

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer ELSIE W. CHOCK, Trustee; CLAUDIA O. J. WONG, Trustee; DANIEL WING DUCK CHOCK; PATSY CHOCK CHUN; and MICHAEL JAMES WING YUN CHOCK
Address 1324 Heulu Street, Honolulu, Hawaii 96822

Project Name(*): 1324 HEULU STREET
Address: 1324 Heulu Street, Honolulu, Hawaii 96822
Registration No. 6063 (Conversion) Effective date: October 18, 2006 Expiration date: November 18, 2007

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.
SUPPLEMENTARY: (pink) This report updates information contained in the:
And [] Supersedes all prior public reports.

(*) Exactly as named in the Declaration
This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.
FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104
G:\CPR\CLIENT\Chock Heulu St\Final Public Report-revised 10-10-2006.wpd

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report
as Exhibit "H"

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:

SPECIAL ATTENTION

The Developer has disclosed the following:

- (a) This is a CONDOMINIUM PROJECT, not a subdivision.**
- (b) No warranties are given to the purchaser as to the construction, materials or workmanship of the Project. The Project is being sold in "as is" condition (pages 12 and 15).**
- (c) This public report does not constitute approval of the Project by the Real Estate Commission or any other governmental agencies, nor does it ensure that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.**

THE PROSPECTIVE PURCHASERS ARE CAUTIONED TO CAREFULLY REVIEW ALL DOCUMENTS REGARDING THIS CONDOMINIUM PROJECT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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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.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: MICHAEL JAMES WING YUN CHOCK , etal. Phone: (808) 847-1541
Name* (Business)
1324 Heulu Street
Business Address
Honolulu, Hawaii 96822

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

N/A

Real Estate Broker*: None Selected (See page 20) Phone: (Business)
Name
Business Address

Escrow: Hawaii Escrow and Title, Inc. Phone: (808) 532-2977
Name (Business)
700 Bishop Street, Suite 1600
Business Address
Honolulu, HI 96813

General Contractor*: N/A Phone: Business
Name
Business Address

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

Attorney for Developer: Jeffrey S. Grad, Esq. Phone: (808) 521-4757
Name (Business)
841 Bishop St., Ste. 1800
Business Address
Honolulu, HI 96813

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC) Michael James Win Yun Chock is the authorized representatives for the owners listed on Page 1 of this Report.

**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:

<input type="checkbox"/> Proposed			
<input type="checkbox"/> Recorded -	Bureau of Conveyances:	Document No.	_____
		Book	_____ Page _____
<input checked="" type="checkbox"/> Filed -	Land Court:	Document No.	<u>3407650</u>

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

Amendment to Declaration and Condominium Map dated September 8, 2006, filed as Land Court Document No. 3493818.

- 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:

<input type="checkbox"/> Proposed			
<input type="checkbox"/> Recorded -	Bureau of Conveyances	Condo Map No.	_____
<input checked="" type="checkbox"/> Filed -	Land Court	Condo Map No.	<u>1780</u>

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

Amendment to Declaration and Condominium Map dated September 8, 2006, filed as Land Court Document No. 3493818.

- 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:

<input type="checkbox"/> Proposed			
<input type="checkbox"/> Recorded -	Bureau of Conveyances:	Document No.	_____
		Book	_____ Page _____
<input checked="" type="checkbox"/> Filed -	Land Court:	Document No.	<u>3407651</u>

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:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>100%</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: 1324 Heulu Street
Honolulu, HI 96822

Tax Map Key (TMK): (1) 2-4-025-012

[] Address [X] TMK is expected to change because each CPR Unit will receive separate designated tax key number

Land Area: 7,878 [X] square feet [] acre(s) Zoning: A-2

Fee Owner: ELSIE W. CHOCK, Trustee; CLAUDIA O. J. WONG, Trustee; DANIEL WING DUCK CHOCK; PATSY CHOCK CHUN and MICHAEL JAMES WING YUN CHOCK
 Name*
1324 Heulu Street
 Business Address
Honolulu, Hawaii 96822

Lessor: N/A
 Name

 Address

C. **Buildings and Other Improvements:**

1. New Building(s)
 Conversion of Existing Building(s)
 Both New Building(s) and Conversion
2. Number of Buildings: 1 Floors Per Building 3 (Ground level and 2 stories above)
 Exhibit _____ contains further explanations.
3. Principal Construction Material:
 Concrete Hollow Tile Wood
 Other wood and allied materials

4. Uses Permitted by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>11</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<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"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other-shed	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No

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

5. Special Use Restrictions:

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

[] Pets: _____

[] Number of Occupants: _____

[] Other: _____

[X] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: -0- Stairways: -0- Trash Chutes: -0-

<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>Type A</u>	<u>4</u>	<u>2/1</u>	<u>567</u>	<u>84</u>	<u>Lanai</u>
<u>Type B</u>	<u>2</u>	<u>1/1</u>	<u>480</u>	<u>72</u>	<u>Lanai</u>
<u>Type C</u>	<u>4</u>	<u>2/1</u>	<u>633</u>	<u>112</u>	<u>Lanai</u>
<u>Type D</u>	<u>1</u>	<u>4/2</u>	<u>1311</u>	<u>232</u>	<u>Lanai</u>

Total Number of Apartments: 11

***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"

Apartments Designated for Owner-Occupants Only: Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has elected to provide the information in a published announcement or advertisement. (This Paragraph is not applicable to the Project)

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> X (parking - see Exhibit I) </u>	<u> </u>
Structures	<u> </u>	<u> X </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 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.

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

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 _____.

as follows:

Units 3, 4, 8 and 9	-	10%
Units 5 and 10	-	6%
Units 6,7,11 and 12	-	7%
Unit 1	-	20%

- 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 E describes the encumbrances against the title contained in the title report dated March 28 , 2006 and issued by Hawaii Escrow and Title, 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.

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
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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 giving no warranties to Purchaser on the materials and workmanship of the Units.

2. Appliances:

N/A

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

All the Units were constructed in the 1969.

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

Escrow Agreement dated January 27, 2006

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 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 or through the developer's sales agent, if any. The Condominium Property Regime Law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107), are available on line. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov
 Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs
 Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 6063 filed with the Real Estate Commission on June 20, 2006.

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**

HAZARDOUS MATERIALS

The Developer neither prepared nor commissioned a Phase 1 Environmental Site Assessment and makes no representations or warranties whatsoever. The developer has made no independent investigation as to asbestos or other hazardous substances in the apartments or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws. Buyer acknowledges that in light of the age of the Project, there may be asbestos and other hazardous substances in the apartments, or in, under or around the Project. Because of the possible presence of such substances, Buyer should have the apartment inspected to determine the extent (if any) of such contamination and any necessary remedial action. The developer will not correct any defects in the apartments or in the Project or anything installed or contained therein and Buyer expressly releases the developer from any liability to Buyer if any hazardous materials are discovered.

DISCLOSURE REGARDING SELECTION OF REAL ESTATE BROKER:

The Developer does not presently intend to use a real estate broker for the sale of apartments in the Project.

In the event the Developer chooses to use a real estate broker for the sale of an apartment, prior to entering into a binding contract for such sale the Developer shall (1) submit to the Real Estate Commission a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker, together with a duly executed disclosure abstract identifying the designated broker, and (2) provide a copy of the disclosure abstract to the purchaser together with a copy of this public report.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SHL 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. 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.

ELSIE W. CHOCK, Trustee; CLAUDIA O. J. WONG, Trustee; DANIEL WING DUCK CHOCK;
 PATSY CHOCK CHUN; MICHAEL JAMES WING YUN CHOCK

Printed Name of Developer

By: Michael James Wing Yun Chock Date 6/19/2006
 Duly Authorized Signatory*

MICHAEL JAMES WING YUN CHOCK
 Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

****Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership(LLP) by the general partner; Limited Liability Company(LLC) by the manager or member; and for an individual by the individual.***

EXHIBIT "A"

DEVELOPER'S RESERVED RIGHTS

The Developer (Declarant) has reserved certain rights in Paragraph 8 and in Paragraph 23 (Amendment of Declaration) to act without the consent or joinder of others.

A. Subparagraphs (e) through (i) of Paragraph 8 provide as follows:

"(e) **Reserved Easements to Developer.** The Developer hereby reserves the right to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across, or through the common elements (including the limited common elements) for any reasonable purpose, which may include, but shall not be limited to, those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any Apartment or the common elements or any easements for utilities or for any public purpose; provided, however, that in exercising its rights under this paragraph, the Developer shall not do anything or permit anything to be done which shall unreasonably interfere with the use of the affected common or limited common element for its originally intended purpose, unless such action is required to ensure the public health, safety or welfare or to comply with any governmental rule, regulation, law or ordinance. The rights set forth in this paragraph shall continue for a period of twelve (12) months following recordation of the last apartment deed transferring title to an Apartment to any person other than the Developer, a party related to the Developer or the Developer's successor in interest.

(f) **Sales Activities.** The Developer shall have and hereby reserves, and the Developer's mortgage lender (as hereinafter defined) shall have, the right and easement to conduct extensive activities on or from the Project, including the common elements, in connection with the sale or leasing of the Apartments in the Project, including the use of model apartments, sales, leasing and management offices, parking stalls and extensive sales and leasing displays and activities. "Mortgage lender" shall mean any holder of a mortgage encumbering any of the Developer's interest in the Project or a condominium Apartment or any person acquiring such interest of the Developer or Apartment at foreclosure of such mortgage, or by conveyance in lieu of foreclosure.

(g) **Easement to Complete Repairs and Maintenance of the Project.** The Developer shall have and hereby reserves an easement over and upon any portion of the Project, including the common elements and any Apartment, as may be reasonably necessary for the repair, maintenance or replacement of any improvements to, and correction of defects and other punch-list items in the common elements or any Apartment.

(h) **Compliance with Law by Developer.** If the Project is found not to be in compliance with any federal, state or local law during the period that Developer is selling the Apartments in the Project or thereafter, the Developer shall have the right (but not the obligation), at its election, at any time thereafter to enter the Project and make such modifications to the common elements as are necessary, in the Developer's judgment, to bring the Project into compliance with the applicable laws. This right shall include, but shall not be limited to, the right to cause noise, dust and other disturbances and nuisances incidental to modifying the common elements as required; provided, however, that the Developer or any party performing such work on behalf of the Developer shall make reasonable efforts to minimize such disturbances and nuisances.

(i) **Right to Assign.** All rights and easements reserved to the Developer in this Declaration may be assigned by the Developer at any time, in whole or in part, with or without an Apartment, to any other person, without notice to or the consent or joinder of the Association or any Owner, lien holder or any other person other than the Developer's mortgagees whose prior written consent shall be obtained."

B. Subparagraph (b) of Paragraph 23 provides as follows:

"(b) **Amendments Required by Law, Lenders, Title Insurers, Etc.** Any other provision of this Declaration notwithstanding, for so long as the Developer retains any interest in an Apartment in the Project, the Developer shall have the right (but not the obligation) to amend this Declaration and the Bylaws (and the Condominium Map, if appropriate) without the consent or joinder of any Apartment Owner, lienholder or other person,

(i) for the purpose of meeting any requirement imposed by (i) any applicable law, (ii) the Real Estate Commission of the State of Hawaii, (iii) any title insurance company issuing a title insurance policy on the Project or any of the Apartments, (iv) any institutional lender lending funds on the security of the Project or any of the Apartments, or (v) any other governmental or quasi-governmental agency including, without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the U.S. Department of Housing and Urban Development or the Veterans Administration; and

(ii) to amend this Declaration and the Condominium Map to make alterations in the Project, and which alterations (aa) change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any Apartment (and any limited common elements appurtenant thereto) which such Apartment has not been sold and filed in the Recording Office; or (bb) make minor changes in any Apartment in the Project or in the common elements which do not affect the physical location, design or size of any Apartment which has been sold and filed in the Recording Office; provided, however, that no amendment which would change the common interest appurtenant to an Apartment or substantially change the design, location or size of an Apartment shall be made without the consent of all persons having an interest in such Apartment. Each and every party acquiring an interest in the Project, by such acquisition, consents to the amendments described in this subparagraph 23(b) and agrees to execute and deliver such documents and instruments and do such other things as may be necessary or convenient to effect the same, and appoints the Developer and its assigns as his or her attorney-in-fact with full power of substitution to execute and deliver such documents and instruments and to do such things on his or her behalf, which grant of such power, being coupled with an interest, is irrevocable for the duration of such reserved rights, and shall not be affected by the disability of such party or parties. "

End of EXHIBIT "A"

EXHIBIT "B"

PERMITTED ALTERATIONS TO APARTMENTS.

Alterations to Apartments are governed by Paragraph 21 the Declaration which states:

"21. **ALTERATION OF PROJECT.**

(a) **Generally.** Except as otherwise provided in subparagraphs (b), (c) or (d) of this Section 21 or otherwise in the Declaration, any repair, replacement or restoration of the Project or of any building or other facility or construction of any additional building or structural alteration (including the enclosure of a lanai) or addition to any structure, different in any material respect from said Condominium Map of the Project, shall be undertaken by the Association or any Apartment Owners only pursuant to an amendment of this Declaration, duly executed by or pursuant to the affirmative vote of seventy-five percent (75%) of the Apartment Owners and consented to in writing by the holders of all liens affecting any of the Apartments, and in accordance with complete plans and specifications therefor first approved in writing by the Board of Directors, and promptly upon completion of such replacement, restoration or construction, the Association shall record such amendment, together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer.

(b) **Connection between Apartments.**

(i) The Owner of any two or more adjacent Apartments separated by a common element which is a wall may, with the consent of all mortgagees of record of any interest in such Owner's Apartments, alter or remove all or portions of the intervening wall (and, if the Owner so desires, install a door within the opening created by such removal), if the structural integrity of the common elements or any other Apartment in the Project will not thereby be adversely affected and if the finish of the common element then remaining is placed in a condition substantially comparable to that of the common element prior to such alterations.

(ii) Prior to commencing any such alteration or removal, the Apartment Owner shall provide to the Board (i) a certification in form and content reasonably satisfactory to the Board signed by a duly registered Hawaii architect or engineer, that such alteration or removal will not adversely affect the structural integrity of the common elements or any other Apartment in the Project, (ii) satisfactory evidence that all governmental approvals required for such alteration or removal have been duly obtained, and (iii) if the cost of such alteration or removal, as reasonably determined by the Board of Directors, should exceed the sum of \$25,000 (increased from time to time at the rate of 3% per annum since 2005), the Board of Directors may require that the Owner provide evidence satisfactory to the Board of Directors of sufficient financing to complete such alteration or removal or, in lieu thereof, require that the Owner obtain a performance and lien payment bond, naming as obligees the Board of Directors and the Association and collectively all Apartment Owners and their respective mortgagees of record, as their interests may appear, for a penal sum of not less than one hundred percent (100%) of the estimated cost of such alteration or removal. Such alteration or removal may be undertaken without the necessity of an amendment to this Declaration or the Condominium Map and, except as otherwise provided in this Subparagraph (ii), without the consent or joinder of the Association, the Board, or any other person.

(iii) If any intervening wall between adjacent Apartments shall have been altered or removed pursuant to the foregoing provisions, then prior to the termination of the common ownership of such adjacent Apartments, the Owner of such Apartments shall restore such intervening wall to substantially the same condition in which the same existed prior to such alteration or removal.

(iv) Notwithstanding any alteration or additions permitted under this Paragraph 21, such shall not affect the common interest or limited common interest allocable to any Apartment.

(c) **Handicap Stall(s).** Any provision of this Declaration to the contrary notwithstanding, the Board of Directors shall have the right without the consent or joinder of any other person, Apartment Owner or lien holder to designate a common element parking stall as a limited common element handicap parking stall by amendment of this Declaration and the Condominium Map under the following conditions:

(i) A person with a disability has purchased or intends to purchase an Apartment in the Project which does not have a handicap stall appurtenant thereto; and

(ii) Such person's disability would interfere with the person's full use and enjoyment of the Apartment unless a handicap stall were made appurtenant thereto; and

(iii) The handicap stall to be designated is the closest such stall to the Apartment owned or to be owned by the person whose disability requires the availability of a handicap stall; and

(iv) The amendment(s) required to effect changes in designated parking stalls pursuant to this subparagraph (d) need only be signed and approved by two officers of the Association, which amendment(s) shall become effective only upon filing in the Recording Office, and a copy of each amendment, showing recordation data, shall be promptly delivered to the Association through the Secretary or the managing agent.

(d) **Alterations within Apartments.** Notwithstanding any provision in this Declaration to the contrary, (i) alterations (including the enclosure) of a lanai portion of an Apartment; (ii) the additional of a half bathroom within an Apartment; or (iii) any other alteration within an Apartment shall require only the written consent and approval by the Owner of the Apartment making such change and by the holders of any lien affecting such apartment (if the lien holder requires such consent and approval); provided, however, that any such alteration or change (the "change") shall be subject to the following conditions:

(i) All building plans for any such change shall be prepared by a licensed architect or professional engineer; shall conform with City and County of Honolulu building codes, Land Use Ordinance and other applicable County Ordinances; and a copy thereof shall be furnished such be furnished to the Board in advance of such change being made;

(ii) any change shall not jeopardize the soundness or safety of the Project, impair any easement or other benefit of the Project; or overutilize electrical, plumbing or other utility servicing the the Project;

(iii) The Apartment Owner making such change shall obtain a building permit therefor, if such permit is required under the Land Use Ordinance, and shall provide a copy thereof to the Board;

(iv) During the entire course of the making of such change, the Apartment Owner making such change shall cause to be maintained at his expense builder's all risk insurance in an amount net less than the estimated cost of such construction, and such insurance shall name the Association as an additional insured;

(v) The Apartment Owner making such change shall indemnify and hold harmless the Association and the other Apartment Owners in the Project from any loss, liability, damage or expense arising out of or connected in any way with the making of such change.

(vi) Upon completion of such change, the Apartment Owner making such change shall have the right without the consent or joinder of any other person (including the Board or the Association) to amend this Declaration and the Condominium Map to reflect the changes made to the Apartment in accordance with this Paragraph 21, and promptly upon completion of such change, the Apartment Owner making such change shall duly record with the Recording Office an amendment to this Declaration and to the Condominium Map indicating such changes to the Project and shall provide to the Board a copy of such required amendment.

(vi) In the case of a change which is an alteration (including the enclosure) of a lanai portion of an Apartment, all such changes shall be made so that the appearance of the lanai or the enclosure as changed shall be substantially similar and uniform to the appearance of the other lanais or exterior portions of the Project."

End of Exhibit B

EXHIBIT "C"

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

"5. COMMON ELEMENTS. One freehold estate is hereby designated in all of the portions of the Project not included within the definition of an Apartment (herein called the "common elements"), including specifically, but not limited to the following:

- (a) The Land in fee simple;
- (b) All foundations, columns, girders, beams, supports, perimeter walls, load-bearing walls, roofs, exterior stairs and stairways, breezeways, landings, pumps, ducts, pipes, wires, conduits, or other utility or service lines located outside of the Apartments, and generally all equipment, apparatus, installations and personal property existing for common use in any of the buildings or located on the Land;
- (c) All stairways, corridors, lobby areas, ramps, entrances, entries and exits of all buildings of the Project, and all storage areas, laundry areas, or trash container rooms not located within an Apartment;
- (d) All driveways and other common ways, all parking and loading spaces, all gates and kiosks or gatehouses (if any) at the entryway to the Project, all landscaping, courtyards, fences, gates, retaining walls, trash areas, maintenance structures and facilities and accessory equipment areas, including electrical and mechanical rooms or facilities located on the Land or within any of the buildings and serving more than one Apartment;
- (e) All fences (if any), trellises, and mail boxes;
- (f) All yards, grounds, planting areas, planters, walkways, walkway railings, landscaping, and any other facilities and recreational facilities and appurtenances not located within an Apartment and which serve more than one Apartment;
- (g) All ducts, vents, shafts, utility lines, conduits, sewage treatment and refuse equipment and facilities (if any), mechanical equipment, electrical equipment, telephone equipment, pipes, tanks, pumps, motors, fans, compressors, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one Apartment for services such as power, light, water, gas (if any), temperature control, fire safety, sanitary waste, cablevision (if any), sewer, refuse, telephone, and radio and television signal distribution, and any rooms or other enclosures in which such foregoing facilities are housed; and
- (h) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety, or normally in common use."

EXHIBIT "D"

LIMITED COMMON ELEMENTS. Paragraph 6 of the Declaration designates:

6. **LIMITED COMMON ELEMENTS.** Certain parts of the common elements, herein called the "Limited Common Elements", are hereby designated and set aside for the exclusive use of certain of the Apartments, and each Apartment shall have appurtenant thereto exclusive easements for the use of all such limited common elements set aside and reserved for such Apartment's exclusive use. 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 by the owner of the Apartment to which it is appurtenant.

(a) Each Apartment shall have appurtenant thereto and reserved for its exclusive use one or more mailboxes located in the Project, such mailboxes to be allocated among the Apartments from time to time in the discretion of the Board.

(b) Each Apartment shall have appurtenant thereto as limited common elements all pipes, wires, ducts, conduits or other utility or service lines located within or running through the Apartment and utilized by or serving only that Apartment.

(c) Each Apartment shall have appurtenant thereto as a limited common element the parking stall or stalls having the number shown on the Condominium Map as designated in Schedule 1 attached hereto. Parking stalls may be transferred from one Apartment to another in accordance with the Act; provided, however, that each Apartment in the Project shall have no fewer than one parking stall appurtenant to such Apartment.

(d) Any other common element of the Project which is rationally related to fewer than all the Apartments shall be deemed a limited common element appurtenant to and for the exclusive use of such Apartment or Apartments to which it is rationally related.

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. Assessments or charges levied by municipal or governmental authority or imposed by any other lawfully constituted body authorized by statute to assess, levy and collect the same, if any.
2. Matters as shown on Condominium Map No. 1780, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii .

Said Condominium Map was amended by Amendment to Declaration and Condominium Map dated September 8, 2006, filed as Land Court Document No. 3493818.
3. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions and easements, but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under chapter 42, section 3607 of the united states code or (b) relates to handicap but does not discriminate against handicapped persons, as set forth in the Declaration of Condominium Property regime dated January 18, 2006, filed as aforesaid as Document No. 3407650.

Said Declaration was amended by Amendment to Declaration and Condominium Map dated September 8, 2006, filed as Land Court Document No. 3493818.
4. By-laws of the Association of Apartment Owners dated January 18, 2006, filed as Document No. 3407651.
5. Title to all minerals and metallic mines reserved to the State of Hawaii.

END OF EXHIBIT "E"

EXHIBIT "F"

SUMMARY OF THE PROVISIONS OF THE SALES CONTRACT. The Sales Contract consists of two documents: a Hawaii Association of Realtors Standard form of Deposit Receipt Offer and Acceptance ("DROA") and a document attached to the DROA which is entitled "SPECIAL CPR PROVISIONS ATTACHED TO THE DROA".

The Special Provisions are intended to amend the DROA, and unless the context would indicate clearly to the contrary, then in the event of any conflict between a provision contained in the Special Provisions and a provision contained in the DROA, the provision contained in the Special Provisions shall prevail.

1. Description of the Property to be Conveyed: Fee simple title to the Apartment, together with the furnishings and appliances, if any, and the undivided interest in the common elements set forth in the DROA.. Title will be conveyed subject to the encumbrances of record.
2. Purchase Price and Terms. The purchase price for the Apartment is set forth on page 2 of the DROA is to be paid in the method and at the times set forth in the DROA. This may include payment of (a). An initial deposit; (b). An additional cash deposit, if set forth in the DROA ; and (c) the balance of the purchase price is to be paid to escrow by purchaser on or before closing.
3. Financing of Purchase. Paragraph C-24 of the DROA Form (if elected) provides if Buyer desires financing, a loan application must be made within a certain number of days and if Buyer's application is not approved within a certain number of 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. Closing costs and escrow fees are to be shared in accordance with the DROA, except that Seller does have the option to require two months' advance payment of Association maintenance fees and a start up expense for the Association of Apartment Owners equal to two months' of Association maintenance 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 closing.
5. Closing. Seller has agreed to cause the Apartment to be sold to the Buyer within the time period set forth on page 3 of the DROA .
6. No Present Transfer and Subordination to Construction Loan.
 - (a) The Sales Contract may be subject to existing and future blanket loans, and any security interest now or hereafter obtained by a lender of Seller is or will be prior and senior to any rights of the Buyer 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.
 - (c) Notwithstanding that the Sales Contract may be subordinate to a blanket lien, if the Buyer performs his obligations under the Sales Contract, then Seller is required to convey the Apartment to Buyer at closing free and clear of any blanket lien.
7. 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 (if Paragraph C-24 of the DROA is selected); (b) Buyer defaults under the Sales Contract (paragraph 6(b) of the Special Provisions); (c) Buyer dies prior to Closing Date (paragraph 6(a) of the Special Provisions) or (d) the Final Public Report shall not have been issued and Buyer shall not have waived his right to cancel (called the "Effective Date"). Pursuant to Paragraph 6(b) of the Special Provisions, if Buyer fails to close as required, then in the case only of non-monetary default after ten (10) days following Seller's notice of Buyer's default or otherwise without notice as to monetary defaults, 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.

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(a) of the Special Provisions).

(c) Buyer fails to qualify for permanent financing if Paragraph C-24 of the DROA has been selected.

9. Paragraph 11 of the Special Provisions provides that the Buyer acknowledges that he or she has examined (and agrees to be bound) by the Declaration of Condominium Property Regime for the Project, the Bylaws of Association of Dwelling Owners, a specimen Apartment Deed and the Escrow Agreement. Seller reserves the right to modify the above documents as may be required by law, any title insurance company, or any institutional mortgagee.

10. Paragraph 12 of the Special Provisions contains provisions generally disclaiming all warranties relating to construction, design, materials or workmanship of the Apartment being bought and the Project. Buyer is cautioned to have his own inspection of the property and the Apartment. Paragraph 12 states as follows:

- "(a) The parties understand that the Property being purchased by Buyer is an existing dwelling within a structure that was constructed in approximately 1969.
- (b) Because of the age of the Property, Seller shall convey the Property (including the common elements) in "as is" condition. This means that: (i) Buyer is assuming all risks as to the condition of the Property and the Project, including the land; (ii) Seller will not be obligated to correct any defects in the Property or the Project (including the land) or anything installed or contained therein if such defects are later discovered, and (iii) Buyer shall not have the right to file any lawsuit for damages against Seller for any defects later discovered.
- (b) At closing, the Apartment Deed delivered by Seller shall also be deemed to be the transfer of the unexpired term of any of any manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances that are part of the Property.
- (c) Seller shall not be liable to Buyer for any construction or other defects, including any latent or hidden defects in the Property or anything installed or contained therein or the common elements of the Project. Buyer understands that execution, delivery and recordation of Buyer's Apartment Deed shall constitute Buyer's acceptance of the Property and the Project and the condition thereof, including all personal property therein. Accordingly, Buyer understands the importance of making his own investigation or having an investigation made by trained professionals of the Property and the Project.
- (d) Disclaimer of Warranties. Except for the agreements set forth above, it is expressly understood and agreed by and between Seller and Buyer that there are no warranties which extend beyond the description on the face of this Agreement. SELLER MAKES NO WARRANTIES OR PROMISES OF "MERCHANTABILITY", "HABITABILITY", "WORKMANLIKE CONSTRUCTION" OR "FITNESS FOR A PARTICULAR USE OR PURPOSE" OR ANY OTHER WARRANTIES OR PROMISES OF ANY KIND, EXPRESS OR IMPLIED, ABOUT THE PROPERTY, OR THE PROJECT (INCLUDING THE

COMMON ELEMENTS AND LIMITED COMMON ELEMENTS OF THE PROJECT), OR ABOUT ANY FURNISHINGS, FIXTURES, APPLIANCES OR OTHER CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED, ATTACHED, AFFIXED OR OTHERWISE CONTAINED IN THE PROPERTY, OR THE PROJECT (INCLUDING THE COMMON ELEMENTS AND LIMITED COMMON ELEMENTS THEREOF)."

The Summary contained in this Exhibit is merely a summary and is not intended to be a substitute for the Buyer's careful review of the Sales Contract.

END OF EXHIBIT "F"

EXHIBIT "G"

SUMMARY OF THE MATERIAL PROVISIONS OF THE ESCROW AGREEMENT

Summary of the Condominium Escrow Agreement between the Developer and Hawaii Escrow & Title, Inc.:

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.

END OF EXHIBIT "G"

EXHIBIT "H"

DISCLOSURE ABSTRACT
(pursuant to Section 514A-61, Hawaii Revised Statutes)

1. (a) PROJECT: 1324 HEULU STREET
1324 Heulu Street
Honolulu, Hawaii 96822
 - (b) DEVELOPER: ELSIE W. CHOCK, Trustee; CLAUDIA O. J. WONG, Trustee;
DANIEL WING DUCK CHOCK; PATSY CHOCK CHUN; and
MICHAEL JAMES WING YUN CHOCK
1324 Heulu Street
Honolulu, Hawaii 96822

Telephone: (808) 847-1541
 - (c) MANAGING
AGENT:
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).

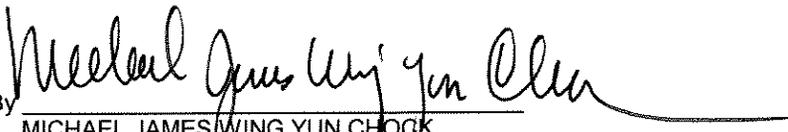
Note: A reserve study was done in accordance with Chapter 514A-83.6, HRS, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.
 3. DESCRIPTION OF ALL WARRANTIES COVERING THE DWELLINGS AND COMMON ELEMENTS:

The Developer is not giving any warranty on the materials and workmanship of the Units and Common Elements..
 4. USE OF UNITS. The 1324 HEULU STREET Condominium Project consists of ELEVEN (11) unit(s) which will be used for residential purposes by the respective owners thereof, their tenants, families and domestic servants and social guests, and for no other purpose.
 5. EXISTING STRUCTURES BEING CONVERTED. Based upon reports prepared by Leland Onekea, Registered Professional Architect No. 5036, the Developer states:
 - a. Subject to normal wear and tear commensurate with its age, each of the buildings appear to be in fair to good structural condition consistent with their age.
 - b. Subject also to normal wear and tear, the electrical and plumbing systems are operable and in fair working order consistent with their age. Electrical service appears to be adequate for current usage; however, the addition of any substantial load, such as air conditioning service, may lead to inadequate service. Several of the Units contain nonoperable garbage disposals.
 - c. The Developer makes no statement with respect to the expected useful life of each item set forth in paragraph (a).
 - d. Letter dated June 1 , 2006, from the City and County of Honolulu Building Department indicates that the structure is nonconforming, as the structure is built within the setback required under the current zoning law.
 - e. The Developer is not aware of any outstanding notices of uncured violations of building code or other municipal regulations.

In light of the fact that the Project was originally constructed in the 1950s, the Developer is selling the apartment unit and the common elements in "as is" condition, and Developer will disclaim making any representations or warranties relating to the condition of the Project and the apartment units, it is strongly recommended that a prospective buyer should make his own inspection and retain the services of a licensed home inspector from whom a home warranty program may be available.

Developer has signed this Disclosure Abstract this 31st day of January, 2006.

ELSIE W. CHOCK, Trustee of the Elsie W. Chock Revocable Trust
CLAUDIA O. J. WONG, Trustee of the Claudia O. J. Wong Revocable Trust
DANIEL WING DUCK CHOCK
PATSY CHOCK CHUN
MICHAEL JAMES WING YUN CHOCK

By 
MICHAEL JAMES WING YUN CHOCK

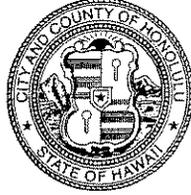
"Developer"

EXHIBIT "I"

Attached herewith is the Letter from Department of Planning and Permitting City and County of Honolulu dated June 1, 2006.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 523-4432 • FAX: (808) 527-6743
DEPT. INTERNET: www.honolulu.gov • INTERNET: www.honolulu.gov



MUFI HANNEMANN
MAYOR

HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUE
DEPUTY DIRECTOR

2005/ELOG-2702(RLK)

June 1, 2006

Jeffrey S. Grad, Esq.
Attorney at Law
A Law Corporation
Davies Pacific Center, Suite 1800
841 Bishop Street
Honolulu, Hawaii 96813

Dear Mr. Grad:

Re: Condominium Conversion Project
1324 Heulu Street
Tax Map Key: 2-4-25: 12

This is in response to your letter dated November 16, 2005, requesting verification that the structure on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that the three-story eleven-unit apartment building with twelve (12) all-weather-surface off-street parking spaces met all applicable code requirements when it was constructed in 1968 on this 7,878 square-foot A-2 Medium Density Apartment zoned lot.

Investigation also revealed the following:

1. The apartment building, which encroaches into the front yard setback, is considered nonconforming (spacing).
2. The number of all-weather-surface off-street parking spaces (12) is considered nonconforming.
3. In January 2006, the owner was notified that there was no approval to reconfigure the original parking layout and to add one more parking space. On May 18, 2006, this deficiency was corrected by removing the additional parking space and reverting parking back to the original parking plan of twelve (12) spaces.

For your information, the Department of Planning and Permitting cannot determine all other nonconforming uses or structures, as a result of the adoption or amendment of any ordinance or code.

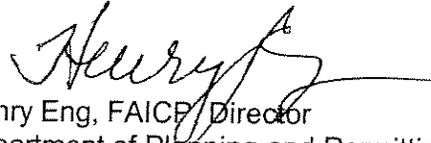
Jeffrey S. Grad, Esq.
June 1, 2006
Page 2

No variances or other permits were granted to allow deviations from any applicable codes.

Conversion to a condominium property regime (CPR) is not recognized by the City and County as an approved subdivision. CPR delineates ownership; it does not create separate lots of record or subdivision and zoning purposes.

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of our Commercial and Multi-Family Code Enforcement Branch at 527-6341.

Very truly yours,

A handwritten signature in black ink, appearing to read "Henry Eng", with a long horizontal flourish extending to the right.

Henry Eng, FAICP, Director
Department of Planning and Permitting

HE:ft

doc453214