

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on

SHERRY WAIKIKI I
320 Lewers Street
Honolulu, Hawaii

REGISTRATION NO. 869

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 : September 8, 1976
Expires: October 8, 1977

SPECIAL ATTENTION

A comprehensive reading of this report by prospective purchasers 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:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JULY 20, 1976, AND INFORMATION SUBSEQUENTLY FILED AS OF SEPTEMBER 2, 1976. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, HAWAII REVISED STATUTES, AS AMENDED.

1. SHERRY WAIKIKI I is a proposed leasehold condominium which will consist of forty-nine (49) residential apartments and one (1) commercial apartment contained in an eight-story building which was completed in 1966 and previously operated as an apartment-hotel under the name Admiral Cook Apartment Hotel. There are nineteen parking stalls in the project.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and issuance of this Preliminary Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, Bylaws of Association of Apartment Owners and a copy of the Floor Plans) have not been filed in the appropriate recording office.
4. The Developer has advised the Commission that advertising and promotional matter required to be filed pursuant to rules and regulations promulgated by the Commission will be submitted prior to public exposure.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Horizontal Property Act, Chapter 514, Hawaii Revised Statutes, as amended, and the rules and regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. The Developer is responsible for placing this Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers and for securing a signed copy of the receipt for the horizontal property regime public report from each purchaser and prospective purchaser.
7. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, September 8, 1976, unless a Final or Supplementary Public Report is published or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: SHERRY WAIKIKI I

LOCATION: The 7,613 square feet of fee simple land and improvements thereon to be submitted to the Horizontal Property Regime is located at 320 Lewers Street, Honolulu, City and County of Honolulu, State of Hawaii.

TAX KEY: 2-6-18-7 (First Division).

ZONING: The present zoning applicable to the land is "Apartment Precinct" under "The Waikiki Special Design District" established by Ordinance No. 4573.

DEVELOPER: The Developer is Lee Martin, Incorporated. The principal place of business and post office address of the

Developer is 61-789 Papailoa Road, Haleiwa, Hawaii. The officers and directors of the Developer are: Lee Martin (President-Treasurer and Director) and Sherry Martin (Vice-President-Secretary and Director); 61-789 Papailoa Road, Haleiwa, Hawaii 96712.

ATTORNEY REPRESENTING DEVELOPER: Ashford & Wriston (Galen C. K. Leong), 235 Queen Street, Honolulu, Hawaii 96813 (Phone: 524-4787).

DESCRIPTION:

1. The Project. The proposed Declaration of Horizontal Property Regime reflects that the project will consist of an eight-story building constructed principally of reinforced concrete, concrete block, steel and glass, with a basement containing 13 parking stalls, two storage rooms, two rooms containing electrical and telephone equipment and a room for storage and trash collection as shown on said plans of the project. Six parking stalls are located on the first level of the building.

2. Residential Apartments. Forty-nine (49) estates are designated as residential apartments in the spaces within the perimeter walls, floors and ceilings of each of the forty-nine residential apartments of the project contained in said eight-story building. Each residential apartment is numbered and located as shown on said plans and contains the number of rooms and approximate gross floor area according to the plan of such residential apartment as described below and as shown on said plans. Beginning with the first floor, the floors are numbered in ascending order with the numbers 1 through 8. The residential apartments on the second through eighth floors are designated by a three digit number; the first digit indicates the number of the floor and the remaining two digits indicate the position of the residential apartment on the floor as shown on said plans. Apartment numbers on the eighth floor are further identified by "PH-" preceding the apartment number.

(a) Said apartments are built according to plans designated as Unit A-1, Unit A-2, Unit B, Unit C, Unit D, Unit E, Unit F, Unit F-1, Unit F-2, Unit H and Unit H-1 and are further described as follows:

(1) A Unit A-1 apartment is a one-bedroom apartment with 4 rooms (a bedroom, a bathroom with adjoining dressing area, a living room and a kitchen) with an approximate gross floor area of 559 square feet, plus a lanai of approximately 157 square feet. Apartments 204, 304, 404, 504, 604 and 704 are of this plan.

(2) A Unit A-2 apartment is a one-bedroom apartment with 4 rooms (a bedroom, a bathroom with

adjoining dressing area, a living room and a kitchen) with an approximate gross floor area of 574 square feet, plus a lanai of approximately 157 square feet. Apartments 205, 305, 405, 505, 605 and 705 are of this plan.

(3) A Unit B apartment is a studio apartment with 3 rooms (the kitchen and the living-dining-sleeping area are contained in one room and there is a separate bathroom and dressing room) with an approximate gross floor area of 414 square feet, plus a lanai of approximately 125 square feet. Apartments 206, 306, 406, 506, 606 and 706 are of this plan.

(4) A Unit C apartment is a one-bedroom apartment with 5 rooms (a bedroom, a bathroom, a dressing room, a living room and a kitchen) with an approximate gross floor area of 720 square feet, plus a lanai of approximately 147 square feet. Apartments 207, 307, 407, 507, 607, 707 and PH-807 are of this plan.

(5) A Unit D apartment is a one-bedroom apartment with 5 rooms (a bedroom, a bathroom, a dressing room, a living room and a kitchen) with an approximate gross floor area of 567 square feet, plus a lanai of approximately 157 square feet. Apartments 201, 301, 401, 501, 601 and 701 are of this plan.

(6) A Unit E apartment is a studio apartment with 3 rooms (the kitchen and the living-dining-sleeping area are contained in one room and there is a separate bathroom and dressing room) with an approximate gross floor area of 457 square feet, plus a lanai of approximately 125 square feet. Apartments 202, 203, 302, 303, 402, 403, 502, 503, 602, 603, 702 and 703 are of this plan.

(7) A Unit F apartment is a one-bedroom apartment with 4 rooms (a bedroom, a bathroom, a living room and a kitchen) with an approximate gross floor area of 635 square feet, plus a lanai of approximately 198 square feet. Apartment PH-801 is of this plan.

(8) A Unit F-1 apartment is a one-bedroom apartment with 4 rooms (a bedroom, a bathroom, a living room and a kitchen) with an approximate gross floor area of 625 square feet, plus a lanai of approximately 198 square feet. Apartment PH-804 is of this plan.

(9) A Unit F-2 apartment is a one-bedroom

apartment with 4 rooms (a bedroom, a bathroom, a living room and a kitchen) with an approximate gross floor area of 670 square feet, plus a lanai of approximately 198 square feet. Apartment PH-803 is of this plan.

(10) A Unit H apartment is a studio apartment with 2 rooms (the larger room contains the kitchen and the living-dining-sleeping area and the smaller room includes the bathroom with an adjoining dressing area) with an approximate gross floor area of 398 square feet, plus a lanai of approximately 86 square feet. Apartments PH-805 and PH-806 are of this plan.

(11) A Unit H-1 apartment is a studio lodging apartment with 2 rooms (the larger room contains a wet bar and the living-dining-sleeping area and the smaller room includes the bathroom with an adjoining dressing area) with an approximate gross floor area of 345 square feet, plus a lanai of approximately 86 square feet. Apartment PH-808 is of this plan.

(b) Each residential apartment has immediate access to the hallways and elevators permitting ingress and egress to and from its floor and to the lobby, stairway, ramps, sidewalks, parking areas and driveways connecting it to the public streets.

(c) Each residential apartment shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls, floors and ceilings surrounding the apartment or of interior load-bearing walls, nor shall said apartment be deemed to include the pipes, wires, conduits or other utility or service lines running through the apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each residential apartment shall be deemed to include all of the areas or spaces enclosed by the walls, floors and ceilings surrounding the apartment, the lanai, all the walls and partitions which are not load-bearing within the perimeter walls of the apartment, the inner decorated or finished surfaces of all walls, floors and ceilings of the apartment, all doors, window frames, windows and glass walls, and all fixtures and appliances originally installed therein.

3. Commercial Apartment. One (1) estate is designated as Commercial Apartment 101 within the perimeter walls, floors and ceilings of the spaces on the first floor of the building which are shown on said plans as Commercial Apartment 101. Said apartment has an approximate gross floor area of 1900 square feet and consists of 6 rooms and the area for

air conditioning equipment as shown on said plans.

(a) Commercial Apartment 101 has immediate access to the lobby, stairway, ramps, sidewalks, parking areas and driveways connecting it to the adjacent public streets.

(b) Commercial Apartment 101 shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls, floors and ceilings surrounding the apartment or of interior load-bearing walls, nor shall said apartment be deemed to include any pipes, wires, conduits or other utility or service lines running through said apartment which are utilized for or serve more than one apartment in the project, the same being deemed common elements as hereinafter provided. Said apartment shall be deemed to include all of the areas or spaces enclosed by the walls, floors and ceilings surrounding the apartment, all the walls and partitions which are not load-bearing within the perimeter walls of the apartment and the interior decorated or finished surfaces of all walls, floors and ceilings of the apartment. All doors, windows and glass walls immediately adjacent to said apartment and exclusively serving said apartment shall be considered a part of such apartment.

COMMON ELEMENTS: The proposed Declaration of Horizontal Property Regime reflects that the common elements of the project will include the following:

(a) The land in fee.

(b) The foundations, columns, girders, beams, supports, load-bearing walls, roofs, halls, corridors, lobbies, basement stairs, stairways and fire escapes.

(c) The yards and grounds, fences, walkways, parking areas, driveways and pavement.

(d) Central facilities and appurtenant installations for utility and other common services such as power, light, gas, water and air conditioning.

(e) Elevators, tanks, pumps, motors, fans, compressors, ducts and, in general, all other apparatus and installations existing for common use.

(f) All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: The proposed Declaration states that certain parts of the common elements, designated as "limited

common elements", are designated and set aside for the use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements, as follows:

1. The following designated common elements are reserved for the exclusive use and are appurtenant to all the residential apartments in the project:

(a) All elevators with their appurtenant equipment and housings, the corridors above the second floor, the roof and the swimming pool and swimming pool deck area.

Expenses which are incurred in connection therewith shall be borne by each residential apartment of the plan indicated according to the following percentages:

Unit A-1:	2.15
Unit A-2:	2.15
Unit B:	1.72
Unit C:	2.69
Unit D:	2.15
Unit E:	1.72
Unit F:	2.15
Unit F-1:	2.15
Unit F-2:	2.15
Unit H:	1.72
Unit H-1:	1.62

2. The following designated common elements are reserved for the exclusive use of and are appurtenant to Commercial Apartment 101 and all expenses in connection therewith shall be borne by such apartment:

(a) The exhaust duct mounted on the surface of the building and described on the plans as "Exhaust Duct".

(b) The storage room, described on the plans as "Storage", on the first floor of the building adjoining Commercial Apartment 101.

3. The six parking stalls located on the first level of the project will be appurtenant to Commercial Apartment 101. The thirteen parking stalls in the basement may be sold to purchasers desiring the same. An apartment shall have appurtenant thereto an exclusive right to use the parking stall assigned to such apartment and made appurtenant to such apartment in the initial conveyance of such apartment. The Declaration provides a method by which parking stalls may be transferred from one apartment to another. The expenses which are incurred in connection with the maintenance of said parking stalls shall be borne on a pro rata basis by the apartments to which such parking stalls are assigned.

EASEMENTS: The proposed Declaration provides that in addition

to any easements designated in the limited common elements, the apartments and common elements shall have and be subject to the following easements:

1. Each apartment shall have appurtenant thereto non-exclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support of such apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive or limited use of the limited common elements as herein provided; and in all other apartments in the building for support.

2. If any part of the common elements encroaches upon any apartment or if any apartment encroaches upon any common element, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall and does exist. If any portion of the project shall be partially or totally destroyed and then rebuilt, minor encroachments of any parts of the common elements due to construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

3. The Association of Apartment Owners of the project shall have the right, to be exercised by its Board of Directors or Managing Agent, to enter any apartment and limited common element from time to time during reasonable hours as may be necessary for the operation of the project or for making emergency repairs therein required to prevent damage to any apartment or common element or for the installation, repair or replacement of any common element.

4. 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 and serving his apartment. Each apartment 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.

5. The swimming pool facilities, which include the swimming pool and swimming pool deck area, and the first floor parking deck shall be subject to a non-exclusive easement in favor of each residential apartment in Sherry Waikiki II for the use by the owners thereof of said facilities, together with an easement for ingress and egress to and from said facilities over and across the first floor parking deck of Sherry Waikiki I; subject, however, to uniformly applicable rules and regulations governing the use of said facilities from time to time and subject to the payment by said residential apartment owners of Sherry Waikiki II of one-half of the expenses attributable to said facilities.

6. Each residential apartment shall have appurtenant thereto a non-exclusive easement for the use of the ground floor lobby, walkways and courtyard of Sherry Waikiki II; subject, however, to uniformly applicable rules and regulations governing the use of said lobby, walkways and courtyard from time to time and subject to the payment by said residential apartment owners of Sherry Waikiki I of one-half of the capital expenditures for said ground floor lobby, walkways and courtyard of Sherry Waikiki II, such expenditures to be borne by the owner of each residential apartment in Sherry Waikiki I in the same manner as a limited common element expense.

INTEREST TO BE CONVEYED TO PURCHASERS: Each apartment shall have appurtenant thereto an undivided percentage interest (herein called the "common interest") in all common elements of the project and the same proportionate share in all common expenses of the project as set forth in Exhibit "A" attached hereto and for all other purposes, including voting.

RESTRICTIONS AS TO USE: The apartments shall be occupied and used only as follows:

1. The residential apartments shall be occupied and used by the respective owners thereof, their tenants, families, domestic servants and guests for residential or hotel purposes to the extent permitted by law.

2. Commercial Apartment 101 shall be occupied and used only for general office or commercial purposes and may include any lawful commercial enterprise therein.

Except for the above expressed restrictions, the owners of the respective apartments shall have the absolute right to rent such apartments on such terms as they desire subject to all provisions of this Declaration.

OWNERSHIP OF TITLE: As shown in the Preliminary Report dated May 11, 1976, furnished by Title Guaranty of Hawaii Incorporated, the fee simple title to the land to be submitted to the horizontal property regime is vested in Elizabeth McClay. The land consists of Lot 255, area 7613 square feet, as shown on Map 54, filed with Land Court Application No. 551 and described in Transfer Certificate of Title No. 76,696 issued to Elizabeth McClay.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report shows the encumbrances listed below.

1. The reservation set forth in that certain Deed made by Alexander Young Estate, Limited to Iwalani Amelia Robinson, dated July 25, 1927 and filed as Land Court Document No. 13508.

2. The reservation set forth in that certain Deed made by Alexander Young Estate, Limited to Samuel McClay, dated February 21, 1928 and filed as Land Court Document No. 15075.

3. Lease dated July 24, 1957, made by Samuel McClay and Elizabeth McClay to Marion Florence Majit, filed as Land Court Document No. 205095, as amended by Amendment of Lease dated October 18, 1973, filed as Land Court Document No. 654894.

4. Memorandum of Option Agreement dated October 18, 1973 by and between Lee Martin, Incorporated, and Samuel McClay and Elizabeth McClay, filed as Land Court Document No. 654895.

5. Mortgage in favor of Hawaii Housing Authority dated April 10, 1974, filed as Land Court Document No. 675727 and in the Bureau of Conveyances in Liber 9831, at Page 582.

6. The terms and conditions contained in that certain unrecorded lease dated November 15, 1965 in favor of Smitty's Pancake Houses (Hawaii), Ltd., a Canadian corporation, leasing and demising the first floor restaurant area.

7. Reference is made to the Office of the Tax Assessor for the status of real property taxes.

PURCHASE MONEY HANDLING: An executed Escrow Agreement, dated July 13, 1976, identifies Title Guaranty Escrow Services, Inc. as the Escrow Agent. Upon examination of the Escrow Agreement and specimen sales contract are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly Section 514-35 through Section 514-40.

Among other provisions, the executed Escrow Agreement states that a purchaser under contract of sale, upon written request, shall be entitled to a refund of all monies deposited with escrow without interest and less Escrow's cancellation fee, if any one of the following events shall have occurred.

1. Escrow receives a written request from Developer to return to Purchaser the funds of such Purchaser then held hereunder by Escrow; or

2. If a Purchaser's funds were obtained prior to the issuance of a final public report and if there is any change in the condominium building plans, subsequent to the execution of Purchaser's Sales Contract, requiring the approval of a county officer having jurisdiction over the issuance of permits for construction of buildings, unless the Purchaser has given written approval or acceptance of the specific change; or

3. If the final public report differs in any material respect from the preliminary public report, unless the Purchaser has given written approval or acceptance of the difference; or

4. If the final public report is not issued within one

year from the date of issuance of the preliminary public report.

The executed Escrow Agreement also provides that the purchaser's funds may be used to pay for renovation costs of the building and other improvements and fixtures and to other persons for other architectural, engineering, finance, advertising, legal fees and other incidental expenses of the project following the issuance of a Final Report on the project from the Real Estate Commission. No purchaser's funds obtained prior to the issuance of a Final Public Report of the Real Estate Commission shall be disbursed from the escrow fund until the Final Public Report has been issued.

The Sales Contract states, in part, that the Buyer subordinates his right, title and interest to the lien of any mortgage made by the Seller for the purpose of securing the repayment of any loan made by any lender to Seller covering the land and improvements of the project, including the apartment.

It is incumbent upon the purchaser and prospective purchaser to read and understand the Escrow Agreement before executing the Sales Contract since the Escrow Agreement, prescribes the procedure for receiving and disbursing purchaser's funds and the Sales Contract specifically provides that the purchaser approves said Escrow Agreement and assumes the benefits and obligations therein provided.

MANAGEMENT OF PROJECT: The Bylaws which are incorporated in the proposed Declaration provide that the operation of the project shall be conducted for the Association under the direction of its Board of Directors by a responsible corporate managing agent. A formal contract with a Managing Agent has not yet been entered into but the Developer intends to appoint as the initial managing agent Aaron Chaney, Inc., whose principal place of business and post office address is 841 Bishop Street, Honolulu, Hawaii. The specimen Sales Contract authorizes the Developer, from time to time prior to closing, to enter into such contracts and arrangements on behalf of the apartment purchasers as are necessary or desirable for the management, operation or maintenance of the project.

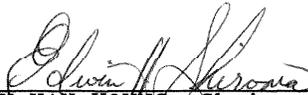
NO RENTAL SERVICES: The Developer reports that it is not offering any rental services of any kind to purchasers of condominium units, either individually or in any form of pooling arrangements. Developer and its agents will not make any representations as to the feasibility of renting the units or as to economic benefits to be derived from rentals or tax treatment of any purchaser of a unit, except as to the general availability of income tax deductions for mortgage interest payments and real estate and other taxes. Purchasers of units who desire to rent their units must make

their own rental arrangements.

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 July 20, 1976, and information subsequently filed as of September 2, 1976.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 869, filed with the Commission on July 20, 1976.

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


(for) AH KAU YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

Registration No. 869
September 8, 1976

SHERRY WAIKIKI I

EXHIBIT "A"

<u>Apartment Number</u>	<u>Unit Type</u>	<u>Gross floor Area</u>	<u>Lanai Area</u>	<u>No. of Apts.</u>	<u>Common Interest Percentage</u>
201, 301, 401, 501, 601 & 701	D	567	157	6	2.0
202, 302, 402, 502, 602 & 702	E	457	125	6	1.6
203, 303, 403, 503, 603 & 703	E	457	125	6	1.6
204, 304, 404, 504, 604 & 704	A-1	559	157	6	2.0
207, 307, 407, 507, 607, 707 & PH-807	C	720	147	7	2.5
206, 306, 406 506, 606 & 706	B	414	125	6	1.6
205, 305, 405 505, 605 & 705	A-2	574	157	6	2.0
PH-801	F	635	198	1	2.0
PH-805 & PH-806	H	398	86	2	1.6
PH-804	F-1	625	198	1	2.0
PH-803	F-2	670	198	1	2.0
PH-808	H-1	345	86	1	1.5
Commercial Apartment 101		1900		1	7.0