



REAL ESTATE COMMISSION
STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

EMERSON COURT
(formerly named 1423 Emerson)

1423 Emerson Street
Honolulu, Hawaii

Registration No. 1271 (Conversion)

Issued: November 25, 1991
Expires: December 25, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of October 31, 1991, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

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 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
☐ ☐ Supersedes all prior public reports
☐ ☐ Must be read together with _____
- ☒ **SUPPLEMENTARY:**
(pink) Updates information contained in the
- ☐ Prelim. Public Report dated _____
☒ Final Public Report dated August 5, 1980
☐ Supp. Public Report dated _____
- And ☒ Supersedes all prior public reports
☐ Must be read together with _____
- ☐ This report reactivates the _____
public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

☐ Required ☒ 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 Commission.

☒ Changes made are as follows:

This Project, formerly named "1423 Emerson", is now called "EMERSON COURT".

The new Developer is Clark-Emerson Venture, Inc., a Hawaii corporation, having a principal place of business at 41-050 Kalaniana'ole Highway, Waimanalo, Hawaii 96795. It presently holds the interest as Buyer under a Purchase and Sale Agreement with the existing fee owner. Closing of this Agreement is a condition to the sale of the Apartments to any prospective buyer. Closing is expected to occur on November 29, 1991, but may be extended to December 27, 1991. Until such closing, sale contracts entered into by the Developer under this public report cannot be closed and buyers' deposits cannot be released. Should the Developer fail to close under the Purchase and Sale Agreement in a timely manner, buyers under this public report will be entitled to terminate their sale contracts and obtain a refund of their deposits.

The Apartments in the Project are being offered for sale in fee simple.

A Final Public Report on this Project was issued on August 5, 1980. This Supplementary Public Report supersedes all prior public reports.

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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 Hawaii's "*Condominium Property Act*" (Chapter 514A, Hawaii Revised Statutes) must be followed.

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 owner/tenant) 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. The 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 they 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 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 a vote of the owners. Some of these actions may significantly impact the quality of life for all 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 vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

- ☒ Fee simple interest in an apartment and an undivided feehold interest in the common elements.
☐ Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
☐ Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

1. ☐ New Building(s) ☒ Conversion
☐ Both New Building(s) and Conversion
 2. ☒ Residential ☐ Commercial ☐ Ohana
☐ Mixed Residential and Commercial ☐ Agricultural
☐ Other _____

3. ☐ High Rise (5 stories or more) ☒ Low Rise

4. ☒ Single or ☐ Multiple Buildings

5. Apartment Description

<u>Apt. Type s</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
	SEE ATTACHED	EXHIBIT "A"		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 28

**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.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>28 (one for each</u>
Guest Stalls	_____ apartment)
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>28</u>

7. Recreational amenities:

Courtyard area

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Clark-Emerson Venture, Inc. Phone: 259-9240
Name (Business)
41-050 Kalaniana'ole Highway
Business Address
Waimanalo, Hawaii 96795

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

Nowlin P. Correa - President, Secretary and Treasurer
Lloyd V. Martinez - Vice President

Real Estate Broker: Sutton Group - Banyan Realty, Inc. Phone: 522-1831
Name (Business)
1221 Kapiolani Blvd., Suite 808
Business Address
Honolulu, Hawaii 96814

Escrow: Security Title Corporation Phone: 521-9511
Name (Business)
1001 Bishop Street, Suite 1200
Business Address
Honolulu, Hawaii 96813

General Contractor: N/A Phone: _____
Name (Business)

Business Address

Condominium Managing Agent: Dynamic Properties, Inc. Phone: 671-6426
Name (Business)
94-903 Farrington Hwy., Suite 4
Business Address
Waipahu, Hawaii

Attorney for Developer: Jeffrey S. Grad Phone: 521-4757
Name (Business)
841 Bishop St., Suite 2001
Business Address
Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- 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 14550 Page 678
☐ Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

Amendment No. 1 dated October 25, 1991, recorded as Document No. 91-147981
Amendment No. 2 dated October 31, 1991, recorded as Document No. 91-152199
Amendment No. 3 dated November 21, 1991, recorded as Document No. 91-160801

- 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 Conveyance Condo Map No. 688
☐ Filed - Land Court Condo Map No. _____

Amendment date(s) 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 way in which meetings will be conducted, 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 14550 Page 701
☐ Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to 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.

- D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. 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>75%</u>
Bylaws	65%	<u>75%</u>
House Rules	---	<u>Majority of Board of Directors</u>

The percentages for individual condominium projects may be more than the minimum set by law.

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 "G"

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- [☒] **Fee Simple:** Individual apartments and the common elements which includes the underlying land will be in fee simple.
- [☐] **Leasehold or Subleasehold:** Individual apartments and the common elements which includes the underlying land will be leasehold.

The leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____
Rent Renegotiation Date(s): _____

Lease Rent Payable: ☐ Monthly ☐ Quarterly
 ☐ Semi-Annually ☐ Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
☐ Month ☐ Year.

- ☐ Individual Apartments in Fee Simple Common Interest in the Underlying Land in Leasehold or Subleasehold:

The leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners - tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____
Rent Renegotiation Date(s): _____

Lease Rent Payable: ☐ Monthly ☐ Quarterly
 ☐ Semi-Annually ☐ Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
☐ Month ☐ Year.

- ☐ Other:

For Subleaseholds:

- ☐ Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
☐ Cancelled ☐ Foreclosed
- ☐ As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

B. Underlying Land:

Address: 1423 Emerson Street Tax Map Key: 1-2-1-39-47
Honolulu, Hawaii (TMK)

☐ Address ☐ TMK is expected to change because _____

Land Area: 24,883 ☒ square feet ☐ acre(s) Zoning: A-3

Fee Owner: Allan Kunimoto, Trustee
Name

1126 S. King Street
Address

Honolulu, Hawaii 96814

Sublessor: _____
Name

Address

C Buildings and Other Improvements:

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

2. Buildings: 1 Floors Per Building 2-story building plus
a Ground Floor

☐ Exhibit _____ contains further explanations.

3. **Principal Construction Material:**

☒ Concrete ☐ Hollow Tile ☐ Wood

☒ Other concrete block, cement, plaster, gypsum board, metal and glass

4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>		<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>
<input type="checkbox"/> Commercial	_____	_____	<input type="checkbox"/> Industrial	_____	_____
<input checked="" type="checkbox"/> Residential	28	Yes	<input type="checkbox"/> Agricultural	_____	_____
<input type="checkbox"/> Timeshare/Hotel	_____	_____	<input type="checkbox"/> Recreational	_____	_____
<input type="checkbox"/> Other: _____				_____	_____

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

☒ Yes ☐ No

5. Special Use Restrictions:

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

☒ **Pets:** Not allowed

☒ **Number of Occupants:** The maximum number of individuals permitted to reside in or occupy the one-bedroom Apartments shall be three (3) individuals,

☐ **Other:** _____ and five (5) individuals in the two-bedroom apartments

☐ There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators None Stairways _____ Trash Chutes _____

<u>Apt. Types</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
	SEE ATTACHED EXHIBIT "A"		_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 28

**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: Each Apartment shall be deemed to include all walls and partitions which are not load bearing within its perimeter walls, the inner decorated and finished surfaces of all walls, floors, ceilings, windows and window frames, door and door frames, and all fixtures originally installed therein for its exclusive use, and the adjoining lanai (if any), as shown on the Condominium Map. The respective Apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings surrounding each such Apartment, or any pipes, wires, conduits or other utility or service lines running through such Apartment which are utilized for or serve more than one Apartment or the common elements.

Permitted Alterations to Apartments:

See attached Exhibit "H"

7. Parking Stalls:

Total Parking Stalls: 28

	<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 individual units)	<u>28 (one for each apartment)</u>						
Guest							
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open		<u>28</u>					

Each apartment will have the exclusive use of at least one (1) 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—courtyard area

☐ Laundry Area

☐ Tennis Court

☐ Trash Chute

☐ Other: _____

9. Present Condition of Improvements

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

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

The condition of all structural components and mechanical and electrical installation material to the use and enjoyment of the apartments appears to be good. No warranty is made as to the expected useful life of the Project.

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

The Developer has represented that to the best of his information and belief, the Building built on the subject premises is in compliance with all ordinances, codes, rules and regulations or other requirements in force at that time of its construction thereof, and that no variance was granted from any ordinance, code, rule, regulation or other requirement in force at the time of construction thereof or from any current ordinance, code, rule, regulation or other requirement. Also, there are no current outstanding notices to the owners of the improvements of uncured violations or building codes or of other municipal regulations. (See attached Exhibit I)

10. 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> </u>	<u>X</u>	<u> </u>
Lot	<u>X</u>	<u> </u>	<u> </u>

See attached letter from City and County of Honolulu (Exhibit "J")

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 intended to be used by all apartment owners. They are owned jointly by all apartment owners.

☒ Exhibit B describes the common elements.

☐ 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 may use them are:

☒ described in Exhibit C

☐ 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 often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

☒ Exhibit A describes the common interests for each apartment.

☐ As follows:

E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property.

Exhibit D describes the encumbrances against the title contained in the title report dated September 24, 1991 and issued by Security Title Corporation.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgages	Buyer's interest may be terminated by mortgagee but Buyer shall be entitled to return of his deposit
Purchase and Sale Agreement	Buyer's interest may be terminated if Developer defaults under Agreement, or fails to close; but Buyer shall be entitled to return of his deposit

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

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

The initial managing agent for this condominium is:

[x] not affiliated with the Developer.

[] the Developer or the Developer's affiliate.

[] self-managed by the Association of Apartment Owners.

[] other _____

G. Estimate of Initial Maintenance Fees:

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

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

Exhibit I contains a schedule of maintenance fees and maintenance fee disbursements.

See attached Disclosure Abstract

H. Utility Charges for Apartments:

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

☐ Not applicable

☒ Electricity - Common Areas only

☐ Television Cable

☐ Gas

☒ Water & Sewer - Common Areas only

☐ Other _____

See attached Disclosure Abstract (Exhibit "I")

I. 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:

The Developer advises that the Building is pre-existing and completed during 1959. All Apartments will be sold "as is" without any warranties whatsoever and without any warranties of merchantability or fitness for a particular purpose with respect to Purchaser's Apartment, appliances or anything installed therein, the common elements of the Project or any portions of the Project.

2. Appliances:

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

J. **Status of Construction and Estimated Completion Date:**

The Building was completed during 1959.

K. **Project Phases:**

The developer ☐ has ☒ has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Future Development:

L. **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 E contains a summary of the pertinent provisions of the sales contract.

☒ Escrow Agreement dated September 19, 1991

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

☐ Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

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

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

Final Report, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

1. The Developer delivers to the buyer a copy of:
 - a. Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report;
AND
 - b. Any other public report issued by the Commission prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
2. The buyer is given an opportunity to read the report(s); and
3. One of the following has occurred:
 - a. The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - b. Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - c. 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:

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. 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.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Condominium Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other _____

If these documents are not in final form, the buyer should ask to see the most recent draft.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is a part of Registration No. 1271 filed with the Real Estate Commission on October 11, 1991.

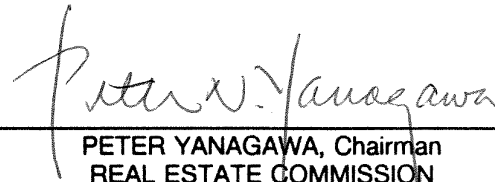
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Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.



PETER YANAGAWA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances
Department of Finance, City & County of Honolulu
Planning Department, City & County of Honolulu
Federal Housing Administration

EXHIBIT "A"

DESCRIPTION OF APARTMENTS:

<u>APT.#</u>	<u>TYPE</u>	<u>NO.</u> <u>BDRMS</u>	<u>NET LIV.</u> <u>AREA(S)*</u> <u>(sq.ft.)</u>	<u>LANAI</u> <u>(sq.ft.)</u>	<u>GROSS APT.</u> <u>AREA(S)**</u> <u>(sq.ft.)</u>	<u>PARKING</u>	<u>COMMON</u> <u>INTEREST</u>	<u>STORAGE</u> <u>LOCKER</u>
101	A	2	648	148	828	14	3.74%	S01
102	B	Studio	436	94	563	13	2.56%	S02
103	C	1	436	100	563	27	2.56%	S03
104	D	2	648	148	828	15	3.74%	S04
105	DD	2	648	148	828	26	3.74%	S05
100	E	2	648	148	828	8	3.74%	S06
107	EE	2	648	148	828	9	3.74%	S07
108	E	2	648	148	828	10	3.74%	S08
109	EE	2	648	148	828	11	3.74%	S09
110	F	2	648	148	828	25	3.74%	S10
111	FF	2	648	148	828	16	3.74%	S11
112	F	2	648	148	828	22	3.74%	S12
113	FF	2	648	148	828	23	3.74%	S13
114	F	2	648	148	828	24	3.74%	S14
201	A	2	648	148	828	5	3.74%	S15
202	B	Studio	436	94	563	12	2.56%	S16
203	C	1	436	100	563	28	2.56%	S17
204	D	2	648	148	828	6	3.74%	S18
205	DD	2	648	148	828	7	3.74%	S19
206	E	2	648	148	828	1	3.74%	S20
207	EE	2	648	148	828	2	3.74%	S21
208	E	2	648	148	828	3	3.74%	S22
209	E	2	648	148	828	4	3.74%	S23
210	F	2	648	148	828	17	3.74%	S24
211	FF	2	648	148	828	18	3.74%	S25
212	F	2	648	148	828	19	3.74%	S26
213	FF	2	648	148	828	20	3.74%	S27
214	F	2	648	148	828	21	3.74%	S28

100.00%

* The net living area of each Apartment is measured from the interior surface of the apartment perimeter walls.

** The total gross area of each Apartment is measured from the exterior walls and the exterior faces of the lanai walls and the center line of the party wall.

Type A Apartments - Two-bedroom Apartments. Type A Apartments are located in the Makai-Waikiki corner of the building and are numbered 101 and 201, and contain 4 rooms consisting of 2 bedrooms, a bathroom, and a kitchen/living room and the lanai, as shown on the Condominium Map. Measured from the exterior faces of the exterior walls and the exterior faces of the lanai walls and the center line of the party wall, each Type A Apartment has a gross area of approximately 828 square feet, consisting of the total of the following approximate areas: 672 square feet enclosed and 156 square feet of lanai. Notwithstanding the foregoing, the "net living area" of each Type A Apartment is measured from the interior surfaces of the apartment perimeter walls, and such net living area of the apartment consists of 648 square feet and the net area of the lanai is approximately 148 square feet.

Type B Apartments - Studio Apartments. Type B Apartments are located on the side of the building farthest from Emerson Street and are numbered 102 and 202, and contain 2 rooms consisting of the bathroom and the kitchen/living room and the lanai, as shown on the Condominium Map. Measured from the exterior faces of the exterior walls and the exterior faces of the lanai walls and the center line of the party walls, each Type B Apartment has a gross area of approximately 563 square feet, consisting of the total of the following approximate areas: 457 square feet enclosed and 106 square feet of lanai. Notwithstanding the foregoing, the "net living area" of each Type B Apartment is measured from the interior surfaces of the apartment perimeter walls, and such net living area of the apartment consists of 436 square feet and the net area of the lanai is approximately 94 square feet.

Type C Apartments - One-bedroom Apartments. Type C Apartments are located on the side of the building farthest from Emerson Street and are numbered 103 and 203 and contain 3 rooms consisting of a bedroom, a bathroom, a kitchen/living room and the lanai, as shown on the Condominium Map. Measured from the exterior faces of the exterior walls and the exterior faces of the lanai walls and the center line of the party wall, each Type C Apartment has a gross area of approximately 563 square feet, consisting of the total of the following approximate areas: 457 square feet enclosed and 106 square feet of lanai. Notwithstanding the foregoing, the "net living area" of each Type C Apartment is measured from the interior surfaces of the apartment perimeter walls, and such net living area of the apartment consists of 436 square feet and the net area of the lanai is approximately 100 square feet.

Type D Apartments - Two-bedroom Apartments. Type D Apartments are located on the side of the building farthest from Emerson Street and are numbered 104 and 204 and contain 4 rooms consisting of two bedrooms, a bathroom, a kitchen/living room and the lanai, as shown on the Condominium Map. Measured from the exterior faces of the exterior walls and the exterior faces of the lanai walls and the center line of the party wall, each Type D Apartment has a gross area of approximately 828 square feet, consisting of the total of the following approximate areas: 672 square feet enclosed and 156 square feet of lanai. Notwithstanding the foregoing, the "net living area" of each Type D Apartment is measured from the interior surfaces of the apartment perimeter walls, and such net living area of the apartment consists of 648 square feet and the net area of the lanai is approximately 148 square feet.

Type DD Apartments - Two-bedroom Apartments. The Type DD Apartments are located on the Mauka-Waikiki corner of the building, are numbered 105 and 205, and are mirror images of the Type D Apartments.

Type E Apartments - Two-bedroom Apartments. Type E Apartments are located along Green Street, numbered 106, 206, 108 and 208, and contain 4 rooms consisting of two bedrooms, a bathroom, a kitchen/living room and the lanai, as shown on the Condominium Map. Measured from the exterior faces of the exterior walls and the exterior faces of the lanai walls and the center line of the party wall, each Type D Apartment has a gross area of approximately 828 square feet, consisting of the total of the following approximate areas: 672 square feet enclosed and 156 square feet of lanai. Notwithstanding the foregoing, the "net living area" of each Type E Apartment is measured from the interior surfaces of the apartment perimeter walls, and such net living area of the apartment consists of 648 square feet and the net area of the lanai is approximately 148 square feet.

Type EE Apartments - Two-bedroom Apartments. The Type EE Apartments are located on the Green Street side of the building, numbered 107, 207, 109 and 209, and are mirror images of the Type E Apartments.

Type F Apartments - Two-bedroom Apartments. Type F Apartments are located on the Emerson Street side of the building and are numbered 110, 210, 112, 212, 114 and 214, and contain 4 rooms consisting of two bedrooms, a bathroom, a kitchen/living room and the lanai, as shown on the Condominium Map. Measured from the exterior faces of the exterior walls and the exterior faces of the lanai walls and the center line of the party wall, each Type F Apartment has a gross area of approximately 828 square feet,

consisting of the total of the following approximate areas: 672 square feet enclosed and 156 square feet of lanai. Notwithstanding the foregoing, the "net living area" of each Type F Apartment is measured from the interior surfaces of the apartment perimeter walls, and such net living area of the apartment consists of 648 square feet and the net area of the lanai is approximately 148 square feet.

Type FF Apartments - Two-bedroom Apartments. The Type FF Apartments are located on the Emerson Street side of the building and are numbered 111, 211, 113 and 213, and are mirror images of the Type F Apartments.

EXHIBIT "B"

COMMON ELEMENTS

The Declaration provides that one estate shall be designated in all portions of the Project, other than the Apartments, and all other common elements mentioned in the Act, which are actually included in the Project, herein called "common elements", including specifically but not limited to:

- a. Said land in fee simple;
- b. All foundations, floor slabs (if any), columns, girders, beams, supports, unfinished perimeter and loadbearing walls, chases, entries, stairways and roof;
- c. All yards, grounds, landscaping, walls, laundry area, the storage lockers, and recreational facilities (if any);
- d. All parking areas, and spaces, driveways and walkways;
- e. The elevator(s) (if any) and all ducts, electrical equipment, central water heating system (if any), wiring, pipes and any other central and appurtenant transmission facilities and installations, on, over, under and across the Project which serve more than one Apartment for services such as power, light, water, gas, refuse, disposal, heating, cooling, sewer, telephone, radio and television signal distribution;
- f. Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

EXHIBIT "C"

LIMITED COMMON ELEMENTS

Certain parts of the common elements hereinafter called "limited common elements" are designated and set aside and reserved for the exclusive use of certain Apartments, and such Apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The Declaration provides that the limited common elements so set aside and reserved are as follows:

a. The storage lockers located on the ground floor and the parking spaces which are numbered and shown on the Condominium Map are each designated as limited common elements. Each Apartment shall have appurtenant to it for its exclusive use the storage locker and parking space (if any) designated as appurtenant to such Apartment, as shown in the Declaration. Parking space(s) may be transferred from Apartment to Apartment in the Project as more particularly set forth in the Declaration or as otherwise permitted by law.

b. All other common elements of the Project which are rationally related to less than all of the Apartments shall be limited to the use of such Apartment(s).

c. Each Apartment shall have for its exclusive use one mailbox located in the lobby of the Building, which mailbox is identified by the same number as the Apartment to which it is appurtenant.

EXHIBIT "D"

ENCUMBRANCES AGAINST TITLE

1. For Real Property Taxes that may be due and owing, reference is made to the Office of the Tax Assessor, City and County of Honolulu.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Mortgage dated April 16, 1987, recorded in the Bureau of Conveyances of the State of Hawaii in Book 20572, Page 232, in favor of Pioneer Federal Savings Bank.
4. Assignment of Lessor's Interest in Leases dated April 16, 1987, recorded as aforesaid in Book 20572, Page 270.
5. Financing Statement filed on April 16, 1987, in Book 20572, Page 254.
6. Financing Statement filed on April 16, 1987, recorded in Book 20572, Page 263.
7. Second Mortgage, Security Agreement and Financing Statement and Assignment of Rental dated September 26, 1990, recorded as aforesaid as Document No. 90-151138.
8. Financing Statement filed on September 28, 1990, recorded as Document No. 90-151139.
9. Declaration of Condominium Property Regime dated February 1, 1980, recorded in Book 14550, Page 678 (Project covered by Condominium Map No. 688). By-Laws dated February 1, 1980, recorded in Book 14550, Page 701.
10. Purchase and Sale Agreement dated September 19, 1991, recorded as Document No. 91-131424.
11. Terms of unrecorded trust dated February 19, 1981 called the Allan R. Kunitomo Revocable Trust.
12. Any unrecorded leases, subleases and tenancies.

EXHIBIT "E"

SUMMARY OF THE PROVISIONS OF THE SALES CONTRACT

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

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

a. An initial deposit of up to 5% of the total purchase price upon execution of the Sales Contract;

b. The balance of the purchase price is to be paid to escrow by purchaser on the Closing Date.

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

4. Closing Costs. In addition to the purchase price, the Purchaser is required to pay at closing all escrow fees, notary and recording fees, cost of credit report, if any, any loan fee and the cost for preparing any notes and mortgages, the cost of any required title insurance, and appraisal fees and any obligations of purchaser to his mortgage lender. In addition to the foregoing, the Purchaser may be required to prepay insurance premiums for as much as one year in advance, prepay maintenance fees for as much as two months in advance, and prepay real property taxes for the remainder of the tax year.

5. Closing. Seller has agreed to cause the Apartment to be sold to the Purchaser within the time period set forth on page 1 of the Sales Contract, which is expected to occur within 90 days of the date of the Sales Contract. If Purchaser fails to close as required, then after ten (10) days following Seller's notice of Purchaser's default, if Purchaser has not cured his default under the Sales Contract, the Seller may cancel the Sales Contract and all sums previously paid by Purchaser 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 Purchaser shall be borne by the Purchaser.

6. Seller's Rights to Cancel Sales Contract. The Seller may cancel the Sales Contract with the Purchaser if (a) Purchaser fails to qualify for a permanent loan (paragraph 16); (b) Purchaser defaults under the Sales Contract (paragraph 5.2); or (c) Purchaser

dies prior to Closing Date (paragraph 5.1). If Seller cancels the Sales Contract, Escrow will return to Purchaser all of Purchaser's funds earlier deposited in the escrow, without interest.

Seller's obligations to sell to the Purchaser is expressly subject to Seller's sale under binding sales contracts of at least twenty apartments within the Project in accordance with Seller's loan commitment from American Savings Bank, the closing of the loan which is the subject matter of the loan commitment, and the closing of Seller's purchase of the Project pursuant to the Purchase and Sale Agreement dated September 19, 1991. Should Seller not have entered the requisite number of sales contracts as aforesaid or failed to close the loan by the Closing Date herein or the date required under said loan commitment or failed to close on the Purchase and Sale Agreement, Seller may elect to terminate this Agreement by giving a written notice thereof, whereupon this Agreement shall terminate, all deposits shall be returned to Purchaser, and neither party shall have any recourse against the other on account of this Agreement.

7. No Present Transfer and Subordination to Construction Loan. The Sales Contract may be subject to existing loans and any security interest obtained by Lender or Kunimoto, as applicable, is prior and senior to any rights arising under the Sales Contract. Seller may assign by way of security all of its interest in the Sales Contract, as collateral for the repayment of the loan or the Purchase and Sale Agreement, and if the Lender or Kunimoto acquires the Seller's interest in the Sales Contract, then the Purchaser is obligated to perform the Sales Contract, and to attorn to and recognize the Lender or Kunimoto, as the case may be, as the seller under the Sales Contract.

8. Rights of Purchaser to Cancel the Sales Contract. The Purchaser 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 Purchaser. If Purchaser so cancels, Purchaser will be entitled to receive refund of any deposits, less any escrow cancellation fees and other costs up to \$250. If Purchaser does not act within the thirty (30) day period, or if the Apartment is conveyed to the Purchaser, Purchaser 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).

b. The Purchaser 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 Purchaser's Apartment or the amenities available for the Purchaser's use (paragraph 7.1).

c. Purchaser fails to qualify for permanent financing (paragraph 16).

EXHIBIT "F"

SUMMARY OF THE MATERIAL PROVISIONS OF THE ESCROW AGREEMENT

Summary of the Condominium Escrow Agreement between the Developer and Security Title Corporation.

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, 514A-62 and 514A-63 of the Hawaii Revised Statutes, then applicable to the Project, have been satisfied and if the project is a conversion project, that the requirement of Section 514A-38 have been met.

(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 cancelled the Purchaser's Sales Contract. After such cancellation Escrow will treat the Purchaser's funds less Escrow's cancellation fees as belonging to the Seller.

EXHIBIT "G"

DEVELOPER'S RESERVED RIGHTS

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

Paragraph 22 of the Declaration states:

"Except as otherwise provided herein or in said Horizontal Property Act, this Declaration may be amended by affirmative vote of the Apartment owners representing not less than seventy-five percent (75%) of the Apartment owners and shall be effective only upon the recording in said appropriate governmental recording office of an instrument setting forth such amendment and vote executed by such owners or by two (2) officers of the Association, and also containing the consent thereto of Fee Owner; provided, however, Lessee and Fee Owner hereby reserve the right, without joinder by any other person or persons, to amend from time to time this Declaration, the Bylaws and said Condominium Map, by filing the "as-built" certificate under Section 514A-12, Hawaii Revised Statutes, as the same may be amended. Notwithstanding any other provisions contained herein to the contrary and in addition to any provisions concerning amendments to Declarations contained in the Horizontal Property Act, as amended:

Apartment owners shall have the right to transfer from Apartment to Apartment in the Project any parking spaces which are appurtenant to their respective Apartments by amendment of the Apartment deed affected by such transfer, and each such amendment of an Apartment deed shall be an amendment of this Declaration and shall be incorporated herein by reference and be made a part hereof, each such amendment to be executed solely by the respective Apartment owners and shall be consented to by affected mortgagees, if consent is required by the mortgagee of such affected Apartments; provided, however, that any parking space appurtenant to an Apartment for which an Apartment deed has not yet been recorded in said recording office may be transferred and made appurtenant to another Apartment by an Amendment to this Declaration executed solely by the respective Apartment owners and shall be consented to by affected mortgagees, if consent is required by the mortgagee of the affected Apartments; provided, further:

a. That each such amendment shall expressly identify the Apartment from which the parking space is transferred, as well as the Apartment to which the parking space is transferred;

b. That each such amendment shall be effective only upon the recording of same in said recording office;

c. That a copy of each such amendment, together with the recording data, shall be given to the Association by the affected

Apartment owners within thirty (30) days after the recording thereof.

In case of a modification or amendment to the Bylaws, this Declaration may be amended to set forth such modification or amendment pursuant to such percentage vote as is required by the Bylaws to render the modification or amendment thereof effective. The provisions of this paragraph are in addition to and not in lieu of any provisions with respect to amending declarations provided by law."

EXHIBIT "H"

PERMITTED ALTERATIONS TO APARTMENTS

The Declaration states:

"The owner of an Apartment shall not, without the prior written consent of the Board and Fee Owner, make any structural alterations in or additions to the Apartment or make any alterations in or additions to the exterior of the Apartment (including, without limitation, awnings, jalousies or screens) or to any other portion or portions of the common elements, except as permitted by the Bylaws."

The Declaration further states:

"Merger of Apartments. The owner of any two or more adjacent Apartments separated by a common element which is a wall may (i) alter or remove all or portions of the intervening wall, if the structural integrity of the building is not thereby affected and if the finish of the common element then remaining is then restored to a condition substantially comparable to that of the common element prior to such alterations; and (ii) make any alteration or additions within the portion of the hallway constituting a limited common element appurtenant to such Apartment, including the installation of a door or doors to such opening or openings in the intervening common element. Alterations or additions within an Apartment, within the above-specified adjacent Apartments, or within the aforesaid portion of the hallway constituting a limited common element appurtenant to such adjacent Apartments shall require only the written approval thereof, including the Apartment Owner's plans therefor, by the holders of first mortgage liens affecting such Apartments (if the lien holders require such approval), by the appropriate agencies of the State of Hawaii and the City and County of Honolulu if such agencies so require, by the Board of Directors (which approval shall not unreasonably or arbitrarily withheld or delayed), and by all other Apartment Owners thereby directly affected (as determined in a reasonable manner by the Board of Directors), and such alterations or additions may be undertaken without an amendment to this Declaration or filing of a complete set of floors plans of the Project as so altered; provided, however, if the alterations or additions are substantial in nature as reasonably determined by the Board of Directors, the Board of Directors may require that the Owner of the Apartment provide evidence satisfactory to the Board of Directors of sufficient financing to complete such alterations or additions or, in lieu thereof, require that the Owner obtain a performance and lien payment bond, naming as obligees the Fee Owner and 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 construction. Prior to the termination of the common ownership of any such adjacent apartments, if the intervening wall shall have been altered or removed pursuant to the foregoing provisions and/or any entry to hallways sealed, the Owner of such Apartments shall be obligated to restore such intervening wall and/or hallway entries to substantially the same condition in which the same existed prior to such alteration or removal."

EXHIBIT "I"

DISCLOSURE ABSTRACT

1. (a) PROJECT: EMERSON COURT
 1423 Emerson Street
 Honolulu, Hawaii

 (b) DEVELOPER: Clark-Emerson Venture, Inc.
 41-050 Kalaniana'ole Highway
 Waimanalo, Hawaii
 Telephone: (808) 259-9240

 (c) MANAGING Dynamic Properties, Inc.
 AGENT:

2. Breakdown of annual maintenance fees and monthly estimate costs for each unit (revised and updated every twelve (12) months and certified to have been based on generally accepted accounting principles).

3. DESCRIPTION OF ALL WARRANTIES COVERING THE UNITS AND COMMON ELEMENTS:

 The Developer is not making any warranties relating to the materials and workmanship of the Project or the common elements.

4. USE OF UNITS. The EMERSON COURT Condominium Project consists of twenty-eight (28) 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 a report prepared by Endre Toth, Registered Professional Engineer, the Developer states:

 a. The present conditions of all structural components and mechanical and electrical installation material to the use and enjoyment of the condominium appears to be satisfactory.

 b. The Developer makes no statement with respect to the expected useful life of each item set forth in paragraph (a);

 c. There are no outstanding notices of uncured violations of building code or other municipal regulations.

 d. Reference Exhibit J, letter dated August 28, 1991, from the City and County of Honolulu Building Department, Paragraph 3, regarding non-conformity of structure due to insufficient setback.

ESTIMATED OPERATING EXPENSES
For Period October 1, 1991 to September 30, 1992
As Prepared by Developer

Estimated Annual Expenses

Ground and building Maintenance:

Landscape	\$ 2,400
Water/Sewer and Electricity (common area):	\$ 4,000
Fire/Liability & Casualty Insurance:	\$ 5,500
Management Fee:	\$ 2,400
Fiscal Management (bookkeeping):	\$ 6,000
Building Repairs:	\$ 2,400
Property Tax (common area):	\$ 4,000
Reserve Fund:	\$ 6,000
Miscellaneous:	\$ 1,200

TOTAL ANNUAL EXPENSES \$33,900

Estimated Monthly Expenses

(\$33,900 ÷ 12 months): \$ 2,825

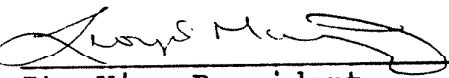
Estimated Monthly Maintenance Fee for Each Apartment:

Estimated Monthly Expenses: \$ 2,825

TOTAL MONTHLY MAINTENANCE
FEE FOR EACH APARTMENT: \$ 101

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

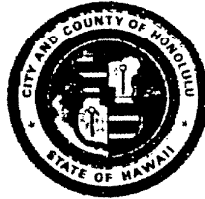
CLARK-EMERSON VENTURE, INC.

By 
Its Vice President

"Developer"

EXHIBIT "J"
~~BUILDING DEPARTMENT~~
CITY AND COUNTY OF HONOLULU
HONOLULU MUNICIPAL BUILDING
650 SOUTH KING STREET
HONOLULU, HAWAII 96813

FRANK F. FASI
MAYOR



HERBERT K. MURAOKA
DIRECTOR AND BUILDING SUPERINTENDENT

Ex91-107

August 28, 1991

Mr. Jeffrey S. Grad
Attorney at Law
841 Bishop Street, Suite 2001
Honolulu, Hawaii 96813

Dear Mr. Grad:

Subject: Condominium Conversion Project
1423 Emerson Street
Tax Map Key: 2-1-39: 47

This is in reply to your letter dated August 8, 1991 requesting confirmation that the two-story 28-unit apartment building located at the above-mentioned address met all code requirements at the time of construction.

Investigation revealed that the apartment building with 28 off-street parking spaces met all applicable code requirements when it was constructed in 1959.

However, the apartment building is considered a nonconforming structure because it does not meet the present setback requirements of the Land Use Ordinance. In the event of destruction, the structure may be rebuilt in accordance with the provisions of Section 3.120 of the Land Use Ordinance.

For your information, the Building Department cannot determine whether this project contains any other legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.

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

Mr. Jeffrey S. Grad
August 28, 1991
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If you have any questions regarding this matter, please
contact Mr. Ivan Matsumoto at telephone number 527-6341.

Very truly yours,



HERBERT K. MURAOKA
Director and Building
Superintendent

Subscribed and sworn to
before me this 29th day of
AUGUST, 1991.


Notary Public, First Judicial Circuit
State of Hawaii
My commission expires: 11-14-91