

**CONDOMINIUM PUBLIC REPORT**

Prepared &  
Issued by:

Developer HULA SUPPLY CENTER, INC., and MICHAEL J.W.Y. CHOCK  
Business Address 923 Hikina Lane, Honolulu, Hawaii 96817

Project Name(\*): 923 HIKINA LANE  
Address: 923 Hikina Lane, Honolulu, Hawaii 96817

Registration No. 7230 (conversion) Effective date: June 7, 2012  
Expiration date: July 7, 2013

Preparation of this Report:

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

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

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

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

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

Type of Report:

- PRELIMINARY:**  
(yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.
- FINAL:**  
(white) The developer has legally created a condominium and has filed complete information with the Commission.
  - No prior reports have been issued.
  - This report supersedes all prior public reports.
  - This report must be read together with \_\_\_\_\_
- 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

*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-30 286/986/189/1190/892/0197/1098/0800/0203/0104/0107

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**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. The land area beneath and immediately appurtenant to each unit is designated a **LIMITED COMMON ELEMENT** and does not represent a legally subdivided lot. The dotted lines in the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustration purposes only and should not be construed to be formal subdivision lines.
- (b) Facilities and improvements normally associated with county approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for, and services such as County street maintenance and trash collection will not be available for interior roads and driveways.

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: HULA SUPPLY CENTER, INC., and MICHAEL J.W.Y. CHOCK Name\* Phone: (808) 941-0100 (Business) 923 Hikina Lane, Honolulu, Hawaii 96817 Business Address

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): Syl Kop, President and Secretary of Hula Supply Center, Inc. Michael Kop, Treasurer of Hula Supply Center, Inc. Trisha Lasy Tang, Director of Hula Supply Center, Inc.

Real Estate Broker\*: (AS TO UNIT 1 ONLY) Hawaiian Island Homes Ltd. Name Phone: (808) 392-1906 (Business) 931 University Avenue, Suite 305 Business Address Honolulu, HI 96826

Escrow: Title Guaranty of Hawaii, Inc. Name Phone: (808) 533-6263 (Business) 235 Queen Street Business Address Honolulu, HI 96813

General Contractor\*: Name Phone: (Business) Business Address

Condominium Managing Agent\*: Self-managed by the Association Name Phone: (Business) Business Address

Attorney for Developer: Jeffrey S. Grad Name Phone: (808) 521-4757 (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)

**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 22853 Page 755  
 Filed - - Land Court: Document No. \_\_\_\_\_

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

1. Amendment to Declaration of Condominium Property Regime dated April 17, 2012 and April 24, 2012, recorded as Document No. A-44990627.

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. 1185  
 Filed - Land Court Condo Map No. \_\_\_\_\_

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

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 22853 Page 769  
 Filed - - Land Court: Document No. \_\_\_\_\_

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

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>100%</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:



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: 923 Hikina Lane Tax Map Key (TMK): (1) 1-5-005-010  
Honolulu, Hawaii 96817

Address  TMK is expected to change because each apartment unit will be  
assigned a different tax map key number

Land Area: 6,781  square feet  acre(s) Zoning: IMX-1

Fee Owner: HULA SUPPLY CENTER, INC., and MICHAEL J.W.Y. CHOCK  
Name

Lessor: \_\_\_\_\_  
Name  
\_\_\_\_\_  
Business 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: 1 (plus mezzanines)  
 Exhibit \_\_\_\_\_ contains further explanations.

3. Principal Construction Material:

Concrete  Hollow Tile  Wood

Other: metal sidings and metal and fiberglass roof

4. Uses Permitted by Zoning:

	No. of Apts.	<u>Use Permitted By Zoning</u>	
<input type="checkbox"/> Residential	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Commercial	<u>2</u>	<input checked="" 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"/> Timeshare	_____	<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	_____	<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: \_\_\_\_\_ Stairways: \_\_\_\_\_ Trash Chutes: \_\_\_\_\_

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Usable Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>1</u>	<u>1</u>	<u>0/0</u>	<u>2,990</u>	_____	_____
<u>2</u>	<u>1</u>	<u>0/0</u>	<u>1,888</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:

See attached Exhibit "A"

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 n/a elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 5

	<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)	<u>2</u>						<u>4</u>
Guest							
Unassigned							
Extra for Purchase							
Other: <u>loading</u>		<u>1</u>					<u>1</u>
Total Covered & Open:	<u>5</u>						<u>5</u>

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

Commercial parking garage permitted in condominium project.

Exhibit \_\_\_ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

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):

See attached Exhibit "I"

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     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:

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:

Unit 1 - 60%  
Unit 2 - 40%

- 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 reports dated  April 5, 2012, and April 10, 2012  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.

<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:

None

2. Appliances:

None

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

The building in which the Units are located was constructed in 1988.

H. **Project Phases:**

The developer  has  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 May 1, 2012  
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 and 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](http://www.capitol.hawaii.gov)  
Website to access unofficial copy of laws: [www.hawaii.gov/dcca/hrs](http://www.hawaii.gov/dcca/hrs)  
Website to access rules: [www.hawaii.gov/dcca/har](http://www.hawaii.gov/dcca/har)

This Public Report is a part of Registration No. 7230 filed with the Real Estate Commission on May 4, 2012.

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**C. Additional Information Not Covered Above**

**DISCLOSURE REGARDING SELECTION OF REAL ESTATE BROKER.** The Developer has not selected a real estate broker for the sale of Unit 2. In the event the Developer chooses to use a real estate broker for the sale of Unit 2, 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.

**LEAD WARNING STATEMENT.** Pursuant to federal law, 42, U.S.C 4852(d), the Residential Lead-Based Paint Reduction Act, "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paid hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase."

**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.

**RESERVES.** The Association has not collected reserves for capital expenses that may be needed for future repair and replacement of the structure in which the Units are located. Accordingly, as such repair or replacement becomes necessary or desirable, it will be an obligation of the Unit Owners and the cost will be shared between them.

**INSURANCE.** The Association does not currently maintain property insurance for the building in which the Units are located. Each Unit Owner currently maintains his own property insurance. Prospective buyers are recommended to consult with their counsel or insurance advisor whether the current method of insuring the Units provides sufficient protection to a Unit Owner in the event of damage caused by fire or other insurable risk.

**ROAD WIDENING.** The Condominium Map indicates the existence of a road widening setback to allow for the future widening of Hikina Lane by the City and County of Honolulu. That setback has existed for many years; However, Developer is not aware of any plans to widen Hikina Lane. Improvements may not be constructed within the setback area.

**OWNERS.** The original Developer of the Project was an affiliate of MICHAEL J.W.Y. CHOCK, who is the current owner of Unit 2. Hula Supply, Inc. is the current owner of Unit 1. Each has signed this Public Report as the owner of a Unit in the Project.

- 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 (SLH 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.

HULA SUPPLY CENTER, INC., and MICHAEL J.W.Y. CHOCK  
 Printed Name of Developer

By:  5-22-12  
 Duly Authorized Signatory\* Date

SYL KOP, President of HULA SUPPLY CENTER, INC.  
 Printed Name & Title of Person Signing Above

Distribution:

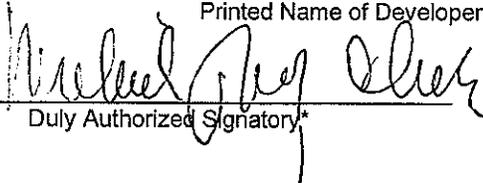
Department of Finance, City and County of Honolulu

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.*

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- 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.

HULA SUPPLY CENTER, INC., and MICHAEL J.W.Y. CHOCK  
 Printed Name of Developer

By:  5/22/12  
 Duly Authorized Signatory\* Date

MICHAEL J.W.Y. 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"  
BOUNDARIES OF EACH APARTMENT

Paragraph A.2 of the Declaration states:

“Two (2) freehold estates are designated in the spaces within the perimeter walls, floors, and roof ceilings of the two (2) Units.

The description, size, and number of each Unit, is set forth on Exhibit "B", attached hereto and made a part hereof.

The respective Units shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls, interior load-bearing walls, if any, and the roof ceilings surrounding each Unit, or any pipes, wires, conduits, or other utility or service lines running through the Units which are utilized for or serve more than one Unit, the same being deemed common elements of the Project (hereinafter referred to as the "Common Elements"), as hereinafter provided. Each unit shall also include all of the walls and partitions which are not load bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors, ceilings, and the fixtures originally installed therein. Each Unit shall also include all doors, door frames, windows, window frames, mezzanine levels located therein or appurtenant thereto.”

END OF EXHIBIT "A"

EXHIBIT "B"  
PERMITTED ALTERATIONS TO APARTMENTS

Article M of the Declaration, as amended, states:

"1. **Definitions of Terms Used in this Article.** Unless the use or context would clearly indicate to the contrary, the terms below are defined as follows:

(a) **"Applicable Laws"** means all federal, state and local laws, statutes, ordinances, codes, rules, regulations, standards, conditions of approval and all legislative, administrative or judicial orders, decrees, requirements, rulings or judgments, which now or in the future may be applicable to the Project or any Unit or to any possession, development, improvement, operation, occupancy, use, enjoyment and other activities relating to the Project.

(b) **"Governmental Entity"** means any governmental or quasi-governmental entity, including but not limited to any department, board, commission, authority, agency, deliberative body or other component or subdivision thereof, now or hereafter constituted with jurisdiction, oversight, policy making, regulatory or implementing authority under or with respect to Applicable Laws.

(c) **"Applicable Declarations and Covenants"** means all recorded agreements and written instruments that now or in the future may be applicable to the possession, development, improvement, operation, occupancy, use, enjoyment and other activities relating to the Project (or any Unit), except that such shall not mean a mortgage or other instrument securing the payment or performance of a loan or other financial obligation.

(d) **"LUO"** means the Land Use Ordinance, Chapter 21, Revised Ordinances of Honolulu 1990, as amended.

2. **Structural Changes to Units.** Notwithstanding anything to the contrary contained in the Declaration, a Unit Owner may, at any time and from time to time, in the Owner's sole discretion and without the consent of any other Unit Owner, the Association, the Board or other person or entity, (a) improve, renovate, remodel, make additions to, enlarge, remove, replace or restore any structures or other improvements now or hereafter constituting the Owner's Unit or that are located on the limited Common Element appurtenant to the Owner's Unit, or (b) make or build structures and other improvements upon the limited Common Element appurtenant to the Owner's Unit. Each of the foregoing is herein referred to as a **"Structural Change,"** and collectively referred to as **"Structural Changes."** Structural Changes are subject to the following conditions:

- (1) All Structural Changes shall conform with the Applicable Laws, including the LUO, and Applicable Declarations and Covenants;
- (2) All Structural Changes shall be made within the limited Common Element to which the Unit is appurtenant;
- (3) No Structural Change shall be permitted if the effect of such Change would be to exceed the Unit's proportionate share of development rights to which the Land is entitled under the LUO. (Such development rights shall include, without limitation, maximum percentage of building lot coverage and floor area, as prescribed in the LUO when the change is to be made). **"Proportionate share"** refers to a fraction having as its numerator the net buildable area of the limited Common Element appurtenant to the Unit being affected by the change, and the denominator being the net buildable area of all of the limited Common Element in the Project. **"Net buildable area"** refers to the area of the limited Common Element reduced for any right-of-way for ingress and egress in favor of others, and easements for open drainage systems;
- (4) All Structural Changes shall be paid for by the Owner making the Change and, once begun, any construction in connection with the Change shall be diligently completed in a manner that will not materially interfere (except on a non-permanent basis while such Change is being made) with the use or enjoyment by another Owner of his Unit or its appurtenant limited Common Element;
- (5) During the course of any construction, the Unit Owner making a Structural Change shall cause to be maintained at his expense builder's all-risk insurance in an amount not less than the estimated cost of construction. The Association shall be named as an additional insured under the insurance policy, and if

requested by the Association, evidence of such insurance shall be deposited by the Unit Owner making the Change with the Association;

- (6) The Unit Owner making a Structural Change may utilize, relocate and realign existing and/or develop additional, central and appurtenant installations for services to the Unit affected by the Change for electricity, sewer and other utilities and services and when applicable, may add, delete, relocate, realign, designate and grant easement and rights-of-way over, under and on the common elements as necessary or desirable; provided that such shall not cause any interruption in the service of such utilities to any other part of the Project or otherwise materially interfere with their use by another Unit Owner;
- (7) If required under any mortgage affecting the Unit of the Owner making a Structural Change, then the consent of the holder of any such mortgage shall be obtained, provided, that the failure to obtain such consent shall not affect the validity of such Change;
- (8) Upon completion of any Structural Change, the Unit Owner making the Change shall, without the consent of any other Unit Owner, the Association, the Board or other person or entity, prepare, sign and record in the Recording Office an amendment to the Declaration and Condominium Map, which shall include without limitation (A) a description of the Unit as so altered and (B) a complete set of the floor plans and elevation drawings of the Unit as so altered and certified to "as built" by a licensed architect or engineer. After the amendment is recorded, the Unit Owners making the Change shall deliver to the Board a true and accurate copy of the recorded amendment.

3. **Changes to Common Elements (Exclusive of Limited Common Elements).** Except as to Structural Changes permitted under the preceding sections of Article M, changes to the Project different in any material respect may be undertaken by the Association only pursuant to an amendment to the Declaration and Condominium Map, if applicable, signed by or pursuant to vote of all the Unit Owners and accompanied by the written consent of the holders of all mortgages or liens affecting any of the Units (if required under any such mortgage or lien), and in accordance with complete plans and specifications therefor first approved in writing by the Board, and promptly upon completion of such change, the Association shall file such amendment in the Recording Office, together with a complete set of the floor plans of the Project as so altered and certified to "as built" by a licensed architect or engineer, if applicable.

4 **General Provisions applicable to Article M.** The following provisions apply to each of the preceding sections of Article M unless the context and usage would clearly indicate to the contrary:

(a) Certain sections within Article M create or reserve rights and benefits for a Unit Owner. Each of those sections may not be amended without the consent of the benefitted Unit Owner (referred to in this section as a "**Benefitted Owner**");

(b) Under certain sections within Article M, the Benefitted Owner may proceed without being required to obtain the consent or joinder of any person, including any other Unit Owner or any lien holder, or any other person who may have any interest in the Project or the Land. The Benefitted Owner may (1) execute and deliver (on behalf of all of the Unit Owners and their respective mortgagees, if necessary) applications, petitions, agreements and other instruments which such Benefitted Owner deems necessary or desirable (including without limitation, documents to be filed or recorded with Governmental Agencies, public utility companies or private parties); (2) deliver documents and to take such actions in connection with the foregoing as may be in the discretion of the Benefitted Owner, and delivery of such instrument or the taking of such action is sufficient determination; and (3) amend the Declaration and the Condominium Map to reflect exercise of the rights of a Benefitted Owner under such section of Article M.

(c) If notwithstanding that a section in this Article M does not require the consent or joinder or the taking of other action of a Unit Owner, mortgage or lien holder or any other person having any interest in the Project (collectively, "**Interested Parties**," and singly "**Interested Party**") to the action or change by the Benefitted Owner, but the Act, Applicable Laws, a Governmental Entity, an escrow or title company, permitting entities or public utility providers nonetheless do require the consent or joinder or the taking of action by an Interested Party, then upon the request of the Benefitted Owner, each such Interested Party consents in advance to such action or change being made by the Benefitted Owner and agrees to consent to and join in, as aforesaid, and to sign all

instruments or documents necessary or desirable so that the Benefitted Owner may effectuate the change or otherwise do as permitted under the applicable section within Article M.

(d) If any Interested Party fails to provide such requested written joinder, consent, or take such action, as the case may be, within ten (10) days after request is made by the Benefitted Owner, the Benefitted Owner may sign, deliver or take such action on behalf of such Interested Party. Such shall be accomplished by signature of the Benefitted Owner acting under an irrevocable power-of-attorney in favor of Benefitted Owner from such Interested Party. The acquiring or acceptance of ownership in a Unit or of a mortgage or other lien covering a Unit or of any other interest in the Project or Unit shall be deemed the delivery of a grant of such power of attorney in favor of the Benefitted Owner. Such grant is considered as being coupled with an interest and shall be irrevocable. All costs associated with obtaining the joinder or consent shall be paid for by the Benefitted Owner, unless the costs are incurred because of an Interested Party's failure to provide its joinder or consent, in which case, all such costs incurred shall be paid for by the Interested Party who shall have failed to provide its joinder or consent.

(e) The rights of a Benefitted Owner granted under a section of Article M may be assigned, mortgaged or otherwise be transferred by the Benefitted Owner only in connection with the assignment, mortgage or other transfer of the Unit owned by Benefitted Owner. No amendment to such rights granted to a Benefitted Owner may be made without the consent of the Benefitted Owner.

(f) If any provision of this Article M shall be declared to be unlawful or unenforceable, such provision or provisions shall be null and void and be separable from the remaining provisions of this Article M and/or this Declaration and shall not affect the enforceability of any other provision of this Article M or the Declaration."

END OF EXHIBIT "B"

EXHIBIT "C"  
COMMON ELEMENTS

Paragraph A.3 of the Declaration states:

"The Common Elements shall consist of all portions of the Project except the Units above described, and shall specifically include, but not be limited to:

- (a) The land in fee simple.
- (b) The chain-linked fence which is located in the parking area which said fence separates the Units' parking areas.

END OF EXHIBIT "C"

EXHIBIT "D"  
LIMITED COMMON ELEMENTS

Paragraph A.4 of the Declaration, as amended, states:

"Certain parts of the Common Elements are hereby set aside and reserved for the exclusive use of each Unit and shall constitute "limited Common Elements" appurtenant thereto. Each Unit shall have an exclusive easement for the use of the limited Common Elements appurtenant thereto, except as otherwise provided herein. The cost of maintenance, repair, and upkeep of each limited Common Element shall be assessed to the owner of the Unit to which such limited Common Element is appurtenant. The limited Common Elements shall be appurtenant to each of the Units as follows:

(a) That certain 4,087 square feet, more or less, of the real property of the Project which includes the real property upon which Unit Number One is situated, said property being 1,840 square feet upon which the Unit Number One portion of the building is situated, two (2) parking spaces, one (1) loading parking space, and the area adjacent to Unit Number One, as is more particularly shown on the Condominium File Plan, shall constitute a limited Common Element appurtenant to and for the exclusive use of Unit Number One.

(b) That certain 2,694 square feet, more or less, of the real property of the Project which includes the real property upon which Unit Number Two is situated, said property being the 1,400 square feet upon which the Unit Two portion of the building is situated, the two parking spaces and the area adjacent to Unit Number Two, as is more particularly shown on the Condominium File Plan, shall constitute a limited Common Element appurtenant to and for the exclusive use of Unit Number Two.

(c) One mailbox shall be appurtenant to and for the exclusive use of each Unit, as shall be designated thereupon.

(d) All pipes, wires, conduits, and other utility and service lines not contained within a Unit but used exclusively by and servicing only such Unit, shall be appurtenant to and for the exclusive use of that Unit."

END OF EXHIBIT "D"

EXHIBIT "E"  
ENCUMBRANCES AGAINST TITLE

1. Mineral and water rights of any nature in favor of the State of Hawaii.
2. Agreement for Issuance of Conditional Use Permit Under Section 4.40-17 of the Land Use Ordinance dated --- (acknowledged December 29, 1987), recorded in Liber 21662 at Page 273, by Hula Supply Center, Inc.
3. Agreement dated October 7, 1988, recorded in Liber 22759 at Page 349, made by and between Hula Supply Center, Inc., a Hawaii corporation, and Diane Laiming Wong, as Trustee under that certain irrevocable Trust Agreement dated September 1, 1982, recorded in Liber 16549 at Page 370. Re: encroachment of sewer pipeline.
4. The terms and provisions contained in the DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR THE "923 HIKINA LANE" CONDOMINIUM PROJECT dated December 14, 1988, recorded in Liber 22853 at Page 755. Said Declaration was amended by instrument dated April 17, 2012 and April 24, 2012, recorded as Document No. A-44990627. (Project covered by Condominium Map No. 1185 and any amendments thereto.)
5. The terms and provisions contained in the BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS dated December 14, 1988, recorded in Liber 22853 at Page 769
6. AS TO UNIT 1 ONLY:
  - A. The terms and provisions contained in Apartment Deed dated December 14, 1988, recorded in Liber 22853 at Page 784.
  - B. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT dated March 6, 2008, recorded as Document No. 2008-036120.
  - C. FINANCING STATEMENT recorded on March 10, 2008 as Document No. 2008-036121.
  - D. NOTICE OF PENDENCY OF ACTION dated July 18, 2011, filed in the Circuit Court of the First Circuit, State of Hawaii, Case No. 11-1-1495-07, on July 18, 2011, recorded as Document No. 2011-112545 on July 19, 2011, re: foreclosure of Mortgage dated March 6, 2008, recorded as Document No. 2008-036120.
  - E. Any unrecorded leases and matters arising from or affecting the same.
  - F. Structure position discrepancies as shown on the survey sketch prepared by Dennis K. Hashimoto, Land Surveyor, with DJNS Surveying & Mapping, Inc., dated December 16, 2011.
  - G. Encroachment(s) as shown on the survey sketch prepared by Dennis K. Hashimoto, Land Surveyor, with DJNS Surveying & Mapping, Inc., dated December 16, 2011, more particularly described as follows:
    - (1) Power Pole which extends into the subject parcel for 5.4 feet.
    - (2) Chainlink fence #5 which crosses the property line inside the subject parcel for 5.5 feet and into parcel 7 for 1.2 feet.
7. AS TO UNIT 2 ONLY:
  - A. The terms and provisions contained in Apartment Deed dated December 14, 1988, recorded in Liber 22853 at Page 791.
  - B. MORTGAGE dated July 14, 2003, recorded as Document No. 2003-145378.
  - C. ASSIGNMENT OF LESSOR'S INTEREST IN LEASES AND RENTS dated July 14, 2003, recorded as Document No. 2003-145379.

END OF EXHIBIT "E"

EXHIBIT "F"  
SUMMARY OF THE PROVISIONS OF THE SALES CONTRACT

The Sales Contract consists of the current form of the Hawaii Association of Realtors standard form of Commercial Real Property Purchase and Sale Agreement ("PSA")

1. Description of the Property to be Conveyed: Fee simple title to the Unit, together with the furnishings and appliances, if any, described in the PSA and the undivided interest in the common elements set forth in the PSA.
2. Purchase Price and Terms. The purchase price for the Unit set forth on page 3 of the PSA is to be paid in the method and at the times set forth in the PSA. This may include payment of (a) an initial deposit; (b) an additional cash deposit, and (c) the balance of the purchase price is to be paid to escrow by Buyer on or before closing.
3. Financing of Purchase. Paragraph C-16 of the PSA (if selected) 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 Paragraph C-8 of the PSA. Buyer's proportionate share of any existing Project liability insurance premium, real property taxes, maintenance fees and any other charges with respect to the Property are to be pro-rated between Seller and Buyer as of the date of closing.
5. Closing. Seller has agreed to sell the Unit to the Buyer within the time period set forth in Paragraph C-4 of the PSA. Closing would normally be expected to occur within 90 days of the date of the PSA.
6. Seller's Rights on Buyer's Default. The Seller may cancel the PSA with the Buyer if (a) Buyer fails to qualify for a permanent loan (if Paragraph C-16 of the PSA has been selected), or (b) Buyer defaults under the PSA. If Buyer has failed to close as required or is otherwise in breach, the Seller may cancel the PSA and retain all sums previously paid by Buyer 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.
7. Rights of Buyer to Cancel the PSA. The Buyer has the right to cancel the PSA if Buyer fails to qualify for permanent financing (if Paragraph 16 of the PSA has been selected). If Seller is in default for failing to perform its obligations (and Buyer is not in default), Buyer can seek specific performance requiring Seller to convey the Property, or if such remedy is not available, Buyer can bring an action for damages for breach of contract. (See Paragraph C-19 of PSA.)
8. Time is considered to be of the essence in the PSA.
9. "As- Is" Addendum. Section C of the PSA allows for inclusion of an "as is" addendum. If such addendum is attached (as may be expected), then Seller will disclaim all warranties relating to construction, design, materials or workmanship of the Unit and the Project.
10. Inspection. Paragraph C-15 of the PSA provides for Buyer to have the right to make his own inspection of the Property, and a prospective Buyer is urged to do so. Said Paragraph requires that Seller furnish Buyer with certain documentation relating to the Property for review and approval by Buyer. All rights to inspect are subject to time limits, and if Buyer fails to elect to terminate within such time limits, Buyer waives the right to do so.

The Summary 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 Title Guaranty of Hawaii, 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 "1"  
ESTIMATED OPERATING EXPENSES  
For Period May 1, 2012 to April 30, 2013  
As Prepared by Developer

Estimated Annual Expenses	
Ground Maintenance	
Water/Sewer	\$-0-
*Electricity:	\$-0-
**Fire/Liability Insurance:	\$-0-
Management Fee:	\$-0-
Miscellaneous:	\$-0-

TOTAL ANNUAL EXPENSES            \$-0-

Estimated Monthly Expenses            \$-0-

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

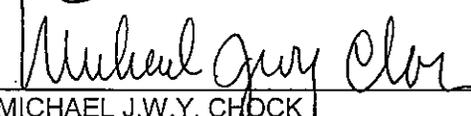
Note: \* All utilities will be separately metered or otherwise charged, and the common elements will incur no separate utility charges. Maintenance and repair on the driveway which services both apartments will be undertaken as needed. The costs of such are shared equally by the Unit Owners.

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

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

HULA SUPPLY CENTER, INC.

By   
SYL KOP  
Its President

  
MICHAEL J.W.Y. CHOCK

"Developer"

EXHIBIT "I"  
CONDITION AND EXPECTED USEFUL LIFE OF STRUCTURAL COMPONENTS, MECHANICAL, AND  
ELECTRICAL INSTALLATIONS

FROM: THOMAS E. HACKETT  
Licensed Architect No. AR-6029

DATE: 2-2-12

I made a limited visual inspection of the structure and plumbing and electrical systems of the building in which the Units of the "923 HIKINA LANE" condominium project are located.

My observations resulting from my inspection are as follows:

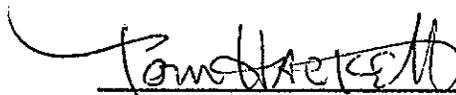
1. Subject to normal wear and tear commensurate with its age, the building appears to be in relatively good structural condition.
2. Subject also to normal wear and tear commensurate with their age, the electrical and plumbing systems are operable and in relatively good working order.

My inspection was limited and did not include by way of example, the condition of the soils or roofing or evidence of termite or other pests on the project.

I have been informed that the Developer will be disclaiming any warranties relating to the construction, materials, design or workmanship of the building, soils or the common elements of the project.

Accordingly my visual inspection should not be a substitute for a more complete inspection by a prospective buyer of a Unit. A prospective Buyer is urged to understand the importance of making his own investigation or having an investigation made by trained professionals of the building and the Project.

Very truly yours,



THOMAS E. HACKETT  
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