
				<u>236</u>	<u>lanai</u>
<u>Unit D</u>	<u>1</u>	<u>3/2</u>	<u>1,750</u>	<u>469</u>	<u>garage</u>
				<u>113</u>	<u>lanai</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:

Permitted Alterations to Apartments:

7. Parking Stalls:

Total Parking Stalls: \_\_\_\_\_

	<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)	_____	_____	_____	_____	_____	_____	_____
Guest	_____	_____	_____	_____	_____	_____	_____
Unassigned	_____	_____	_____	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open:	_____	_____	_____	_____	_____	_____	_____

Each apartment will have the exclusive use of at least \_\_\_\_\_ 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:

- 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

- 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):

11. 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>	<u>      </u>	<u>      </u>
Structures	<u>  X  </u>	<u>      </u>	<u>      </u>
Lot	<u>  X  </u>	<u>      </u>	<u>      </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   F  .

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.

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

described in Exhibit F\*.

as follows:

**\*Note: Land areas referenced herein are not 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 \_\_\_\_\_.

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 G describes the encumbrances against the title contained in the title report dated January 10, 2000 and issued by Title Guaranty of Hawaii, Inc.

**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.

**Type of Lien**

**Effect on Buyer's Interest and Deposit if Developer Defaults  
or Lien is Foreclosed Prior to Conveyance**

First Mortgage, Security Agreement and Financing Statement and Absolute Assignment of Sales Contracts, Escrow Deposits, Escrow Agreements and Net Sales Proceeds

The Mortgage and the Assignment are blanket liens on both units in the project, and they will be released as to each apartment before the Developer conveys the unit to the buyer. If the Developer defaults under the Mortgage prior to conveying any unit to a buyer, the buyer's interest could be terminated. In the event of such termination, the buyer's deposit would be returned in the manner set forth in the Sales Contract.

**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:

See Exhibit H

2. Appliances:

See Exhibit H

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

Units C & D were substantially completed on October 7, 1999.

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   I   contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated \_\_\_\_\_

Exhibit \_\_\_\_\_ 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 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 \_\_\_\_\_

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. 4040 filed with the Real Estate Commission on October 12, 1998.

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

YELLOW paper stock       WHITE paper stock       PINK paper stock

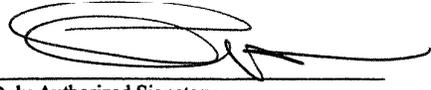
C. Additional Information Not Covered Above    None

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

- 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.

Y.B. INVESTMENTS, INC., a Hawaii corporation

Printed Name of Developer

By:  \_\_\_\_\_ Date 1/12/2000

Duly Authorized Signatory

Date

Andy Yip, President

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City & County of Honolulu  
Planning Department, City & County of Honolulu

EXHIBIT A

AMENDED DISCLOSURE ABSTRACT

Paragraph 5 of the Disclosure Abstract attached as Exhibit A to the Preliminary Public Report is amended and restated in its entirety as follows:

"5. Warranties: Developer disclaims any warranties, either express or implied, including any implied warranty of habitability, with respect to the Project, the units or their contents. Developer will not be liable to any persons for any construction or other defects, including any latent or hidden defects in the Project, the units or anything contained therein. This means that unit owners will not have the right to file any lawsuit for damages against Developer for any defects discovered by the unit owners.

However, pursuant to the construction contract between the Developer and the Project's general contractor, the general contractor warranted that (a) the materials and equipment furnished under the contract will be new and of good quality unless otherwise required or permitted by the "Contract Documents" (as defined in the contract); (b) the "Work" (as defined in the contract) will be free from defects not inherent in the quality required or permitted; and (c) the Work will conform to the requirements of the Contract Documents; and the contractor agreed for a period of one (1) year after "Substantial Completion" (as defined in the contract) to correct work not conforming to the requirements of the Contract Documents. The Developer will assign said warranty, together with all transferable manufacturer's and dealer's warranties covering all appliances installed in the units by Developer, to the first owner of each unit. No owner will have any recourse against the Developer under any of said warranties."

Dated: Honolulu, Hawaii, January 12, 2000.

Y.B. INVESTMENTS, INC., a  
Hawaii corporation

By   
\_\_\_\_\_  
Andy Yip, President

Developer

## EXHIBIT F

### AMENDED DESCRIPTION OF COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

#### I. COMMON ELEMENTS

Paragraph E of the Declaration describes the common elements as all portions of the land and improvements (other than the apartments), the land on which the building is located and all common elements mentioned in the Act which are actually constructed on the land described herein. Said common elements include, but are not limited to the following:

1. The land described in Exhibit "A", including but not limited to, the area designated on the Condominium Map as "Common Element", which contains approximately 3,525 square feet.

2. All central and appurtenant installations for services such as power, lights, telephone, hot and cold water lines, television cable lines, sewage disposal and other utilities which serve more than one unit (including all pipes, ducts, wires, cables and conduits used in connection therewith, whether located in common areas or in units), and all tanks, pumps, motors, fans, ducts and other apparatus and installations existing for common use.

3. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, and normally in common use and which are not part of any unit.

#### II. LIMITED COMMON ELEMENTS

Paragraph F of the Declaration describes the limited common elements as certain parts of the common elements which are set aside and reserved for the exclusive use of certain apartments, which apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside for each apartment are as follows:

1. One (1) mailbox located on the Project grounds, bearing the same number as the number of the unit.

2. The land area on which each unit is located, as shown and delineated on the Condominium Map, shall be a limited common element for the exclusive use of the unit to which it is appurtenant, and in the case of Unit D, the additional land area shown on the Condominium Map as adjacent to the shaded Common Element area, and containing approximately 697 square feet, shall be a limited common element for the exclusive use of Unit D; provided that each unit owner shall be responsible for

and shall bear the expense of installing and maintaining all landscaping within such limited common element land area, and of repairing, restoring or reinstating any walkways, stairways, fences, walls, pavement, water lines, and other improvements located within such designated limited common element land area; provided, further, that in the event of any sewer stoppage which affects any individual unit, the owner of such unit shall be responsible for and shall bear the expense of cleaning any sewer line which connects to any main sewer line running beneath the Project. The limited common element land area appurtenant to each unit is indicated on the Condominium Map and contains the following approximate number of square feet:

Unit C	11,126 square feet
Unit D	9,951 square feet (9,254 square feet plus 697 square feet)

Adjacent to each unit and located under the limited common element land area appurtenant thereto is an underground sewer tank and pump, which are accessed by a manhole. The Developer will provide a lock and key for the manhole cover, which is visible on the ground. It will be the responsibility of each unit owner and occupant to use the lock and key at all times to ensure the safety of all persons. The Developer will not be liable to any owner, occupant or other person for any loss or injury in connection with the tank, pump, manhole, cover, lock or key. This means that no one will have the right to file any lawsuit against the Developer for any matter in connection with said items.

A building setback line exists within each limited common element land area and is shown on the Condominium Map. The setback line means that no buildings, structures or other improvements can be constructed within the area between the boundary and the setback line.

Notwithstanding any provision herein or in the By-Laws to the contrary all costs of every kind pertaining to each limited common element, including but not limited to, costs of landscaping, maintenance, repair, replacements, additions and improvements, shall be charged to and borne entirely by the owner(s) of the unit(s) to which it is appurtenant. Expenses which are attributable to more than one (1) mailbox or land area shall be allocated among the affected mailboxes or land areas on a per mailbox or land area basis. Any expense which cannot be separately identified or attributed to a limited common element shall be charged as a common expense.

Without limiting the generality of the foregoing, the area shown on the Condominium Map which contains 697 square feet and is part of the limited common element land area appurtenant

to Unit D, shall be used solely for landscaping purposes and shall be landscaped and maintained by the owner of said unit at such owner's expense; provided, however, that the types and sizes of planting material used in said area shall be subject to the approval of the owner of Unit C, which approval may not be unreasonably withheld or delayed.

EXHIBIT G

ENCUMBRANCES AGAINST TITLE

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:  
  
INSTRUMENT: UNILATERAL AGREEMENT AND DECLARATION FOR  
CONDITIONAL ZONING  
PARTIES: AHUIMANU JOINT VENTURE, "Declarant" and CITY  
AND COUNTY OF HONOLULU, "Council"  
DATED: October 15, 1980  
FILED: Land Court Document No. 1036423
3. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:  
  
INSTRUMENT: DEED  
DATED: August 3, 1995  
FILED: Land Court Document No. 2253256
4. Designation of Easement "315" (area 2,046 square feet) for driveway purposes, as shown on Map 133, as set forth by Land Court Order No. 131171, filed April 28, 1998.
5. Building setback line as set forth by Land Court Order 131171, filed April 28, 1998.
6. Grant to Hawaiian Electric Company, Inc. and GTE Hawaiian Telephone Company Incorporated dated June 30, 1998, filed as Land Court Document No. 2472455, granting a perpetual right and easement for utility purposes.
7. Declaration of Driveway Easement dated October 16, 1998, by Y.B. Investments, Inc., filed as Land Court Document No. 2494885.
8. First Mortgage, Security Agreement and Financing Statement dated November 10, 1998, by Y.B. Investments, Inc., as mortgagor, in favor of First Hawaiian Bank, as mortgagee, filed as Land Court Document No. 2499590.
9. Absolute Assignment of Sales Contract, Escrow Deposits, Escrow Agreements and Net Sales Proceeds dated November 10, 1998, by Y.B. Investments, Inc., as assignor, in favor of

First Hawaiian Bank, as assignee, recorded as Document No. 98-170150.

10. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT:       DECLARATION OF CONDOMINIUM PROPERTY REGIME  
                      FOR THE "AHUIMANU WOODS III" CONDOMINIUM  
                      PROJECT  
DATED:               January 4, 2000  
FILED:               Land Court Document No. 2600121  
MAP:                 1332 filed in the Office of the Assistant  
                      Registrar of the Land Court and any  
                      amendments thereto

11. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT:       BY-LAWS OF THE ASSOCIATION OF APARTMENT  
                      OWNERS OF THE "AHUIMANU WOODS III"  
                      CONDOMINIUM PROJECT  
DATED:               January 4, 2000  
FILED:               Land Court Document No. 2600122

12. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land.
13. For real property taxes due and payable, refer to Director of Finance, City and County of Honolulu.

EXHIBIT H

AMENDED CONSTRUCTION WARRANTIES

The Sales Contract used in connection with the Project provides as follows:

"Buyer understands and agrees that Seller is disclaiming any warranties, either express or implied, including any implied warranty of habitability, with respect to the Project, the units or their contents, and that Seller will not be liable to the unit owners for any construction or other defects, including any latent or hidden defects in the Project, the units or anything contained therein. This means that unit owners will not have the right to file any lawsuit for damages against Seller for any defects discovered by the unit owners.

However, pursuant to the construction contract between Seller and the Project's general contractor, the general contractor warranted that (a) the materials and equipment furnished under the contract will be new and of good quality unless otherwise required or permitted by the "Contract Documents" (as defined in the contract); (b) the "Work" (as defined in the contract) will be free from defects not inherent in the quality required or permitted; and (c) the Work will conform to the requirements of the Contract Documents; and the contractor agreed for a period of one (1) year after "Substantial Completion" (as defined in the contract) to correct work not conforming to the requirements of the Contract Documents. Seller is assigning said warranty, together with all transferable manufacturer's and dealer's warranties covering all appliances installed in the units, to the purchasers of the units. No purchaser will have any recourse against Seller under any of said warranties."

EXHIBIT I

SUMMARY OF PERTINENT  
PROVISIONS OF SALES CONTRACT

Developer has filed a specimen Ahuimanu Woods III Addendum 01/00, with the Hawaii Real Estate Commission, which provides that the construction warranties have changed (See Exhibit H of this Final Public Report).

THIS EXHIBIT CONTAINS ONLY A DESCRIPTION OF THE PROVISIONS CONTAINED IN THE AHUIMANU WOODS III ADDENDUM 01/00. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS IN THEIR ENTIRETY CONTAINED IN SAID ADDENDUM.