

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 II
324 Lewers Street
Honolulu, Hawaii

REGISTRATION NO. 870

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 23, 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 II is a proposed leasehold condominium which will consist of fifty-three (53) residential apartments and one (1) commercial apartment contained in an eleven-story building, without a basement, which was completed in 1957 and previously operated as an apartment-hotel under the name Admiral Cook Apartment Hotel. There are eleven parking stalls in the project,

all of which shall be assigned to Commercial Apartment 204.

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 II

LOCATION: The 7,630 square feet of fee simple land and improvements thereon to be submitted to the Horizontal Property Regime is located at 324 Lewers Street, Honolulu, City and County of Honolulu, State of Hawaii.

TAX KEY: 2-6-18-83 (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 existing eleven-story building constructed principally of reinforced concrete, concrete block, steel and glass, with no basement. The first floor contains an entrance court, lobby area, elevator lobby, manager's office, trash room and eleven parking stalls. On the second floor are located Apartment 202 and a commercial apartment designated as Commercial Apartment 204. On the third through eleventh floors are located fifty-three residential apartments.

2. Residential Apartments. Fifty-three (53) estates are designated as residential apartments in the spaces within the perimeter walls, floors and ceilings of each of the fifty-three residential apartments of the project contained in said eleven-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 11. The residential apartments on the second through tenth floors are designated by either a three or four digit number; the first digit of a three digit number and the first two digits of a four digit number indicate 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 eleventh floor are further identified by "PH-" preceding the apartment number.

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

(1) A Unit A apartment is a studio apartment with 2 rooms (the larger room contains the kitchen and the living-dining-sleeping area and the smaller room is the bathroom) with an approximate gross floor area of 380 square feet, plus a lanai of approximately 91 square feet. Apartment No. 26

on the second floor is of this type and there are 2 apartments of this type on each floor from the third floor to the eleventh (Apartment Nos. 35, 36, 45, 46, 55, 56, 65, 66, 75, 76, 85, 86, 95, 96, 1005, 1006, PH-1103 and PH-1104), making a total of 19.

(2) A Unit B apartment is a studio lodging apartment with 2 rooms (the larger room contains a wet bar and the living-sleeping area and the smaller room is the bathroom) with an approximate gross floor area of 295 square feet, plus a lanai of approximately 53 square feet. There are 16 apartments of this type, two on each floor from the third to the tenth, said apartments being designated by the number of the floor followed by the digits 1 or 4 (for example, the Unit B apartments on the third floor are numbered 31 and 34).

(3) A Unit B-1 apartment is a studio lodging apartment with 2 rooms (the larger room contains a wet bar and the living-sleeping area and the smaller room is the bathroom) with an approximate gross floor area of 295 square feet, plus a lanai of approximately 53 square feet. There are 16 apartments of this type, two on each floor from the third to the tenth, said apartments being designated by the number of the floor followed by the digits 2 or 3 (for example, the Unit B-1 apartments on the third floor are numbered 32 and 33).

(4) A Unit C apartment is a one-bedroom apartment with 3 rooms (a bedroom with adjoining dressing area, a bathroom and a room containing the living room and kitchen) with an approximate gross floor area of 608 square feet, plus a lanai of approximately 200 square feet. Apartment Nos. PH-1101 and PH-1102 are of this plan.

(b) Each residential apartment has immediate access to the hallways and elevators permitting ingress and egress to and from the residential floors 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 204 within the perimeter walls, floors and ceilings of the spaces on the second floor of the building which are shown on said plans as Commercial Apartment 204. Said apartment consists of seven rooms with an approximate gross floor area of 1562 square feet and a lanai of approximately 91 square feet.

(a) Commercial Apartment 204 has immediate access to the corridors, stairways, walkways, ramps, sidewalks and driveways connecting it to the adjacent public streets.

(b) Commercial Apartment 204 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 perimeter walls, floors and ceilings surrounding Commercial Apartment 204 and the interior walls thereof shall be deemed to be limited common elements reserved for the exclusive use of and appurtenant to Commercial Apartment 204, subject to easements of necessity for support, and all expenses in connection therewith, including alteration thereof, shall be borne by such apartment.

2. The eleven parking stalls of the project shall be limited common elements appurtenant to Commercial Apartment 204. 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 ground floor lobby, walkways and courtyard shall be subject to a non-exclusive easement in favor of each residential apartment in Sherry Waikiki I for the use by the owners thereof of said facilities; 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 I of one-half of the capital expenditures for said ground floor lobby, walkways and courtyard.

6. Each residential apartment shall have appurtenant thereto a non-exclusive easement for the use of the swimming pool facilities of Sherry Waikiki I, which include a swimming pool and swimming pool deck area, together with a non-exclusive easement for ingress to and egress 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 the residential apartment owners of Sherry Waikiki II of an amount equal to one-half of the expenses attributable to said facilities, which amount shall be borne by each residential apartment owner in the same proportion as the common interest appurtenant to each respective residential apartment bears to the total of the common interests appurtenant to all residential apartments and which amount shall be assessed by the Association and collected in the same manner as common expenses.

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 proposed Declaration provides that 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 204 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 Lee Martin, Incorporated. The land consists of Lots 21-B, area 20 square feet, Lot 21-A, area 3617 square feet, Lot 22-B, area 25 square feet, and Lot 22-A, area 3047 square feet, as shown on Map 17, filed with Land Court Application No. 551 and described in Transfer Certificate of Title No. 163,597 issued to Lee Martin, Incorporated, and also Parcel Number Three (3), of the "Beach Walk Sewer Pump Station Lot", area 921 square feet.

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

1. Delineation of easement for sanitary sewer purposes over and across Lots 22-A and 22-B, as shown on Map 78, as set forth by Land Court Order No. 27002, filed April 25, 1967.

2. Grant of easement for sewer in favor of the City and County of Honolulu across Lots 22-A and 22-B, dated February 9, 1967 and filed as Land Court Document No. 414763.

3. Delineation of walkway easement over and across Lots 22-A and 22-B, as shown on Map 96, as set forth by Land Court Order No. 28601, filed June 3, 1968.

4. Grant of easement for right-of-way in favor of the City and County of Honolulu, over Lots 22-A and 22-B, dated March 28, 1968 and filed as Document No. 445678.

5. As to said Parcel Number Three, the reservation in favor of the State of Hawaii of all mineral and metallic mines.

6. As to said Parcel Number Three, the Grant dated February 9, 1967, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 5666, at Page 259, in favor of the City and County of Honolulu, granting easement for sewer purposes.

7. Lease dated April 3, 1967, filed as Document No. 630747 and recorded in Liber 9162, at Page 81, as amended, presently held by Kenneth Kun Kui Wong, husband of Helene

Leong Wong; and unrecorded sublease dated October 15, 1972 (a memorandum of which dated February 15, 1973, was filed as Document No. 630751 and recorded in Liber 9162, at Page 101, as amended) presently held by A & H, Inc., a Hawaii corporation, which sublease is subject to a mortgage dated February 21, 1973, filed as Document No. 630752 and recorded in Liber 9162, at Page 110, in favor of Liberty Bank, a Hawaii corporation, and an Agreement of Sale dated November 29, 1974, filed as Document No. 708551 and recorded in Liber 10386, at Page 197, in favor of B.J.R.'s, Inc., a Hawaii corporation (a District Court Judgment in the amount of \$2,750 was filed on February 9, 1976 in Liber 11230, at Page 479, against B.J.R.'s, Inc. and Betty T. Robison).

NOTE: The foregoing encumbrances affect the space to be designated as Commercial Space 204, which will be retained by the Developer.

8. Lease dated April 1, 1974, filed as Document No. 675726 and recorded in Liber 9831, at Page 546, in favor of Lee Martin, husband of Sherry Martin, which lease is subject to Mortgage, Assignment of Rents and Security Agreement dated April 10, 1974, filed as Document No. 675727 and recorded in Liber 9831, at Page 582, in favor of Hawaii Housing Authority.

9. Mortgage and Assignment, both dated January 20, 1972, in favor of Honolulu Mortgage Co., Ltd., filed as Document Nos. 750674 and 750675, respectively, and recorded in Liber 11179, at Page 394, and Liber 11179, at Page 403, respectively.

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, as amended, and the 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 of 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 23, 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. 870, filed with the Commission on July 23, 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

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FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

Registration No. 870
September 8, 1976

SHERRY WAIKIKI II

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>
26	A	380	91	1	2.0
31, 41, 51, 61 71, 81, 91, 1001	B	295	53	8	1.7
32, 42, 52, 62, 72, 82, 92, 1002	B-1	295	53	8	1.3
33, 43, 53, 63 73, 83, 93, 1003	B-1	295	53	8	1.3
34, 44, 54, 64 74, 84, 94, 1004	B	295	53	8	1.7
35, 45, 55, 65 75, 85, 95, 1005, PH-1103	A	380	91	9	2.0
36, 46, 56, 66, 76, 86, 96, 1006, PH-1104	A	380	91	9	2.0
PH-1101 & PH-1102	C	608	200	2	3.0
Commercial Apartment 204		1562	91	1	8.0