

# REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

1010 RICHARDS STREET  
P. O. BOX 3459  
HONOLULU, HAWAII 96801

## PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on  
SIERRA GARDENS  
3324 Sierra Drive  
Honolulu, Hawaii

Registration No. 1427

### IMPORTANT — Read This Report Before Buying

#### **This Report Is Not an Approval or Disapproval of This Condominium Project**

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project but may only take reservations therefore after

- (1) A copy of this Report has been given to the prospective purchaser,
- (2) The latter has been given an opportunity to read same, and,
- (3) His receipt taken therefor.

Issued: July 6, 1981  
Expires: August 6, 1982

#### SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED MAY 20, 1981 AND INFORMATION SUBSEQUENTLY FILED AS OF JUNE 26, 1981. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. SIERRA GARDENS is a proposed leasehold residential condominium project, which consists of a four-story apartment building, containing twenty-four (24) one-bedroom units and twenty-four (24) parking stalls of which six (6) stalls are compact size.
2. The developer of the project has submitted to the Commission for examination all documents deemed necessary for the issuance of this Preliminary Public Report.
3. The basic documents (the Declaration of Horizontal Property Regime and By-Laws attached thereto and a copy of the approved floor plans) have not been filed in the office of the recording officer.
4. No advertising or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the rules and regulations of the Hawaii Real Estate Commission which relate to the Horizontal Property Regimes.
6. This Preliminary Public Report is made a part of the registration of the SIERRA GARDENS condominium project. The developer is responsible for placing a true copy of this Preliminary Public Report (yellow paper stock) together with Disclosure Abstract in the hands of all purchasers and pro-

spective purchasers and obtaining a signed receipt for the same.

7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance July 6, 1981, unless a Supplementary or Final Public Report is issued or the commission, upon review of the registration issues an order extending the effective period of this report.

NAME OF PROJECT: SIERRA GARDENS

LOCATION: The 14,613 (approximately) square feet of property to be committed to the regime as a leasehold condominium project is situated at 3324 Sierra Drive, Honolulu, State of Hawaii.

TAX MAP KEY: 3-3-5-13

ZONING: A-2

DEVELOPER: SIERRA GARDENS PARTNERS, a Hawaii registered joint venture, whose principal place of business and post office address is Suite 400, 225 Queen Street, Honolulu, Hawaii 96813. The joint venturers of the Developer are ERA & ESA, INC. a Hawaii corporation, DHA CORPORATION, a Hawaii corporation, and DTA CORPORATION, A Hawaii corporation, all whose post office address is Suite 400, 225 Queen Street, Honolulu, Hawaii 96813.

Edward R. Aotani is listed as the President of the three joint venture corporations.

ATTORNEYS REPRESENTING DEVELOPER: RICE, LEE & WONG (Attention: Calvert G. Chipchase, III, Esq. or Patrick K. Lau, Esq.), 345 Queen Street, Suite 700, Honolulu, Hawaii 96813; telephone 536-4421.

DESCRIPTION: The proposed Declaration reflects that the project is to consist of a four (4) story, no basement, building, containing a total of twenty-four (24) residential apartment units on four (4) floors, and twenty-four (24) parking stalls located at ground level in an area adjacent to the building, constructed in accordance with plans and specifications prepared by Aotani & Associates, Inc. The second, third and fourth levels shall be served through two (2) stairways. The building is constructed principally of reinforced concrete and concrete split block.

The project is divided into twenty-four (24) separate leasehold condominium apartments (hereinafter called the "Apartments") with six (6) Apartments on each of the first, second, third, and fourth levels of the building, all as more particularly described in the Condominium Map for the Project. The ground level shall contain a trash enclosure, two (2) stairwells and a mailbox area.

The first digit of an Apartment number denotes the floor level, and the last two digits denote its location on the floor. Apartments on each floor are numbered consecutively from the Diamond Head end of the building towards the Ewa end of the building. The twenty-four (24) parking stalls, are also numbered consecutively as indicated on the Condominium Map. The parking stalls will be delineated by parking lines and designated by numbers.

Each Apartment shall include all of the areas or spaces enclosed within the inner surfaces of the walls, floor and ceiling of the Apartment as established in the proposed Declaration and the Condominium Map. Each Apartment shall include all interior non-load-bearing walls or partitions within its boundaries, all doors and door frames, all fixtures originally installed within said boundaries, all glass windows and window frames, the lanai air space (if any), and all plumbing, electrical or other utility pipes, wires or conduits, and ventilating or air-conditioning equipment serving only that Apartment or the limited common elements thereof.

There are twenty-three (23) one-bedroom and one-bath Apartments, being Nos. 102, 103, 104, 105, 106, 201, 202, 203, 204, 205, 206, 301, 302, 303, 304, 305, 306, 401, 402, 403, 404, 405 and 406, each containing a floor area of approximately 482 square feet, and one (1) handicap one-bedroom and one-bath Apartment with a slightly larger bathroom being Number 101, containing an area of approximately 482 square feet. Each Apartment shall contain a combination dining room and living room area, full bathroom, separate kitchen area, one bedroom and a corridor.

The first floor apartments have direct access to the ground of the Project. The remaining apartments have access by way of the corridors and two stairwells leading to the grounds and onto the public streets.

The sale and purchase of the Apartment shall include the following: an electric refrigerator, range with hood, disposal, washer/dryer, water heater, plumbing and lighting fixtures that

will be installed in the Apartment, carpeting in the bedroom, livingroom and corridor, and drapery covering the windows.

COMMON ELEMENTS: The proposed Declaration reflects that the common elements will include all of the land and improvements other than the Apartments, including without limitation, the following:

(a) The land in fee simple;

(b) All foundations, floor slabs, columns, girders, beams, supports, load-bearing walls, roof, stairs, stairways, walkways, hallways, corridors, mailbox area, entrances and exits of the building;

(c) All yards, grounds and landscaping;

(d) All driveways, parking areas, and loading areas;

(e) All common trash, mail box and common storage areas;

(f) 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;

(g) Any and all other apparatus and installations of common use and all other parts of the project necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: The proposed Declaration reflects that certain parts of the common elements (hereinafter called the "limited common elements"), are designated as limited common elements and set aside for the exclusive use of certain Apartments, and such Apartments shall have appurtenant thereto easements for the use of such limited common elements as follows:

(a) Each Apartment shall have, as a limited common element appurtenant thereto, the exclusive use of the parking stall designated by number and set forth opposite the number of the Apartment to which it pertains in Exhibit "A" attached hereto and by reference made a part hereof.

(b) All load-bearing walls within the boundaries of each Apartment, the entirety of non-party boundary walls, and the interior one-half (1/2) of all other boundary walls of each Apartment (including the interior half of any hollow spaces in said walls for mechanical or electrical systems) whether load-bearing or non-load-bearing, are limited common elements appurtenant to the Apartment in which they are located or which they bound.

(c) Mail box assigned to each apartment.

INTEREST TO BE CONVEYED PURCHASERS: Each Apartment shall have appurtenant thereto an undivided percentage interest (hereinafter called the "common interest") in all common elements of the Project, and the same interest in all common profits and expenses of the Project and for all other purposes, including voting. The common interest appurtenant to each Apartment except Apartment No. 101 shall be 4.16666% and the common interest for Apartment No. 101 shall be 4.16682%.

EASEMENTS: In addition to any easements established in connection with the designation of the limited common elements, the Apartments and common elements shall also have and be subject to the following easements:

(a) Each Apartment shall have appurtenant thereto nonexclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for, and support, maintenance and repair of such Apartment, in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided hereinabove, and in all other Apartments in the building for support.

(b) If any part of the common elements encroaches upon any Apartment or limited common element, or if any Apartment or limited common element encroaches upon the common elements, a valid easement for such encroachment and the maintenance thereof, so long as it continues, does and shall exist. In the event the building or other improvements are partially or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any portion



of the Project, minor encroachments by any common element upon any Apartment or limited common element or by any Apartment or limited common element upon any other Apartment, limited common element or the common elements due to the same shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

(c) The Association of Apartment Owners of Sierra Gardens (hereinafter referred to as the "Association") shall have the right, to be exercised by the Board of Directors of the Association or Managing Agent, to enter each Apartment and limited common element from time to time during reasonable hours as may be appropriate for the operation of the Project or at any time for making emergency repairs therein which may be necessary to prevent damage to any Apartment, common element or limited common element or for the installation, repair or replacement of any common elements.

(d) Each Apartment owner shall have an easement in common with the owners of all other Apartments to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other Apartments or limited common elements and serving his Apartment. Each Apartment and the limited common elements shall be subject to an easement in favor of the owners of all other Apartments to use the pipes, ducts, cables, wires, conduits, public utility lines and other common elements serving such other Apartments and located in such Apartment.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration states that the Apartments shall be occupied and used only for private dwelling purposes by the respective owners thereof, their tenants, families, domestic servants and social guests. The Apartment owners shall have the absolute right to rent or lease their Apartments, subject to all provisions of the proposed Declaration and the By-Laws; provided, however, that no Apartment shall be rented by the owner or owners thereof for transient or hotel purposes. As used in the Declaration "transient or hotel purposes" shall mean:

(i) rental for any period of less than thirty (30) days; or

(ii) any rental if the occupants of the Apartment are provided customary hotel services, such as room service for food and beverages, maid service, laundry and linen and bell boy services.

The By-laws of the Association of Apartment Owners provide, in part, that no livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project including, without limitation, dogs, cats and other household pets.

OWNERSHIP OF TITLE: The Preliminary Title Report dated April 28, 1981, issued by FIRST LAND TITLE CORPORATION, reports that fee simple title to the land is vested in EDWARD R. AOTANI and ETHEL S. AOTANI, husband and wife, as to an undivided one-half (1/2) interest each, together as tenants in common.

ENCUMBRANCES AGAINST TITLE: The said Preliminary Title Report dated April 28, 1981, reports that title to the land is subject to the following encumbrances:

(a) Title to all mineral and metallic mines reserved to the State of Hawaii.

(b) An easement for sewer purposes, in favor of the City and County of Honolulu, a municipal corporation of the State of Hawaii, as granted by instrument dated December 28, 1931 recorded in the Bureau of Conveyances, State of Hawaii, in Book 1153, Page 228.

(c) That certain mortgage dated July 25, 1980, made by and between Edward Ryoichi Aotani and Ethel Sunae Aotani, husband and wife, as Mortgagor, and Honolulu Federal Savings and Loan Association, a federal savings and loan association, as Mortgagee and recorded in the Bureau of Conveyances in Book 14885, Page 780.

(d) For Real Property Taxes due and payable, reference is made to tax assessor, First Division, State of Hawaii.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated May 15, 1981, identifies First Escrow Corporation, a Hawaii corporation as Escrow Agent. On examination, the specimen Reservation and Sales Agreement and the executed Escrow Agreement are found to be in compliance with Hawaii Revised Statutes, Chapter 514A, and particularly Section 514A-39 and Section 514A-63 through 514A-66, inclusive.

Among other provisions, the executed Escrow Agreement states that a purchaser under a Reservation and Sales Agreement shall have the right to obtain a refund of all moneys held by Escrow which were paid by such purchaser if (a) Seller instructs Escrow to return to the purchaser the funds of the purchaser then being held or (b) Seller notifies Escrow of Seller's exercise of any right to rescind the Reservation and Sales Agreement or (c)(i) purchaser's funds were obtained prior to the issuance of the Final Public Report and there is a change in the condominium building plans subsequent to the purchaser's execution of the Reservation and Sales Agreement requiring the approval of a county officer having jurisdiction over the issuance of permits for construction of buildings (unless purchaser has given written approval of the specific change); or (c)(ii) the Final Public Report differs in any material respect from the Preliminary Public Report; or (c)(iii) the Final Public Report is not issued within one year from the date of issuance of the Preliminary Public Report.

Among other provisions, the specimen Reservation and Sales Agreement states that (a) if the building and all other improvements of the Project are not constructed and the Apartment is not ready for occupancy within a period of two (2) years from the effective date of the contract then the purchaser may cancel the contract and obtain a refund, without interest, of all monies paid by such purchaser; provided, however, such two (2) year period shall be extended if there are delays beyond the control of the developer; (b) if at any time prior to the commencement of construction, the total project costs, as estimated by the Developer, shall exceed the total project costs set forth in the

verified statement of project costs filed with the Real Estate Commission of the State of Hawaii, and Developer determines therefore that the financial feasibility of the project requires an increase in the apartment sales prices, then, Developer may at its option terminate the Reservation and Sales Agreement, in which event all sums paid by purchaser shall be refunded, without interest, to purchaser, and both parties shall be released from all obligations and liability thereunder; provided, however, Developer shall offer the purchaser the first right to execute a new sales contract at the increased Apartment unit price and the purchaser shall have fifteen (15) days thereafter to accept such offer; (c) if by July 31, 1981, less than twelve (12) Apartments in the project have been sold, Developer, at its option, may cancel the Reservation and Sales Agreement upon written notice to purchaser, in which event all sums paid by purchaser hereunder shall be refunded, without interest, to purchaser, and the Reservation and Sales Agreement shall be deemed to have been cancelled and both parties shall be released from all obligations and liability thereunder; (d) a purchaser executing a Reservation and Sales Agreement before the issuance of the Final Public Report merely reserves an Apartment and such agreement shall not be binding upon either the purchaser or Developer. The agreement shall become a binding contract upon the issuance of the Final Public Report and upon purchaser and Developer executing a separate Affirmation Instrument expressing their intent to render the agreement a binding contract. The reservation may be terminated at any time, before it is rendered a binding contract, with or without cause, at the option of either purchaser or Developer by written notice of such termination to the other party. In the event of such termination, Developer shall cause

Escrow to refund all payments made by purchaser, without interest, less the amounts specified in Article II paragraph 3 of the Reservation and Sales Agreement.

Additionally, the Reservation and Sales Agreement provides that the Seller makes no warranties, express or implied with respect to the Apartment, Project or appliances installed therein. Further, the Purchasers are advised that the Purchaser's Purchase Contract shall be subordinate to the Sellers mortgage loan to be placed for the construction of the Project.


MANAGEMENT AND OPERATION: The proposed By-Laws provide that the management, operation and maintenance of the project shall be vested in the board of Directors of the Association of Apartment Owners, provided that the Board of Directors shall employ a responsible corporate Managing Agent who shall assist the Board of Directors in the management and operation of the project. The initial Managing Agent shall be AARON M. CHANEY, INC., dba CHANEY, BROOKS & COMPANY, a Hawaii corporation whose principal place of business and post office address is Suite 400, 841 Bishop Street, Honolulu, Hawaii 96813.

STATUS OF PROJECT: The Notice of Intention reflects that the financing for the construction of the project has not yet been arranged, construction of the project has not commenced as of the date of this Public Report, nor has permanent financing for the project been arranged. Developer advises that it has set July 15, 1981, as the estimated date for commencement of construction.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted May 20, 1981, and information subsequently filed as of June 26, 1981.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1427 filed with the Commission on May 20, 1981.

The report, when reproduced, shall be a true copy of the Commission's Preliminary Public Report. The paper stock used in making facsimiles must be yellow.



G. A. "Red" Morris, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

DISTRIBUTION:  
Department of Taxation  
Bureau of Conveyances  
Planning Department, City and  
County of Honolulu  
Federal Housing Administration  
Escrow Agent

Registration No. 1427

Dated: July 6, 1981

SIERRA GARDENS

<u>Apartment</u>	<u>Living Area (Sq. Ft.)</u>	<u>% of Interest In Common Elements</u>	<u>Parking Stall Assignment</u>
*101	481.75	4.16682	1
102	481.75	4.16666	2
103	481.75	4.16666	3
104	481.75	4.16666	4
105	481.75	4.16666	5
106	481.75	4.16666	6
201	481.75	4.16666	7
202	481.75	4.16666	8
203	481.75	4.16666	9
204	481.75	4.16666	10**
205	481.75	4.16666	11**
206	481.75	4.16666	12**
301	481.75	4.16666	13**
302	481.75	4.16666	14**
303	481.75	4.16666	15**
304	481.75	4.16666	16
305	481.75	4.16666	17
306	481.75	4.16666	18
401	481.75	4.16666	19
402	481.75	4.16666	20
403	481.75	4.16666	21
404	481.75	4.16666	22
405	481.75	4.16666	23
406	481.75	4.16666	24
		100.00000	

\*Handicapped Unit

\*\*Compact Stalls

EXHIBIT "A"