



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

4559 SIERRA DRIVE

4559 Sierra Drive
 Honolulu, Hawaii 96816

Registration No. 2737 (Conversion)

Issued: January 8, 1993
 Expires: February 8, 1994

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of December 10, 1992, 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 _____
 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:

SPECIAL ATTENTION

Notwithstanding anything to the contrary set forth on the Condominium Map 1203 for this project or in any of the other project documents referred to in this report, the term "Condominium Lot" or "Condo Lot" is not to be construed as a reference to a legally subdivided lot. It is hereby disclosed that a Condominium Lot or a Condo Lot is not a legally subdivided lot but is merely a limited common element appurtenant to one of the two condominium apartments within this project. The two apartments are situated on a single subdivided lot of 12,433 square feet, more or less.

This Public Report does not constitute approval of the project by the Real Estate Commission, nor does it ensure that all applicable County codes, ordinances and subdivision requirements have necessarily been complied with.

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

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GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of 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</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Garage (sf)</u>	<u>Lanai/Patio (sf)</u>	<u>TOTAL (sf)</u>
A	1	_____	2625	380	304	3309
B	1	_____	2937	400	192	3529
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

Total Apartments: 2

**Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.*

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

6. **Parking:** Each apartment has a double car garage.

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>4</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>4</u>

7. **Recreational amenities:**

None

PEOPLE CONNECTED WITH THE PROJECT

Developer: ANTHONY T. W. LEE
4559 Sierra Drive, Apt. A
Honolulu, Hawaii 96816

PHONE: 737-8594
(Residence)
Developer of Unit A

DONALD G. LEE and GAIL LEE
4559 Sierra Drive, Apt. B
Honolulu, Hawaii 96816

PHONE: 735-3701
(Business)
Co-Developers of Unit B

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

Real Estate Broker: BOB MYERS CO. LTD.
Name
444 Hobron Lane, Suite 311
Business Address
Honolulu, Hawaii 96815

Phone: 735-3915
(Business)

Escrow: TITLE GUARANTY ESCROW SERVICES, INC.
Name
235 Queen Street
Business Address
Honolulu, Hawaii 96813

Phone: 521-0211
(Business)

General Contractor: N/A
Name
Business Address

Phone: _____
(Business)

Condominium Managing Agent: Self managed by Association of
Name Apartment Owners
Business Address

Phone: _____
(Business)

Attorney for Developer: Charles W. Key
Name
1600 Pauahi Tower, 1001 Bishop Street
Business Address
Honolulu, Hawaii 96813

Phone: 531-8031
(Business)

**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 23119 Page 643
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

- 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. 1203
 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 23119 Page 660
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

The Condominium Statute (Chapter 44A, 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>100%</u>
Bylaws	65%	<u>100%</u>
House Rules	---	<u>N/A</u>

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

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

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: 4559 Sierra Drive Tax Map Key: 1-3-3-26-48
Honolulu, Hawaii 96816 (TMK) Apt. A - 01
Apt. B - 02

[] Address [] TMK is expected to change because _____

Land Area: 12,433 [X] square feet [] acre(s) Zoning: R-10

Fee Owner: ANTHONY T. W. LEE, Trustee (1/2 ownership)
CHONG SUK LEE, Trustee (1/2 ownership) Owner of Apt. A
4559 Sierra Drive, Apt. A
Honolulu, Hawaii 96816

DONALD G. LEE and GAIL LEE Owner of Apt. B
4559 Sierra Drive, Apt. B
Honolulu, Hawaii 96816

Sublessor: _____
Name

Address

C Buildings and Other Improvements:

1. [] New Building(s) [] Conversion of Existing Building(s)
[X] Both New Building(s) and Conversion
2. Buildings: 2 Floors Per Building 2
[] Exhibit _____ contains further explanations.
3. Principal Construction Material:
[X] Concrete Block-Apt. B [] Hollow Tile [x] Wood -Apt. A
[] Other _____

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	<u>2</u>	<u>Yes</u>	<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 The Declaration provides that the apartments may be occupied and used for any lawful purpose under then existing zoning laws, ordinances or regulations.

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: _____
- Number of Occupants: _____
- Other: See Exhibit A
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators 0 Each apt. has interior
Stairways stairs Trash Chutes 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Garage (sf)</u>	<u>Lanai/Patio (sf)</u>	<u>TOTAL (sf)</u>
<u>A</u>	<u>1</u>	_____	<u>2625</u>	<u>380</u>	<u>304</u>	<u>3309</u>
<u>B</u>	<u>1</u>	_____	<u>2937</u>	<u>400</u>	<u>192</u>	<u>3529</u>
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

Total Apartments: 2

*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

There are two condominium apartments consisting of two separate dwelling units designated A and B located within and situated upon two certain specified delineated land areas designated Condominium Lot A and Condominium Lot B on said Condominium Map. Each apartment consists of all improvements comprising the dwelling unit within each of said land areas and said apartments further consist of all other improvements within each of said land areas that do not service any other apartment.

Permitted Alterations to Apartments:

Restoration or rebuilding of improvements within an apartment or alterations or additions within or to an apartment or within the limited common element appurtenant to and for the exclusive use of such apartment, may be done without the written approval of the Board of Directors.

7. **Parking Stalls:** Each of the two apartments have a two car garage attached to the unit.

Total Parking Stalls: 4

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	4						4
Guest							
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open	<u>4</u>						

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

- [] Commercial parking garage permitted in condominium project.
[] Exhibit _____ contains additional information on parking stalls for this condominium project.

8. **Recreational and Other Common Facilities:**

- [X] There are no recreational or common facilities.
[] Swimming pool [] Storage Area
[] Recreation 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

SEE EXHIBIT B.

The developers are not making any representations as to the expected useful life of the structural components, mechanical and electrical installations.

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

No violations - SEE EXHIBIT C.

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	x		
Structures	x		
Lot	x		

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 _____ describes the common elements.

As follows:

1. The 12,433 square foot (more or less) parcel of land upon which the two unit project is situated and all appurtenant rights;
2. A portion of the driveway within Condominium Lot B;
3. The retaining wall on the boundary line between Condominium Lot A and Condominium Lot B.

"Condominium Lots" referenced herein are not legally subdivided lots.

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 D

as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is 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 _____ describes the common interests for each apartment.

As follows:

Each of the two (2) apartments have an undivided fifty percent (50%) appurtenant interest in all of the common elements of the Project.

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

Exhibit E describes the encumbrances against the title contained in the title report dated (A) Nov. 10, '92; (B) Dec. 2, '92 and issued by Title Guaranty of Hawaii, Inc.

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.

- RESPECTING APARTMENT A:
 There are no blanket liens affecting title to the individual apartments.
- RESPECTING APARTMENT B:
 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>
Mortgage on Apartment B	Buyer's interest would be cancelled and Buyer's deposit (less escrow fee) would be refunded.

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:

- 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 F contains a schedule of maintenance fees and maintenance fee disbursements.

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

Television Cable

Gas

Water & Sewer

Other _____

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:

No warranties

2. Appliances:

No warranties

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

Apartment A was constructed in 1989. Apartment B was initially constructed in 1949 and renovations were made in 1962.

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

Escrow Agreement dated August 5, 1992

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

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Anthony T. W. Lee is the father of Donald G. Lee, and Donald G. Lee is married to Gail Lee.

In 1989, Anthony T. W. Lee owned all of the land and improvements located at 4559 Sierra Drive, Honolulu, Hawaii. Donald and Gail Lee constructed the house now referred to as Unit A. This house was retained by Anthony Lee. Donald and Gail Lee occupied Unit B. Anthony Lee, for a valuable consideration, conveyed a one-half (1/2) interest in the land and improvements at 4559 Sierra Drive to his son and daughter-in-law. Thereafter, the three of them created a condominium known as 4559 Sierra Drive, and Apartment A was conveyed to Anthony T. W. Lee and Apartment B was conveyed to Donald G. Lee and Gail Lee. Subsequently, Anthony T. W. Lee conveyed an undivided one-half (1/2) interest in Apartment A to himself, as Trustee, and he also conveyed the other undivided one-half (1/2) interest in said apartment A to his wife, Chong Suk Lee, as Trustee. Anthony T. W. Lee is the developer with respect to Apartment A of the project, and Donald G. Lee and Gail Lee, husband and wife, are the co-developers of Apartment B.

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 Apartment Deed and Condominium Map

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 part of Registration No. 2737 filed with the Real Estate Commission on October 13, 1992.

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MARCUS NISHIKAWA, Chair
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Department of Finance, City and County of Honolulu
Planning Department, City and County of Honolulu
Federal Housing Administration

SPECIAL USE RESTRICTIONS

The following is set forth in Section 4 of Article V of the By-laws of the 4559 SIERRA DRIVE condominium project:

Section 4. Use of Project - House Rules. The following shall constitute the initial house rules for the Project, and the Board of Directors, upon giving notice to all apartment owners in the same manner as herein provided for notice of meetings of the Association and opportunity to be heard thereon, may adopt additional rules or amend or repeal any rules and regulations governing details of the operation and use of the common elements not inconsistent with any provision of law, the Declaration or these By-Laws.

(a) All common elements of the project shall be used only for their respective purposes as designed.

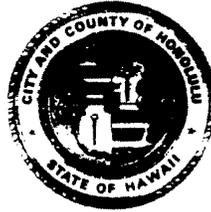
(b) No apartment owner or occupant shall place, store or maintain within or upon any of the common elements any furniture, packages or objects of any kind or otherwise obstruct transit through such common elements.

(c) No refuse, garbage or trash of any kind shall be thrown, placed or kept on any common elements of the project outside of the disposal facilities provided for such purpose.

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

Ex92-102

August 7, 1992

Mr. and Mrs. Donald G. Lee
Mr. Anthony T. W. Lee
c/o 4559 Sierra Drive, Apt. B
Honolulu, Hawaii 96816

Dear Madam and Sirs:

Subject: Condominium Conversion Project
4559 Sierra Drive
Tax Map Key: 3-3-26: 48

This is in response to your letter dated July 30, 1992 requesting confirmation that the buildings located at the above address met all applicable code requirements at the time of construction.

Investigation revealed that the two-story single-family dwelling with two off-street parking spaces and the two-story ohana unit also with two off-street parking spaces met all applicable code requirements when they were constructed in 1950 and 1985, respectively.

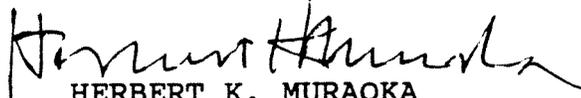
For your information, the Building Department cannot determine whether this project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.

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

Mr. and Mrs. Donald G. Lee
Mr. Anthony T. W. Lee
August 7, 1992
Page 2

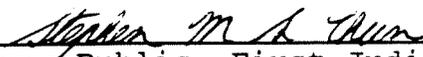
If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of this office at telephone number 527-6341.

Very truly yours,



HERBERT K. MURAOKA
Director and Building Superintendent

Subscribed and sworn to
before me this 10th day of
August, 1992.



Notary Public, First Judicial Circuit
State of Hawaii
My commission expires: 3-21-93

DESCRIPTION OF LIMITED COMMON ELEMENTS

Limited Common Elements. Certain parts of the common elements, herein called and designated "limited common elements", are hereby 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 limited common elements so set aside and reserved are as follows:

(a) The separate land area designated "Condo Lot A" as shown on said Condominium Map is a limited common element appurtenant to Apartment A.

(b) The separate land area designated "Condo Lot B" as shown on said Condominium Map is a limited common element appurtenant to Apartment B.

(c) That portion of the driveway shown on the Condominium Map that is within Condo Lot A is a limited common element appurtenant to Apartment A.

(d) An appropriate underground easement for utility purposes across Lot B in favor of Lot A, and the owner of Apartment A can change the location of said easement area from time to time so long as a relocation expense is paid by the owner of Apartment A.

NOTE: "Condo Lots" referenced herein are not legally subdivided lots.

(e) All other common elements of the Project which are rationally related to less than all of said apartments shall be limited to the use of such apartments.

NOTE: In the event Association incurs costs and expenses with respect to limited common elements, all limited common elements costs and expenses, including but not limited to, maintenance, repair, replacement, additions and improvements, shall be charged to the owner of the apartment to which the limited common elements are appurtenant.

ENCUMBRANCES AGAINST TITLE

AS TO APARTMENTS A AND B:

1. Restrictive condition contained in Deed dated December 4, 1947, recorded in Liber 2087 at Page 196, to-wit:

"That no malt, vinous, spirituous or intoxicating liquors of any kind shall ever be sold or exposed for sale or manufactured on said premises or any part thereof."

2. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Condominium Property Regime dated April 20, 1989, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 23119 at Page 643, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1203.)
3. By-Laws of the Association of Apartment Owners of the Condominium Project known as "4559 SIERRA DRIVE" dated April 20, 1989, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 23119 at Page 660, as the same may hereafter be amended.

AS TO APARTMENT A:

1. Real Property Taxes as may be due and owing. For further information, refer to the Director of Finance, City and County of Honolulu, regarding:

Tax Key: 3-3-026-048 (1) H.P.R. No. 0001 Apt. No. A

AS TO APARTMENT B:

1. Real Property Taxes as may be due and owing. For further information, refer to the Director of Finance, City and County of Honolulu, regarding:

Tax Key: 3-3-026-048 (1) H.P.R. No. 0002 Apt. No. B

2. MORTGAGE

MORTGAGOR : DONALD GENE LEE and GAIL LEE, husband and wife

MORTGAGEE : HONOLULU MORTGAGE COMPANY, INC., a Hawaii corporation

DATED : July 17, 1991

RECORDED : Document No. 91-098032

AMOUNT : \$1,000,000.00

By SUBORDINATION AGREEMENT dated March 5, 1992, recorded as Document No. 92-033320, said above Mortgage was subordinated to the lien of that certain Mortgage recorded as Document No. 92-033319.

3. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR : DONALD GENE LEE and GAIL LEE, husband and wife

MORTGAGEE : GECC FINANCIAL CORPORATION, a Hawaii corporation

DATED : March 5, 1992

RECORDED : Document No. 92-033319

AMOUNT : \$350,000.00

4. Covenants and agreements contained in AFFIDAVIT dated June 3, 1992, recorded as Document No. 92-088022 by DONALD LEE, to-wit:

"(1) that the layout or use of the building will not be converted at a future date to some other layout or use which is illegal;

(2) that this covenant and agreement shall be binding upon ourselves, or any tenant or lessee or any subsequent owners of the building for as long as the building is in use or unless otherwise released by authority of the director and Building Superintendent, City and County of Honolulu."

EXHIBIT "F"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

4559 SIERRA DRIVE

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>
A	\$ 65.00 x 12 = \$ 780.00
B	65.00 x 12 = 780.00
TOTALS:	<u>\$130.00 x 12 = \$1,560.00</u>

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements:

Monthly 2 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

[] common elements only

[] common elements
and apartments

Gas

Refuse Collection

Telephone

Water and Sewer

Maintenance, Repairs and Supplies

Building

Grounds

Management

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance

\$ 125.00 x 12 mo = \$1,500.00

Reserves

5.00 x 12 mo = \$ 60.00

Taxes and Government Assessments

Audit Fees

Other

TOTAL

\$ 130.00 x 12 mo = \$1,560.00

We, ANTHONY T. W. LEE, DONALD G. LEE and GAIL LEE, as owners of, ~~as~~
~~managing agents for~~ the condominium project, hereby certify that the above estimates of initial
maintenance fee assessments and maintenance fee disbursements were prepared in accordance
with generally accepted accounting principles.

Anthony T.W. Lee
ANTHONY T. W. LEE

Donald G. Lee
DONALD G. LEE
Gail Lee
GAIL LEE

Date: August 5, 1992

Date: August 5, 1992

EXHIBIT "G"

SUMMARY OF PERTINENT PROVISIONS OF THE SALES CONTRACT

The Seller intends for the Broker to use a standard Deposit Receipt, Offer and Acceptance ("DROA") as the sales contract. The DROA contains the purchase price, description and location of the apartment and other terms and conditions under which a Buyer will agree to buy an apartment in the Project.

Among other things, the DROA:

1. Sets forth the purchase price, any financing arrangements agreed to by the parties, and how the Buyer will pay the purchase price.

2. Identifies the escrow agent and states that Buyer's deposit will be held in escrow until the sales contract is closed or cancelled.

3. Requires that Buyer must close the purchase at a certain date and pay certain closing costs, in addition to the purchase price.

4. Provides the following remedies, in the event of default under the DROA:

default by Buyer:

- a. Seller may bring an action against Buyer for breach of the DROA;
- b. Seller may bring an action against Buyer compelling Buyer to perform under the DROA;
- c. Buyer shall be responsible for expenses incurred.

default by Seller:

- a. Buyer may bring an action against Seller for breach of the DROA;
- b. Buyer may bring an action compelling Seller to perform under the DROA;

c. Seller shall be responsible for expenses incurred.

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

5. Allocation of payment of closing costs.

The DROA contains various other provisions and Buyer should read the entire document and become acquainted with it.

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement between the Developer and Title Guaranty Escrow Services, Inc. sets up an arrangement under which the payments which a purchaser makes under a sales contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement, these things will or may happen:

(a) Escrow will let purchasers know when payments are due.

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

(c) The Escrow Agreement sets forth the conditions that must be met before disbursement of a Buyer's funds.

(d) The Escrow Agreement says under what conditions a refund will be made to a purchaser.

(e) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the sales contract.