

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer JNG #106 LLC
Address 3618 Anela Place, Honolulu, Hawaii 96822
Project Name (*): SIERRA CONDOMINIUM RESIDENCE
Address: 4433 AND 4433-A Sierra Drive, Honolulu, Hawaii
Registration No. 5171 (Conversion)
Effective date: October 1, 2003
Expiration date: November 1, 2004

Preparation of this Report:

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

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

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

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

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

Type of Report:

- PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report.
X FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
[] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with
SUPPLEMENTARY: (pink) This report updates information contained in the:
[] Preliminary Public Report dated:
[] Final Public Report dated:
[] Supplementary Public Report dated:
And
[] Supersedes all prior public reports.
[] Must be read together with
[] This report reactivates the public report(s) which expired on

(*) Exactly as named in the Declaration
This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the developer.

Changes made are as follows:

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, **not** a subdivision. The land area beneath and immediately appurtenant to each unit is designated a **LIMITED COMMON ELEMENT** and does **not** represent a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustration purposes only and should not be construed to be formal subdivision lines.

This Public Report does not constitute an approval of the Project by the Real Estate Commission or any other government agency, nor does it ensure that all County codes, ordinances and subdivision laws have necessarily been complied with.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

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

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: JNG #106 LLC Phone: (808) 988-9544
Name* 3618 Anela Place (Business)
Business Address Honolulu, Hawaii 96822

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

Joseph J. Mastrantonio, member
George C. Christensen, member

Real Estate Broker*: BRANDT INTERNATIONAL, INC. dba
KAHALA Associates Phone: (808) 735-7500
Name 4211 Waiialae Ave., Suite H6 (Business)
Business Address Honolulu, Hawaii 96816

Escrow Island Title Corporation Phone: (808) 531-0261
Name 1132 Bishop Street, 4th Floor (Business)
Business Address Honolulu, Hawaii 96813

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

Condominium Managing Agent*: Self-managed by the Phone: _____ (Business)
Name Association of Apartment
Business Address owners

Attorney for Developer: Sandra J. loomis Phone: (808) 377-5214
Name P. O. Box 240937 (Business)
Business Address Honolulu, Hawaii 96824

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

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

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. 2003-170100
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. 3625
 Filed - Land Court Condo Map No. _____

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

C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances: Document No. 2003-170101
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

D. **House Rules.** The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents** Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>N/A</u>

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. **Developer:**

- No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.
- Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules:

See Declaration of Condominium Property Regime of
Sierra Condominium Residence, Section P.

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 4433 and 4433-A Sierra Dr. Tax Map Key (TMK): (1)3-3-023-028
Honolulu, HI 96816

Address TMK is expected to change because _____

Land Area: 10,800* square feet acre(s) Zoning: R-5

*Plus an undivided one-third (1/3) interest in the Rear Road, said road being approximately 3,000 square feet

Fee Owner: JNG #106 LLC
 Name 3618 Anela Place
 Address Honolulu, Hawaii 96822

Lessor: N/A
 Name _____
 Address _____

C. **Buildings and Other Improvements:**

1. New Building(s)
 Conversion of Existing Building(s)
 Both New Building(s) and Conversion
2. Number of Buildings: 3 Floors Per Building: Unit 4433: 2 floors
Unit 4433-A: 1 floor
 Exhibit _____ contains further explanations.

3. Principal Construction Material:
 Concrete Hollow Tile Wood
 Other _____

4. Uses Permitted by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>2</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Other	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No

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

5. Special Use Restrictions:

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

] Pets: No more than two domestic animals allowed per apartment

] Number of Occupants: _____

] Other: _____

] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 1 (Unit 4433) Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf) (Identify)
			1 exterior (Unit 4433-A)	
4433	<u>1</u>	<u>4/2</u>	<u>2,028</u>	<u>666 (deck, stairs & garage)</u>
4433-A	<u>1</u>	<u>3/2</u>	<u>1,267</u>	<u>1,136 (deck, stairs & garage)</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Number of Apartments: 2

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

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

Boundaries of Each Apartment:

Each apartment consists of the walls, roofs, windows, doors, ceilings, floors, slabs, footings, foundations, and entire structure of each of the aforesaid two (2) residential dwellings, including the spaces contained therein.

Permitted Alterations to Apartments:

See Exhibit "G"

Apartments Designated for Owner-Occupants Only:

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

7. Parking Stalls:

Total Parking Stalls:	<u>4</u>				
	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered Open</u>
Assigned (for each unit)	<u>1</u>	<u>1</u>	_____	_____	<u>4</u>
Guest	_____	_____	_____	_____	_____
Unassigned	_____	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____	_____
Total Covered & Open:	<u>4</u>		<u>0</u>		<u>0</u>
					<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:

- There are no recreational or common facilities.
- Swimming pool Storage Area Recreation Area
- Laundry Area Tennis Court Trash Chute/Enclosure(s)
- Other: _____

9. Compliance With Building Code and Municipal Regulations: Cost to Cure Violations

- There are no violations. Violations will not be cured.
- Violations and cost to cure are listed below: Violations will be cured by _____
(Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years):

(See Exhibit "H")

The residential dwellings are in good condition. Developer makes no representations with regards to the expected useful life of those structural components and mechanical and electrical installations.

11. Conformance to Present Zoning Code

- a. No variances to zoning code have been granted.
 Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>yes</u>	_____	_____
Structures	<u>yes</u>	_____	_____
Lot	<u>yes</u>	_____	_____

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

- described in Exhibit A .
 as follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

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

described in Exhibit B.

as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit _____.

as follows:

Each apartment shall have fifty (50%) undivided fractional interest in the common elements of the project

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit C describes the encumbrances against the title contained in the title report dated June 25, 2003 and issued by First American Title Insurance Co., by its issuing agent Island Title Corporation.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgages	Lenders have priority over Buyer's rights under a sales contract, and have a right to terminate sales contracts upon foreclosure of their Mortgages before an apartment sale is closed. Should the lender terminate sales contract, Buyer shall be entitled to a refund of all deposits, less escrow cancellation fee.

F. **Construction Warranties:**

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

None

2. Appliances:

None

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

Unit 4433 was completed in 1958.

Unit 4433-A was completed in 1958.

This project is a conversion of existing dwellings. Minor improvements to the units were completed in June, 2003.

H. **Project Phases:**

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

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit E contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated July 31, 2003
Exhibit F contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

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

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

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

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

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**
- B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other _____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 5171 filed with the Real Estate Commission on August 4, 2003.

Reproduction of Report. When reproduced, this report must be on:

YELLOW paper stock WHITE paper stock PINK paper stock

C. Additional Information Not Covered Above

SPECIAL NOTICES:

1. The two apartments of this project are designated on the Condominium Map as "Unit 4433" and "Dwelling 4433" and "Unit 4433-A" and "Dwelling 4433-A" and are referred to in this report as "Unit 4433" and "Unit 4433-A" or Apartment 4433 and 4433-A, respectively.

2. The apartments in this project are built on **one** legally subdivided lot. The land of the project is a common element which is owned jointly by all apartment owners in the project. **The land area under and adjacent to each dwelling unit is designated as the limited common element for that unit and does not represent a legally subdivided lot.** The dashed lines on the Condominium Map are for illustration purposes only.

3. All costs pertaining to the maintenance of each apartment and its respective limited common element, including the cost of landscaping, maintenance, repair, replacement and improvement shall be borne by the respective apartment owner. Section 514A-86, Hawaii Revised Statutes, requires the Association of Apartment Owners to purchase certain hazard insurance to cover the improvements of the project. Premiums shall be common expenses. The Developer anticipates that the Association will elect to permit individual apartment owners to obtain separate policies of hazard insurance and name the Association as an additional insured. In such case, the premiums will be the responsibility of the individual apartment owners and not a common expense.

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

5. Lead Warning Statement. Pursuant to federal law, 42 U.S.C. 4852(d), the Residential Lead-Based Pain 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 is recommended prior to purchase."

6. Disclosure re: Licensee status of Developer/Owner. Pursuant to Sections 16-99-3(g) and 16-99-11(d) Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that one of the Developer/Owners, Joseph J. Mastrantonio (RB-10900), is currently an inactive Hawaii-licensed real estate broker. Further, pursuant to section 16-99-11(c), HAR, "(n)o licensee shall advertise 'For Sale By Owner, ...'"

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

JNG #106 LLC

Printed Name of Developer

By: 
Duly Authorized Signatory*

July 29, 2003

Date

JOSEPH J. MASTRANTONIO, Member/Manager

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

EXHIBIT "A"

DESCRIPTION OF COMMON ELEMENTS

The "common elements" include specifically but are not limited to:

- (a) The Land in fee simple;
- (b) All driveways, parking areas, yard, grounds, landscaping and amenities thereon. (The driveway is labeled on the Condominium Map as "Common Driveway Area");
- (c) All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any; and
- (d) Any and all other apparatus and installations of common use, or are necessary for the support of either apartment, and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

END OF EXHIBIT "A"

EXHIBIT "B"

DESCRIPTION OF LIMITED COMMON ELEMENTS

Certain parts of the common elements are designated and set aside for the exclusive use of each apartment, as follows:

(a) The land area under and surrounding each respective apartment, including the yard, grounds, landscaping, any amenities located thereon, and the parking areas described in subsection (b) below, shall be appurtenant to and for the exclusive use of that apartment. The land designated as limited common element appurtenant to Unit 4433 consists of approximately 3,863.79 square feet and is designated on the Condominium Map as the "Dwelling Area 4433". The land designated as limited common element area appurtenant to Unit 4433-A consists of approximately 6,096.21 square feet and is designated on the Condominium Map as the "Dwelling Area 4433-A".

(b) One (1) parking space within the limited common element appurtenant to each apartment, shall be appurtenant to and for the exclusive use of each apartment. The parking spaces for each unit are delineated on the Condominium Map as "Stall". NOTE: Each apartment also includes a one (1) car carport (labeled "garage" on the Condominium Map) as part of the apartment and not part of the limited common elements.

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

(d) One (1) mailbox shall be appurtenant to and for the exclusive use of each apartment, and shall be designated with the street address of the apartment thereon.

NOTE: The land area appurtenant to each unit does not represent a legally subdivided lot

END OF EXHIBIT "B"

EXHIBIT "C"

ENCUMBRANCES AGAINST TITLE

1. Real property taxes due and payable, refer to Director of Finance, City and County of Honolulu.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. An Easement in favor of Lot 481B for waterline purposes over a strip of land four (4) feet wide containing an area of 576 square feet, more or less, as set forth in Deed dated February 8, 1971, recorded in said Bureau in Book 7398 at Page 28.
4. AS TO AN UNDIVIDED ONE-THIRD (1/3) INTEREST IN AND TO REAR ROAD

Grant of easement in favor of Hawaiian Electric Company Inc. and GTE Hawaiian Telephone Incorporated (now know as Verizon Hawaii, Inc.) for utility purposes, dated May 21, 1948 and recorded in Liber 2148 at Page 156.
5. Covenants and conditions as contained in the Affidavit dated November 4, 1992, recorded in said Bureau as Document No. 92-179839, with certain terms, conditions, and provisions as set forth therein.
6. That certain mortgage dated February 6, 2003, in favor of CENTRAL PACIFIC BANK, a Hawaii corporation, as mortgagee, and JNG #106 LLC, as mortgagor, and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2003-025579.
7. That certain Assignment of Lessor's Interest in Leases dated February 6, 2003, in favor of CENTRAL PACIFIC BANK, a Hawaii corporation, as assignee, and JNG #106 LLC, as assignor, and filed as Document No. 2003-025580.
8. That certain Financing Statement dated December 16, 2002, recorded by CENTRAL PACIFIC BANK, a Hawaii corporation, as secured party, as Document No. 2003-025577.
9. That certain Mortgage dated February, 2003, in favor of James J. Pappas, as Trustee under the James J. Pappas Revocable Trust dated April 11, 1988, as mortgagee, and JNG #106 LLC, as mortgagor, and filed on March 3, 2003 as Document No. 2003-039104.
10. Covenants, conditions, restrictions, and other provisions set forth in the Declaration of Condominium Property Regime of SIERRA Condominium Residence dated July 30, 2003, filed in said Bureau as Document No.2003-170100 .
11. Covenants, conditions, restrictions, and other provisions set forth in the By-Laws of the Association of Aptment Owners of SIERRA Condominium Residence dated July 30, 2003, filed in said Bureau as Document No. 2003-170101.
- 12.. Condominium Map No. 3625.

END OF EXHIBIT "C"

EXHIBIT D

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>
4433	90.00 x 12 = \$1,080.00
4433-A	90.00 x 12 = \$1,080.00

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 Fee x 12 months = Yearly Total

Utilities and Services

- Air Conditioning
- Electricity
 - common elements only
 - common elements and apartments
- Elevator
- Gas
 - common elements only
 - common elements and apartments
- Refuse Collection
- Telephone
- Water and Sewer

Maintenance, Repairs and Supplies

- Building
- Grounds

Management

- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance \$180.00 x 12 = \$2,160.00

Reserves(*)

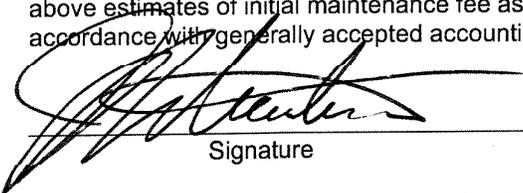
Taxes and Government Assessments

Audit Fees

Other

TOTAL

I, Joseph Mastrantonio, as agent for/and/or employed by JNG #106 LLC,
 the condominium managing agent/developer for the
SIERRA CONDOMINIUM RESIDENCE 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.



 Signature

August 1, 2003

 Date

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

EXHIBIT "E"

SUMMARY OF PROVISIONS OF SPECIMEN SALES CONTRACT

Developer intends to use the most recent edition of the Hawaii Association of Realtors' form of Deposit Receipt, Offer and Acceptance (DROA) as the sales contract. The specimen sales contract contains, among other things, the following additional provisions:

1. The Seller makes no warranties express or implied with respect to the apartment.
2. All of the rights of Buyer under the sales contract are and shall be subject and subordinate to the lien of any mortgage securing the repayment of the interim loan made to finance the project.
 3. (a) All payments to be made by Buyer shall be placed on deposit with Escrow and all checks shall be made payable to Escrow.
 - (b) All funds received by Escrow may be deposited in an interest bearing account or accounts in a federally insured bank or savings and loan institution, and all interest earned from such account or accounts shall be credited to Seller's account, except as otherwise set forth in the sales contract.
4. If Buyer, within thirty (30) days from the mailing or delivery to Buyer by the Seller of a copy of any Supplementary Public Report, shall fail to acknowledge receipt thereof, or shall fail to give his written approval or acceptance of any said Supplementary Public Report, if the same differs from the Final Public Report in any material respect, then Seller in any such case may, at its sole option, terminate the sales contract and upon such termination, Seller shall cause Escrow to refund to Buyer all payments previously made by Buyer, without interest, and less Escrow's cancellation fee, and Seller shall have no further liability; provided, however, that if Seller shall not exercise this option and Buyer shall have failed to notify Seller in writing within said thirty (30) day period of Buyer's refusal to approve or accept any material changes set forth in such Supplementary Public Report, then and in such event, Buyer's approval and acceptance of any such material changes shall be conclusively presumed to have been given, and the sales contract shall continue as a binding obligation on both parties.
5. Buyer shall be entitled to a refund of all payments to be made pursuant to the sales contract without interest, if there is any material change in the project subsequent to the execution of the sales contract, which directly, substantially, and adversely affects the use or value of (1) Buyer's apartment or appurtenant limited common elements, or (2) those amenities of the project available for Buyer's use. This right of rescission may be waived according to the terms set forth in Hawaii Revised Statutes Section 514A-63.
6. (a) Should Buyer fail to perform any of Buyer's obligations under the sales contract, Seller may (1) bring an action against Buyer for breach of contract and (2) retain Buyer's initial deposit and any additional deposits as liquidated damages. Buyer shall be responsible for expenses incurred.
 - (b) Should Seller fail to perform any of Seller's obligations under the sales contract, Buyer may (1) bring an action against Seller for breach of contract, or (2) bring an action compelling Seller to perform under contract. Seller shall be responsible for expenses incurred.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE CONTRACT. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE BUYER'S RIGHTS AND OBLIGATIONS, THE BUYER MUST REFER TO THE BUYER'S CONTRACT TO DETERMINE THE BUYER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONTRACT, THE CONTRACT WILL CONTROL NOT THIS SUMMARY.

END OF EXHIBIT "E"

EXHIBIT "F"

SUMMARY OF PROVISIONS OF ESCROW AGREEMENT

1. All monies received by Escrow shall be deposited, within a reasonable time of their receipt by Escrow and in reasonably convenient and practical sums in a special account or accounts with a financial institution or institutions in Hawaii, at the prevailing interest rate, and all interest paid thereon shall be credited to the account of the Seller.

2. Upon receipt of notice in writing from Seller that any payments are due under any sales contracts, Escrow shall give notice in writing to each Purchaser under a sales contract held by Escrow and shall call for such payment to be made to Escrow.

3. Disbursements of Purchaser's funds to the Developer shall be made upon the closing date only after the construction of the apartments is completed, forty-six (46) days has passed since the completion of publication of a notice of completion of the project, if applicable, and the Real Estate Commission has issued a Final Public Report on the project and that each Purchaser has been given a copy of said Final Public Report and has accepted for the same and that all requirements of Sections 514A-39 and 63, Hawaii Revised Statutes, have been met.

4. Purchaser is entitled to a refund of his funds, without interest, if:

(a) Escrow receives a written request from Seller to return to Purchaser the funds; or

(b) There is any material change in the project subsequent to the execution of Purchaser's contract, which directly, substantially, and adversely affects the use or value of (1) Purchaser's apartment or appurtenant limited common elements, or (2) those amenities of the project available for Purchaser's use. The Purchaser's right of rescission under this subsection (b) shall be waived upon (1) delivery to the Purchaser, either personally or by registered or certified mail, return receipt requested, of a disclosure document which describes the material change and contains a provision for the Purchaser's written approval or acceptance of the change, and (2) the Purchaser's written approval or acceptance of the material change, or the lapse of ninety (90) days since the Purchaser has accepted the apartment, or the occupancy of the apartment by the Purchaser; provided that if the Purchaser does not rescind the contract or execute and return the written approval or acceptance of the change as provided in the disclosure document within thirty (30) days from the date of delivery of the disclosure document, the Purchaser shall be deemed to have approved and accepted the change; provided further that the deemed approval and acceptance shall be effective only if at the time of delivery of the disclosure document, the Purchaser is notified in writing of the fact that the Purchaser will be deemed to have approved and accepted the change upon the Purchaser's failure to act within the thirty (30) day period; provided further that if, prior to delivery of the disclosure document, ninety (90) days have lapsed since the Purchaser has accepted the apartment, or the Purchaser has occupied the apartment, then the Purchaser's right of rescission under subsection (b) shall not be waived unless the Purchaser shall execute the written approval or acceptance of the change as provided in the disclosure document within thirty (30) days from the date of delivery of the disclosure document or the Purchaser is deemed to have approved and accepted the change as set forth above.

Upon refund of said funds to Purchaser as aforesaid, Escrow shall return to Seller such Purchaser's sales contract and any conveyance document theretofore delivered to Escrow, and thereupon neither the Purchaser nor Seller shall be deemed obligated thereunder.

5. If Seller certifies in writing to Escrow that a Purchaser, whose funds are being held by Escrow, has defaulted under the terms of his sales contract and that Seller has terminated said sales contract pursuant to the terms thereof, Escrow shall notify said Purchaser by registered mail of such default and shall thereafter treat all funds of such Purchaser paid under such contract, as the escrowed funds of Seller and not of Purchaser.

6. Escrow shall arrange for and supervise the signing of all documents relating to the condominium project to be signed subsequent to the sales contracts including, among others, the applicable conveyance document.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE AGREEMENT. WHILE ONE CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE AGREEMENT, HE MUST REFER TO THE ACTUAL AGREEMENT TO DETERMINE THE RIGHTS AND OBLIGATIONS OF THE PARTIES. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE AGREEMENT, THE AGREEMENT WILL CONTROL AND NOT THIS SUMMARY.

Note: Section 514A-63, Hawaii Revised Statutes, provides for Recission Rights to a purchaser under a binding contract if there is a material change in the project which directly, substantially and adversely affects the use or value of (1) such purchaser's apartment or appurtenant limited common elements, or (2) those amenities of the project available for such purchaser's use.

END OF EXHIBIT "F"

EXHIBIT "G"

PERMITTED ALTERATIONS TO APARTMENTS

No apartment owner shall do any work which could jeopardize the soundness or safety of the project, reduce the value thereof, or impair any easement or hereditament, without in every such case the consent of seventy-five percent (75%) of the apartment owners being first obtained. All other construction, restoration, replacement, addition to or alteration of either apartment or its appurtenant limited common elements by the owner of such apartment shall be permitted without restriction, except that the approval of the holder of a first lien affecting such apartment shall be obtained if the lienholder requires such approval and provided that the apartment owner constructing such improvements or making such additions or alterations strictly comply with all applicable laws, ordinances and regulations of any governmental entity, and also obtains any necessary building permits, at the apartment owner's sole expense. Any apartment owner who constructs, alters or renovates his respective apartment unit shall if required by the Condominium Property Act or this Declaration, file an amendment to this Declaration and the Condominium Map reflecting said alterations and/or renovations. All costs of such amendment shall be borne by said apartment owner.

The Association, through its Board of Directors, shall join in such Amendment if such Amendment is required by this Declaration and to cause such amendment to be filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

END OF EXHIBIT "G"

Edward A. Resh

July 28, 2003

JNG #106 LLC
Attn: Joseph J. Mastrantonio
3618 Anela Place
Honolulu, Hawaii 96822

RE: Sierra Condominium Residence

Dear Mr. Mastrantonio:

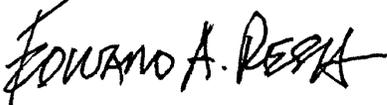
I have inspected the residential buildings at 4433 and 4433-A Sierra Drive in Honolulu and report the following:

1. The existing residential buildings are in compliance with all ordinances, codes, rules, regulations and other requirements that were in force at the time of their construction.
2. No variance has been granted from any ordinance, code, rule, regulation, or any other requirement in force at the time of the construction of the apartment or from any current ordinance, code, rule, regulation, or other requirement.

THIS IS ONLY A WARRANTY THAT INSPECTION WAS MADE AND NO APPARENT VIOLATIONS APPEAR TO EXIST. NO RIGHT SHALL ACCRUE TO ANY THIRD PARTY FOR SUBSEQUENT DISCOVERY OF ANY PROBLEMS WITH THE CODE COMPLIANCE OR FOR FUTURE CHANGES IN SUCH CODE(S).

Please call me if you have any questions.

Sincerely,



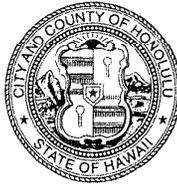
Edward A. Resh
HI Reg. Arch. No. 3239

EXHIBIT "H"

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET • HONOLULU, HAWAII 96813
TELEPHONE: (808) 523-4414 • FAX: (808) 527-6743 • INTERNET: www.co.honolulu.hi.us

JEREMY HARRIS
MAYOR



ERIC G. CRISPIN, AIA
DIRECTOR

BARBARA KIM STANTON
DEPUTY DIRECTOR

2002/ELOG-3271(RLK)

April 14, 2003

Ms. Sandra J. Loomis
Attorney at Law
P.O. Box 240937
Honolulu, Hawaii 96824-0937

Dear Ms. Loomis:

Subject: Condominium Conversion Project
4433/4433A Sierra Drive
Tax Map key: 3-3-23: 28

This is in response to your letter dated November 5, 2002 requesting verification that the structures on the above-mentioned property met all applicable code requirements at the time of construction.

Investigation revealed that the two-story single-family detached dwelling and the one-story single-family detached dwelling with five all-weather surface off-street parking spaces met all applicable code requirements when they were constructed in 1957 on this 10,800-square foot R-5 Residential District zoned lot.

An affidavit was required with the issuance of building permit (BP #326829) 4433/A Sierra Drive stating that "The entire structure shall be maintained as a single-family dwelling containing only one kitchen. An interior connection shall be provided as shown on the approved plans."

Owners of this lot have 1/3 interest in TMK: 3-3-23: 35, which is used as a private roadway to Sierra Drive.

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

EXHIBIT " I "

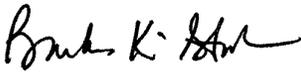
Ms. Sandra J. Loomis
April 14, 2003
Page 2

For your information, the Department of Planning and Permitting cannot determine all legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or 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 a separate lot of record.

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

Sincerely yours,


ERIC G. CRISPIN, AIA
Director of Planning and Permitting

EGC:ft

Doc 214210