

**DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME	1513 EMERSON STREET
Project Address	1513, 1515, 1515-1, 1515-A and 1515-B Emerson Street Honolulu, Hawaii 96814
Registration Number	7117 (Conversion)
Effective Date of Report	June 20, 2011
Developer(s)	TRB EMERSON LLC a Hawaii limited liability company

Preparation of this Report

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. The law defines "material facts" to mean "any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale."

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts or all pertinent changes, or both, about the project have been fully or adequately disclosed; and (3) is not the Commission's judgment of the value or merits of the project.

This report may be used by the Developer for promotional purposes only if it is used in its entirety. No person shall advertise or represent that the Commission has approved or recommended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developer's Public Report, clearly reflecting the changes, including any omitted material facts, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

Purchasers are encouraged to read this report carefully and to seek professional advice before signing a sales contract for the purchase of a unit in the project.

Signing a sales contract may legally bind a purchaser to purchase a unit in the project, though a purchaser may have rights to cancel or rescind a sales contract under particular circumstances that may arise.

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

SPECIAL ATTENTION

[Use this page for special or significant matters which should be brought to the purchaser's attention and that are not covered elsewhere in this report.]

1. This Public Report does not constitute an approval of the project by the Real Estate Commission or any other governmental agency, nor does it ensure that all county codes, ordinances and subdivisions requirements have necessarily been complied with.

2. This Project does not involve the sale of individual subdivided lots. The land area beneath and immediately adjacent to each unit as shown on the condominium map is designated as a limited common element and does not represent a legally subdivided lot. The dashed lines on the condominium map merely represent the approximate location of the limited common element assigned to each unit.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS FOR FURTHER INFORMATION REGARDING THE FORGOING.

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General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. 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 and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

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

You will be entitled to exclusive ownership and possession of your unit. Subject to the documents governing them, condominium units may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

Your unit will, however, be part of the group of units that comprise the condominium project. Study the project's Declaration of Condominium Property Regime, Bylaws of the Association of Unit Owners, Condominium Map and House Rules, if any, which are being concurrently delivered to you with this report. These documents contain important information on the use and occupancy of the units and the common elements of the project, as well as the rules and regulations of conduct for unit owners, tenants and guests.

Operation of the Condominium Project

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit 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 a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there is a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first 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 purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	
Address of Project	1513, 1515, 1515-1, 1515-A and 1515-B Emerson Street Honolulu, Hawaii 96814
Address of Project is expected to change because	
Tax Map Key (TMK)	(1) 2-1-039-053
Tax Map Key is expected to change because	CPR numbers may be assigned to each unit.
Land Area	7,957 square feet
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	

1.2 Buildings and Other Improvements

Number of Buildings	3 (Bldg A - duplex; Bldg B - 1 unit; Bldg C - 1 unit)
Floors Per Building	Bldg A - 1 story, Bldg B - 1 story; Bldg C - 2 story
Number of New Building(s)	None
Number of Converted Building(s)	3
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Concrete, wood, glass and other allied building materials.

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc)	Total Area
1515-A	1	3/2	796			796
1515-B	1	3/2	796			796
1515/1515-1	1	4/2	1,047			1,047
1513	1	2/1	631	595	garage	1226
See Exhibit <u> A </u>						

4	Total Number of Units
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Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.

1.4 Parking Stalls

Total Parking Stall in the Project:	9
Number of Guest Stalls in the Project:	0
Number of Parking Stalls Assigned to Each Unit:	3 for Unit 1513 and 2 for the other units
Attach Exhibit _____ specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	

1.5 Boundaries of the Units

Boundaries of the unit:
 The boundary of each unit is the exterior finished surfaces of the units perimeter walls, floors, roof, doors, and foundations. The boundary with respect to the demising wall between the two duplex units shall be the vertical plane at the centerline of the demising wall.

1.6 Permitted Alterations to the Units

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project):
 on-structural interior alterations do not require any consent. There are restrictions and limitations on exterior alterations and renovations. See Section 15.0 of Declaration.

1.7 Common Interest

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit'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 unit owners. The common interest for each unit in this project, as described in Declaration, is:

Described in Exhibit _____ .

As follows:

Unit 1515-A	16 2/3 %
Unit 1515-B	16 2/3 %
Unit B / 1515 / 1515-1	33 1/3 %
Unit C / 1513	33 1/3 %

1.8 Recreational and Other Common Facilities (Check if applicable):

<input type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input type="checkbox"/>	Recreation Area
<input type="checkbox"/>	Trash Chute/Enclosure(s)
<input type="checkbox"/>	Exercise Room
<input type="checkbox"/>	Security Gate
<input type="checkbox"/>	Playground
<input type="checkbox"/>	Other (describe):

1.9 Common Elements

Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.

Described in Exhibit B .

Described as follows:

Common Element	Number
Elevators	0
Stairways	0
Trash Chutes	0

1.10 Limited Common Elements

Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.

Described in Exhibit B .

Described as follows:

1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.

<input checked="" type="checkbox"/>	Pets: Domestic pets are permitted. Bylaws, Art. V, Section 3.A(10).
<input type="checkbox"/>	Number of Occupants:
<input type="checkbox"/>	Other:
<input type="checkbox"/>	There are no special use restrictions.

1.12 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 a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

Exhibit C describes the encumbrances against title contained in the title report described below.

Date of the title report: May 10, 2011

Company that issued the title report: Hawaii Escrow & Title, Incorporated

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning					
	Type of Use	No. of Units	Use Permitted by Zoning		Zoning
<input checked="" type="checkbox"/>	Residential	4	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	A-2
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Mix Residential/Commercial		<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 (Specify):		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Variances to zoning code have been granted.			<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Describe any variances that have been granted to zoning code					

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots			
<p>In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.</p> <p>If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.</p> <p>A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.</p>			
	Conforming	Non-Conforming	Illegal
Uses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structures	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Lot	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:</p> <p>The structures may have to comply with existing set-back requirements. The number of existing parking stalls is also nonconforming. Please see page 18a and Exhibit "G" for further information.</p>			

1.15 Conversions

<p>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</p>	<p><input checked="" type="checkbox"/> Applicable</p> <p><input type="checkbox"/> Not Applicable</p>
<p>Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units:</p> <p>The Developer incorporates by reference the statements contained in the Architect's Report attached hereto as Exhibit "F".</p>	
<p>Developer's statement of the expected useful life of each item reported above:</p> <p>None</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations:</p> <p>None</p>	
<p>Estimated cost of curing any violations described above:</p>	

<p>Verified Statement from a County Official</p>	
<p>Regarding any converted structures in the project, attached as Exhibit <u>G</u> is a verified statement signed by an appropriate county official which states that either:</p> <p>(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:</p> <ul style="list-style-type: none"> (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal non-conforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance; <p style="text-align: center;">or</p> <p>(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.</p>	
<p>Other disclosures and information:</p>	

1.16 Project In Agricultural District

<p>Is the project in an agricultural district as designated by the land use laws of the State of Hawaii? If answer is "Yes", provide information below.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation.</p>	
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.</p>	
<p>Other disclosures and information:</p>	

1.17 Project with Assisted Living Facility

<p>Does the project contain any assisted living facility units subject to Section 321-11(10), HRS? If answer is "Yes", complete information below.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Licensing requirements and the impact of the requirements on the costs, operations, management and governance of the project.</p>	
<p>The nature and the scope of services to be provided.</p>	
<p>Additional costs, directly attributable to the services, to be included in the association's common expenses.</p>	
<p>The duration of the provision of the services.</p>	
<p>Other possible impacts on the project resulting from the provision of the services.</p>	
<p>Other disclosures and information.</p>	

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer(s)	Name: TRB Emerson LLC. Business Address: 201 Merchant Street, Suite 1820, Honolulu, Hawaii 96813 Business Phone Number : (808) 522-0322 E-mail Address:
Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).	Linda Suzukawa-Tseng, President and sole member Eiko Kawamura, Assistant Secretary
2.2 Real Estate Broker	Name: Estates Royal Limited Business Address: 201 Merchant Street, Suite 1820 Honolulu, Hawaii 96813 Business Phone Number: (808) 522-0322 E-mail Address:
2.3 Escrow Depository	Name: Hawaii Escrow & Title, Incorporated Business Address: 700 Bishop Street, Suite 1600 Honolulu, Hawaii 96813 Business Phone Number: (808) 531-2977
2.4 General Contractor	Name: State Remodeling and Construction Services Business Address: P.O. Box 270421 Honolulu, Hawaii 96827 Business Phone Number: (808) 479-9950
2.5 Condominium Managing Agent	Name: None, self-managed by Association of Unit Owners Business Address: Business Phone Number:
2.6 Attorney for Developer	Name: Michael H. Sakai Business Address: 201 Merchant Street, Suite 902 Honolulu, Hawaii 96813 Business Phone Number: (808) 531-4171

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

3.1 Declaration of Condominium Property Regime

The Declaration of Condominium Property Regime contains a description of the land, buildings, units, common interests, common elements, limited common elements, and other information relating to the condominium project.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	April 6, 2011	2011-070429

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit 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 that affect how the condominium project will be governed.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	April 6, 2011	2011-070430

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.

Land Court Map Number	
Bureau of Conveyances Map Number	4986

Dates of Recordation of Amendments to the Condominium Map:

3.4 House Rules

The Board of Directors may adopt rules and regulations (commonly called "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. Changes to House Rules do not need to be recorded to be effective.

The House Rules for this project:

Are Proposed	<input type="checkbox"/>	
Have Been Adopted and Date of Adoption	<input type="checkbox"/>	
Developer does not plan to adopt House Rules	<input checked="" type="checkbox"/>	

3.5 Changes to the Condominium Documents

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.

Document	Minimum Set by Law	This Condominium
Declaration	67%	67%
Bylaws	67%	67%

3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents

<input type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input checked="" type="checkbox"/>	Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House Rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows: See Exhibit "H" attached hereto.

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

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

The initial Condominium Managing Agent for this project is (check one):

<input type="checkbox"/>	Not affiliated with the Developer
<input checked="" type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

4.2 Estimate of the Initial Maintenance Fees *

Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

*See page 18, Section 6

Exhibit ___ contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:	
<input type="checkbox"/>	Electricity for the common elements
<input type="checkbox"/>	Gas for the common elements
<input type="checkbox"/>	Water
<input type="checkbox"/>	Sewer
<input type="checkbox"/>	TV Cable
<input type="checkbox"/>	Other (specify)

4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:

<input checked="" type="checkbox"/>	Electricity for the Unit only
<input type="checkbox"/>	Gas for the Unit only
<input checked="" type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer
<input checked="" type="checkbox"/>	TV Cable
<input checked="" type="checkbox"/>	Other (specify) Telephone

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u>D</u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: Hawaii Escrow & Title Incorporated Name of Escrow Company: April 29, 2011 Exhibit <u>E</u> contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other:

5.2 Sales to Owner-Occupants

If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sale to Owner-Occupants.

<input checked="" type="checkbox"/>	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
<input type="checkbox"/>	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit ____ .
<input checked="" type="checkbox"/>	Developer has or will designate the units for sale to Owner-Occupants by publication.

5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.

<input type="checkbox"/>	There are <u>no blanket liens</u> affecting title to the individual units.
<input checked="" type="checkbox"/>	There are <u>blanket liens</u> that may affect title to the individual units.

<u>Type of Lien</u>	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	Purchaser's contract would be terminated. Purchaser deposits would be refunded.

5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:

Building and Other Improvements:

None

Appliances:

None. However, any new appliance warranties will be assigned to a purchaser.

5.5 Status of Construction, Date of Completion or Estimated Date of Completion

<p>Status of Construction: The Buildings were constructed between 1947 and 1951 and the renovation work to Units 1515-A and 1515-B will be completed in July, 2011.</p>
<p>Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.</p>
<p>Completion Deadline for any unit not yet constructed, as set forth in the sales contract:</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:</p>

5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance

The Developer is required to deposit all moneys paid by purchasers in trust under a written escrow agreement with a Hawaii licensed escrow depository. Escrow shall not disburse purchaser deposits to the Developer or on behalf of the Developer prior to closing, except if a sales contract is canceled or if Developer has met certain requirements, which are described below.

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

<input checked="" type="checkbox"/>	<p>The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project.</p> <p><i>If this box is checked, Section 5.6.2, which follows below, will not be applicable to the project.</i></p>
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5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

<p>Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):</p>	
<input type="checkbox"/>	<p>For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or</p>
<input type="checkbox"/>	<p>For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.</p>

In connection with the use of purchaser deposits (check Box A or Box B):

<p>Box A</p> <p><input type="checkbox"/></p>	<p>The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>If Box A is checked, you should read and carefully consider the following notice, which is required by law:</p> <p><u>Important Notice Regarding Your Deposits:</u> Deposits that you make under your sales contract for the purchase of the unit may be disbursed before closing of your purchase to pay for project costs, construction costs, project architectural, engineering, finance, and legal fees, and other incidental expenses of the project. While the developer has submitted satisfactory evidence that the project should be completed, it is possible that the project may not be completed. If your deposits are disbursed to pay project costs and the project is not completed, there is a risk that your deposits will not be refunded to you. You should carefully consider this risk in deciding whether to proceed with your purchase.</p>
<p>Box B</p> <p><input type="checkbox"/></p>	<p>The Developer has not submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits.</p> <p>If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract. At such time, the <u>Important Notice Regarding Your Deposits</u> set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, <u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u> (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>You should understand that, although the <u>Important Notice Regarding Your Deposits</u> set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.</p>

Material House Bond. If the Developer has submitted to the Commission a completion or performance bond issued by a material house instead of a surety as part of the information provided prior to the use of purchaser deposits prior to closing or conveyance of a unit, the Developer shall disclose the same below and disclose the impact of any restrictions on the Developer's use of purchaser deposits.

5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.

1.	Developer's Public Report
2.	Declaration of Condominium Property Regime (and any amendments)
3.	Bylaws of the Association of Unit Owners (and any amendments)
4.	Condominium Map (and any amendments)
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other:

Copies of the condominium and sales documents and amendments made by the Developer are available for review through the Developer or through the Developer's sales agent, if any. The Condominium Property Regime law (Chapter 514B, HRS) and the Administrative Rules (Chapter 107, HAR), are available online. Please refer to the following sites:

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

5.8 Purchaser's Right to Cancel or Rescind a Sales Contract

A purchaser's right to cancel a sales contract or to rescind a sales contract may arise under varying circumstances. In the sections below, some circumstances that will give rise to a purchaser's right to cancel or rescind are described, together with what a purchaser must do if the purchaser wishes to exercise any of the rights.

5.8.1 When a Sales Contract becomes Binding and Purchaser's 30-Day Right to Cancel a Sales Contract

A sales contract signed by a purchaser and the developer will not become binding on a purchaser or the Developer until the following events have taken place:

- (1) The purchaser has signed the sales contract.
- (2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.
- (3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.
- (4) The purchaser does at least one of the following:
 - (a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

(b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or

(c) Closes the purchase of the unit before the 30-day cancellation period expires.

The purchaser or the Developer may cancel the sales contract at any time during the 30-day cancellation period, and the sales contract will be canceled and the purchaser's deposits returned to the purchaser, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.

5.8.2 Right to Cancel a Sales Contract if Completion Deadline Is Missed

In addition to the purchaser's 30-day cancellation right described in Section 5.8.1 above, when a sales contract is signed before completion of construction of a project, the purchaser will have the right to cancel if the unit is not completed by certain deadlines. In conversion projects, there must be a deadline for completion of any required repairs. Every sales contract shall contain an agreement of the Developer that the completion of construction shall occur on or before the completion deadline, and that completion deadline is set forth in this report in Section 5.5. The sales contract shall provide that the purchaser may cancel the sales contract at any time after the specified completion deadline, if completion of construction does not occur on or before the completion deadline, as the same may have been extended. Upon a cancellation, the purchaser's deposits shall be refunded, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.00.

5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change

If a "material change" in a project occurs after a purchaser has signed a sales contract that has become binding, the purchaser will have a 30-day right to rescind after notification and description of the material change. A material change is defined in the Condominium Property Act to be any change that "directly, substantially and adversely affects the use or value of (1) a purchaser's unit or appurtenant limited common elements; or (2) those amenities of the project available for the purchaser's use."

The purchaser will be informed of the material change by the developer on a form prescribed by the Commission containing a description of the material change.

After notice of the material change, the purchaser may waive the right to rescind by:

- (1) Checking the waiver box on the rescission form; or
- (2) Letting the 30-day rescission period expire, without taking any action to rescind; or
- (3) Closing the purchase of the unit before the 30-day rescission period expires.

The rescission form must be signed by all purchasers of the affected unit and delivered to the developer no later than midnight of the 30th calendar day after the purchasers received the rescission form from the developer. Purchasers who validly exercise the right of rescission shall be entitled to a prompt and full refund of any moneys paid.

A rescission right shall not apply in the event of any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of a project, made pursuant to the terms of the project's Declaration.

These provisions shall not preclude a purchaser from exercising any rescission rights pursuant to a contract for the sale of a unit or any applicable common law remedies.

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

MAINTENANCE FEES. All utilities are separately metered and Developer believes that separate or individual homeowners insurance policies will be available to each purchaser of a unit, except for the Units in Building A (duplex with two units). Based on the foregoing the Developer believes that there will not be a need for any maintenance fees. Certain improvements such as portions of the driveways that are subject to common use may require expenditures in the future for repairs and/or replacement. Developer believes that such expenditures will likely be treated as a special assessment rather than having the Association collect fees from the purchasers on a monthly basis. Each purchaser will be responsible for the maintenance, repair and upkeep of his or her own unit which includes the land area that is deemed a limited common element that is appurtenant to the unit.

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 paint hazards. A risk assessment or inspection for possible lead-based paint hazard is recommended prior to purchase". The Developer discloses that he does not have an assessment or inspections relating to lead-based paint.

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, pollutant, 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 apartment 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.

REAL ESTATE BROKER. The Real Estate Broker is Estates Royal Limited, a Hawaii corporation (RB No. RB-14727. Linda Suzukawa Tseng is a principal and officer of both the Developer and this real estate company. Pursuant to sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Linda Suzukawa-Tseng (RB No. 15316) is a current and active Hawaii-licensed real estate broker. Further, that she has a principal interest in the Development. Pursuant to section 16-99-11(c), HAR, "(n)o licensee shall be allowed to advertise 'For Sale by Owner', 'For Rent by Owner', 'For Lease by Owner', 'For Exchange by Owner'."

UNIT DEED. Prospective purchasers are encouraged to carefully review the form of the Unit Deed. There are restrictions and covenants in the Deed which limit the way disputes would be handled and the representations being made by the Developer.

AS-IS, WHERE IS AND WITH ALL FAULTS. Any Prospective Purchasers hereby understands and agrees that said real and personal property is being conveyed "AS IS, WHERE IS AND WITH ALL FAULTS" and except for the warranty of title set forth in the Unit Deed, the Developer has not made and does not make any warranties or representations of any kind, expressed or implied, as to the conditions, merchantability or state of repair of said real and personal property (including, without limitation, the roof, walls, foundations, soils, plumbing, electrical and mechanical systems, etc., located on, in or above said real property) or the fitness of said real and personal property for any particular purpose, as to the soil condition (including, without limitation, suitability, stability, composition and drainage), the existence or nonexistence of any hazardous substances, including asbestos and lead based paint, the existence or nonexistence of any mold, the likelihood of appreciation in value of said real and personal property, the existence of gaps, gores or encroachments or violations of easements, building setbacks or building restrictions, or as to the compliance of said real property with any applicable county, state or federal statute, ordinance, rule or regulation or as to any other matter whatsoever pertaining to said real and person property (collectively the "Property Conditions"). THE PURCHASER ACCEPTS ALL RISKS OF ANY DEFECTS OR DEFICIENCIES IN SAID REAL AND PERSONAL PROPERTY, WHETHER KNOWN OR UNKNOWN, AND PURCHASER ACKNOWLEDGES THAT EXCEPT FOR SAID WARRANTY OF TITLE, THE DEVELOPER MAKES NO EXPRESS WARRANTIES OF ANY KIND AND HEREBY DISCLAIMS ALL IMPLIED WARRANTIES OF ANY NATURE WHATSOEVER PERTAINING TO SAID REAL AND PERSONAL PROPERTY. The Purchaser also acknowledges that the Developer is not responsible for any latent defects, hidden defects or defect which title may reveal with respect to said real and personal property.

DEPARTMENT OF PLANNING AND PERMITTING LETTER ("DPP"). A DPP letter dated March 2, 2011 is attached as Exhibit "G" (the "DPP Letter"). Amongst other matters it discloses the following:

1. Unit B. The DPP Letter refers to "two one-story two-family detached dwellings." One of the dwellings referred to is Unit B. This means DPP has determined that Unit B can be maintained as two separate dwellings. The Developer makes no statement as to whether or not it agrees or disagrees with the accuracy of DPP's determination. See Exhibit "A", paragraph b. for further information.
2. Setbacks. The DPP Letter states that the structures are nonconforming because they encroach into the front and side yard setbacks. This means that when originally constructed the structures were in compliance with the then current setback requirements. At present however they do not. If a structure is destroyed upon it being rebuilt it will have to comply with the then current setback requirements.
3. Parking. The DPP Letter states that the number of parking spaces is nonconforming. Based on the Project having 4 units the total number of parking stalls required would be 8 (2 per unit). However the present location of the stalls may not comply with current building requirements. Because of the layout of the Project the Developer believes that in the event reconstruction of a structure(s) occurs DPP would not require the stall location to be reconfigured.

LOT F DRIVEWAY. This Project is serviced by the shared driveway which is also referred to as Lot F. The other owner of this shared driveway is the owner of the lot at the end of the driveway. This Lot F is also described as the "EXIST. DRIVEWAY" on the Condominium Map. It contains approximately 1,308 square feet. Because it is also owned with the owner of another lot any decision concerning it such as repairs, replacement, etc. would also require the approval of the other owner.

INSURANCE.

1. As indicated above the duplex containing Units 1515-A and 1515-B will need to have a single fire and hazard policy. A fire policy for that duplex structure was estimated to have an annual premium between \$350 to \$650 and a hurricane policy for the same structure was estimated to have an annual premium of \$1,200. Each of the duplex owners should also consider insuring their own contents with a policy commonly referred to as an HO6 policy. Annual premiums for HO6 policies are between \$150 and \$300. These are only estimates so each purchaser will need to obtain their own insurance figures.
2. Liability coverage for the Lot F drive way is estimated to cost between \$750 and 900 per year. This is only an estimate. It would be up to the Association to determine whether they would be able to have the other owner using the driveway to share in this expense. The Developer does not know whether or not the other owner would be willing to share in any expenses associated with the Lot F driveway.


The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a)(13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

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 purchasers 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. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

TRB EMERSON LLC

Printed Name of Developer

By:  May 02, 2011
Duly Authorized Signatory* Date

LINDA SUZUKAWA-TSENG, Member

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; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

EXHIBIT "A"

Description of Units

The Project is hereby divided into the following four (4) freehold estates:

a. Building A. Building A consists of two units contained in one 1-story duplex structure as follows:

(1) Unit 1515-A (1515-A Emerson) consists of three bedrooms, kitchen, living room, 2 bathrooms and an outdoor laundry area. One of the bedrooms has a wet bar. The net living area of this unit is approximately 796 square feet. There is a demising wall separating this unit from Unit 1515-B. This unit has two uncovered parking stalls.

(2) Unit 1515-B (1515-B Emerson) consists of three bedrooms, kitchen, living room, 2 bathrooms and an outdoor laundry area. One of the bedrooms has a wet bar. The net living area of this unit is approximately 796 square feet. There is a demising wall separating this unit from Unit 1515-A. This unit has two uncovered parking stalls.

b. Building or Unit B (1515 and 1515-1 Emerson). Unit or Building B consists of one freehold estate containing two dwelling areas in a 1-story structure. One dwelling area (1515 Emerson) contains 2 bedrooms, a kitchen/dining room, living room, and 1 bathroom. The net living area of this dwelling area is approximately 586 square feet. The other dwelling area (1515-1 Emerson) contains 2 bedrooms, a kitchen, and 1 bathroom. The net living area of this dwelling area is approximately 461 square feet. The two dwelling units together currently comprise one condominium unit. This unit has two uncovered parking stalls. THE OWNER OF THIS UNIT IS RESPONSIBLE FOR DETERMINING WHETHER MAINTAINING THIS UNIT AS TWO DWELLINGS IS IN COMPLIANCE WITH APPLICABLE CITY AND COUNTY ORDINANCES. PER THE LETTER ATTACHED AS EXHIBIT "B" THIS UNIT IS A "TWO-FAMILY DETACHED DWELLING".

c. Building or Unit C (1513 Emerson). Building C consists of one 2-story freehold estate, containing a dwelling consisting of 2 bedrooms, kitchen, living room, and 1 bathroom on the 2nd floor and garage with storage on the 1st floor. The net living area of this unit is approximately 631 square feet, and the 3 car garage net area is approximately 595 square feet.

EXHIBIT "B"

Common Elements

The common elements of the Project and which the units have immediate access to include:

- a. The land in fee simple, including a ½ interest in roadway Lot F, any easements for access and utilities described in the Declaration, Exhibit "A" and the Condominium Map. All driveway improvements such as concrete or asphalt on the Lot F roadway parcel shall be treated as a common element and all expenses relating thereto shall be treated as a common expense.
- b. The central and appurtenant installations for services such as power, light, gas, telephone, sewer, drainage, hot and cold water and like utilities which services more than one unit and any easements for such utility services, if any.
- c. The common easements for drainage and all common or shared installations for underground utilities including electricity, water, telephone, and cable television which run upon or under the limited common or common elements, if any.
- d. All other parts of the Project existing for the common use or necessary to the existence, maintenance and safety of the Project including any easements for utilities and for ingress and egress to and from Emerson Street.

Limited Common Elements

- a. Building A / Unit 1515-A. The land area surrounding and under Unit 1515-A is a limited common element of Unit 1515-A and is for the exclusive use of Unit 1515-A and consists of approximately 1705 square feet (1,658 square feet net), subject however to Easement A-1 for access purposes in favor of unit B. The walkway and stairs that services the two units in Building A is a limited common element for both of the units in Building A. The limited common element land area includes parking stall nos. 3 and 4 as shown on the Condominium Map.
- b. Building A / Unit 1515-B. The land area surrounding and under Unit 1515-B is a limited common element of Unit 1515-B and is for the exclusive use of Unit 1515-B and consists of approximately 1879 square feet. The walkway and stairs that services the two units in Building A is a limited common element for both of the units in Building A. The limited common element land area includes parking stall nos. 1 and 2 as shown on the Condominium Map.
- c. Building B / Unit B. The land area surrounding and under Unit B is a limited common element of Unit B and is for the exclusive use of Unit B and consists of approximately 2601 square feet. This unit has the benefit of Easement A-1 as shown on the Condominium Map for ingress and egress to its parking stalls. The limited common element land area includes parking stall nos. 5 and 6 as shown on the Condominium Map.

d. Building C/Unit C. The land area surrounding and under Unit C is a limited common element of Unit C and is for the exclusive use of Unit C and consists of approximately 1680 square feet. The land area of Unit C is subject to an easement for the mail boxes for the other units and the repair and replacement of such mail boxes from time to time.

e. Any fences, walls or utility systems or lines which are located within the limited common land area and which services or benefits only one unit shall be deemed a limited common element of such unit. The existing walkways may be removed by the unit owners of the limited common element land upon which the walkway is located.

EXHIBIT "C"

Encumbrances Against Title

1. Title to all minerals and metallic mines reserved to the State of Hawaii.
2. An Easement affecting a portion of said land for utility purposes, in favor of Hawaiian Electric Company, Inc., a Hawaii corporation, and Hawaiian Telephone Company, a Hawaii corporation, now known as Hawaiian Telcom, Inc., dated May 16, 1958, recorded in the Bureau of Conveyances, State of Hawaii, in Liber 3437, Page 225 (as to an undivided one-half [½] interest in Lot "F").
3. Matters shown on a survey plat entitled "perimeter survey sketch" dated October 25, 2008, and prepared by Wesley T. Tengan, licensed professional Land Surveyor, Certificate No. 6958, as follows:
 - a. End of rock wall from subject parcel 53 extends approximately 0.2 feet into Parcel 2.
 - b. Tile wall from Parcel 5 extends approximately 0.1 ft. to 0.1 ft. for a length of 6.0 ft into subject Parcel 53.
 - c. Concrete from Parcel 5 extends approximately 0.2 ft. to 0.6 ft. for a length of 4.2 ft. into subject Parcel 53.
 - d. Asphalt pavement is on subject Parcel 53, Parcel 5, and Parcel 55 (appears to be a common pavement).
- "Further Note: The matters shown above would appear to fall within the definition of a 'De Minimis Structure Position Discrepancy' pursuant to HRS Section 669-A, however, no assurance is provided regarding the accuracy of the survey nor the interpretation of said statute.
4. Covenants, conditions, restrictions and reservations contained in the instrument dated February 15, 2011, recorded in said Bureau, as Document No. 2011-029897.
5. Mortgage dated February 16, 2011, in favor of American Savings Bank, F.S.B., a federal savings bank, recorded in said Bureau, as Document No. 2011-029898.
6. Absolute Assignment of Rentals and Lessor's Interest in Leases dated February 16, 2011, in favor of American Savings Bank, F.S.B., a federal savings bank, recorded as Document No. 2011-029899.
7. Financing Statement in favor of American Savings Bank, F.S.B., recorded in said Bureau, as Document No. 2011-029900.

8. Matters as shown on Condominium Map No. 4986, filed in the Bureau of Conveyances, State of Hawaii.

9. Terms and conditions contained in the Declaration of Condominium Property Regime dated April 6, 2011, recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 2011-070429.

10. Terms and conditions contained in the Bylaws of the Association of Unit Owners dated April 6, 2011, recorded in said Bureau, as Document No. 2011-070430.

11. For real property taxes your attention is directed to the Director of Finance, City and County of Honolulu.

EXHIBIT "D"

Summary of Sales Contract

The Sales Contract contains the purchase price, description and location of the unit and other terms and conditions under which a Purchaser will agree to buy a unit in the Project.

Among other things, the Sales Contract:

1. Provides a section for financing to be completed and agreed to by the parties which will set forth how Purchaser will pay the purchase price.
2. Identifies the escrow agent and states that purchaser's deposit will be held in escrow until the Sales Contract is closed or canceled.
3. Requires that Purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
4. Provides that if the Purchaser receives notice of a material change that he will have 30 days to approve or disapprove of such change as described in a disclosure document. Failure on the part of the Purchaser to either approve or disapprove of the material change within the 30 day period will be deemed an approval by the Purchaser of such material change.
5. Provides that a Purchaser will become bound under the Sales Contract 30 days after the Purchaser receives a copy of the Developer's Public Report together with copies of the recorded Project Declaration, Bylaws and Condominium Map, any House Rules and a cancellation notice form and fails to cancel the transaction within such 30 day period. The Purchaser may also be deemed to have waived his right to cancel if the unit is conveyed to him within the 30 day period.
6. Permits the Developer without the consent or approval of a purchaser to modify the Declaration, Bylaws Condominium Map or other documents provided that purchaser may cancel the Sales Contract and obtain a refund if such modification:
 - a. substantially and materially impairs the use and enjoyment of the unit;
 - b. substantially and materially alters the arrangement of the rooms or usable space of a unit or building;
 - c. renders unenforceable a purchasers' loan commitment;
 - d. increases the purchaser's share of common expenses or maintenance fees;
 - e. reduces the obligations of Developer of common expenses on unsold units.

7. Provides that the Developer is selling the units in "AS-IS WHERE-IS" condition. This means that the Developer is not making any warranties or representations with respect to the unit and Project.

8. If purchaser dies (any one of them) prior to closing, Developer has the right to return purchaser's funds, less any escrow cancellation fees and cost, and cancel the Sales Contract.

9. Provides that the closing cost shall be paid as follows:

a. By purchaser: title insurance, title report, drafting of unit deed and any note and mortgage, purchaser notary fees, recording fees, one-half of escrow fees, and also a start fee for common expenses, if any.

b. By Developer: Developer notary fees, conveyance taxes and one-half of escrow fees.

10. Provides the following remedies, in the event of default under the Sales Contract:

by purchaser:

- a. Developer may bring an action against purchaser for breach of contract;
- b. Developer may retain initial deposit;
- c. Purchaser shall be responsible for expenses incurred.

by Developer:

- a. Purchaser may bring an action against Developer for breach of Contract and for return of all deposits;
- b. Developer shall be responsible for expenses incurred.

Any awards to the prevailing party in any action are subordinate to escrow's expenses.

11. Provides that purchaser may not assign his/her interest in the Sales Contract without the prior written consent of Developer.

The Sales Contract contains various other provisions which purchaser should become acquainted with. If there is a conflict between the terms of this summary and the Sales Contract, the latter shall control.

EXHIBIT "E"

Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Escrow is Hawaii Escrow & Title, Incorporated. Under the Escrow Agreement dated April 29, 2011, these things will or may happen:

(a) Developer or Escrow will let purchasers know when payments are due and all monies received from a purchaser will be deposited in Escrow. Any interest earned on the deposits will belong to Developer.

(b) Escrow will arrange for purchasers to sign all necessary documents.

© The Escrow Agreement specifies when purchaser funds may be disbursed upon closing of a sale. The conditions include:

I) Escrow receives the purchasers' signed "Receipt for Public Report(s) and Notice of Right to Cancel";

ii) Escrow receives a certification from the Developer that the Sales Contract is effective and that the rescission right requirements in favor of purchasers have been complied with by the Developer; and

iii) The unit deed conveying the unit to the purchaser has been recorded in the Bureau of Conveyances.

(d) The Escrow Agreement says under what conditions a refund will be made to a purchaser. Refunds can occur under the following situations:

I) If Purchaser elects to cancel the transaction in accordance with the "Receipt for the Public Report and Notice of Right to Cancel". The Receipt provides that purchasers may cancel the Sales Contract and purchaser is the Receipt is mailed or sent by telegram to Developer before (1) the unit is conveyed to purchaser or (2) midnight of the 30th day after delivery of the Public Report(s) to me, whichever is earlier.

ii) The Developer and purchaser agree to terminate the Sales Contract;

iii) if the Developer exercises any right to cancel the transaction which it may have reserved.

NOTE: If a transaction is cancelled, the purchaser must return all documents to the Developer.

(e) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract. If a purchaser defaults, all deposits previously placed into Escrow will be forfeited by purchaser and Escrow may release such funds to Developer. See paragraph 11 of Escrow Agreement.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted. If there are any conflicts between the terms of this summary and the Escrow Agreement, the latter shall control.

EXHIBIT "F"

STATEMENT OF REGISTERED PROFESSIONAL ARCHITECT
AS TO CONDITION OF
STRUCTURE AND MECHANICAL/ELECTRICAL INSTALLATIONS

Real Estate Commission
Department of Commerce and Consumer Affairs
State of Hawaii
Seventh Floor, 1010 Richards Street
Honolulu, HI 96813

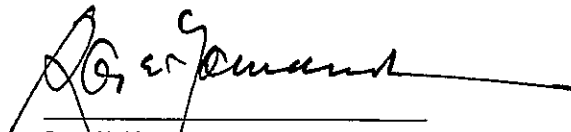
RE: 1513 Emerson Street Project
1513, 1515, 1515-1, 1515-A, 1515-B Emerson Street, Honolulu, Hawaii 96814
TMK (1) 2-1-039-053

The undersigned hereby declares that he has made a visual observation of the three (3) buildings at the aforementioned address, which is a proposed conversion of the existing structures into a condominium project. Without having made any invasive examination of covered components, the undersigned makes the following report:

1. On or about Jan. _____, 2011, I visited the residential structures of the above referenced property. According to public records, both the three structures homes were built between 1947 and 1951.
2. There was no visible evidence of unstable structural components and any damages to structural materials appeared to have been repaired.
3. The mechanical installations consisted of water and sewer lines. All supply piping, valves, and waste piping observed, appeared to be in operating condition.
4. The electrical installation consisting of meter boxes, circuit breakers, and electrical service entry into the individual units, appeared to be in operating condition.
5. No representation is made regarding the expected useful life of the structural components and mechanical and electrical installations.

The undersigned further states that this report may not be relied upon by any purchaser of a unit in the Project. Given the age of the structures each prospective purchaser should hire and retain his own professional home inspector or other professional person to evaluate the condition of the unit(s).

DATED: Honolulu, Hawaii, this 26 day of April, 2011.

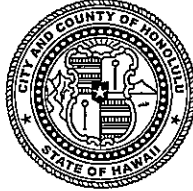


Roy K. Yamamoto
Registered Professional
Architect No. 4649

EXHIBIT "G"

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 768-8000 • FAX: (808) 768-6041
DEPT. WEB SITE: www.honolulu.gov • CITY WEB SITE: www.honolulu.gov



PETER B. CARLISLE
MAYOR

DAVID K. TANOUÉ
DIRECTOR

ROBERT M. SUMITOMO
DEPUTY DIRECTOR

2010/ELOG-2553(RLK)

March 2, 2011

Michael H. Sakai, Esq.
Attorney at Law
902 City Financial Tower
201 Merchant Street
Honolulu, Hawaii 96813-2977

Dear Mr. Sakai:

Subject: Condominium Conversion Project
1513 Emerson Street
Tax Map Key (TMK): 2-1-039: 053

This is in response to your letter dated November 18, 2010, requesting verification that the structures on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that the two one-story two-family detached dwellings and the two-story single-family detached dwelling, with nine all-weather-surface off-street parking spaces, met all applicable code requirements when they were constructed in approximately 1947, 1948, and 1951, respectively, on this 7,957-square-foot A-2-Medium-Density-Apartment-District-zoned lot.

Investigation also revealed the following:

1. The structures are considered nonconforming because they encroach into the front and side yard setbacks.
2. The number of all-weather-surface off-street parking spaces (9) is considered to be nonconforming.
3. On November 25, 2008, Document No. 2008-184170 (a warranty deed) was recorded with the State of Hawaii, Bureau of Conveyances, that includes easement of right-of-way for ingress and egress over TMK: 2-1-039: 055. This right-of-way easement leads to Emerson Street.

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

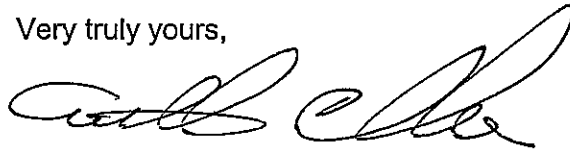
Michael H. Sakai, Esq.
March 2, 2011
Page 2


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

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

If you have any questions regarding this matter, please contact Alexander Sugai of our Commercial and Multi-Family Code Enforcement Branch at 768-8152.

Very truly yours,

A handwritten signature in black ink, appearing to read "David K. Tanoue", written in a cursive style.

 David K. Tanoue, Director
Department of Planning and Permitting

DKT:ft
[834395]

EXHIBIT "H"

Developer's Reserved Rights

The following is an excerpt from Section 16.0 of the Declaration:

"The Declarant, for a period of ten (10) years from the date this Declaration is recorded, shall have the right to amend this Declaration, the Bylaws and the Condominium Map for the purpose of obtaining, granting or creating any necessary easements for the purpose of providing any necessary utility services for the Project, to construct or improve the roadway parcel, to obtain building permits, to construct or renovate any units so long as it is the owner of such unit(s), or to correct any typographical or grammatical error, or to comply with any institutional lender or title insurer or any federal, State or local law or ordinance, including but not limited to the Condominium Property Act or the Real Estate Commission, State of Hawaii. No amendment to this Declaration may affect any reserved right of the Declarant unless the Declarant consents to such amendment.

Declarant further reserves the right to grant, create and establish a common roadway maintenance agreement with the adjoining lot, if applicable or possible. All fees, costs and expenses associated with the creation of such agreement shall be borne by Declarant. Declarant is not obligated to obtain such an agreement.

Each unit owner, by acceptance of his or her unit deed, consents to all such action and further appoints and designates the Declarant as his or her attorney in fact to carry out each and every reserved right. The appointment of the Declarant as his or her attorney in fact is coupled with an interest."