

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

1010 RICHARDS STREET

P. O. BOX 3469

HONOLULU, HAWAII 96801

SECOND

SUPPLEMENTARY

HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)

PUBLIC REPORT

of

WAIKIKI BEACHSIDE

(formerly HALE PALMS)

2556 Lemon Road

Honolulu, Hawaii

REGISTRATION NO. 1215 (CONVERSION)

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

It was prepared as a supplement to an earlier Report dated January 29, 1980, November 26, 1980, and January 19, 1981, issued by the Real Estate Commission on the above 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 until

- (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: December 22, 1981

Expires: August 18, 1982

SPECIAL ATTENTION

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

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED ON DECEMBER 19, 1979, AND SUBSEQUENT INFORMATION FILED AS OF DECEMBER 22, 1981. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Preliminary Public Report on HALE PALMS condominium dated January 29, 1980, and the issuance of the Commission's Supplementary Public report on WAIKIKI BEACHSIDE condominium dated November 26, 1980, and the Final Public Report dated January 19, 1981, the Developer reports additional changes have been made to the Project.

2. This Second Supplementary Public Report amends the Preliminary Public Report on the HALE PALMS condominium, the Supplementary and Final Public Reports on WAIKIKI BEACHSIDE Condominium Registration No. 1215. The developer is responsible for placing a true copy of this Second Supplementary Public Report (pink paper stock) in the hands of all purchasers and prospective purchasers, along with a true copy of the Preliminary Public Report (yellow paper stock), Supplementary Public Report (pink paper stock) dated November 26, 1980 and Final Public Report (white paper stock). Securing a signed copy of the receipt for these public reports as well as the Second Amended Disclosure Abstract is also the responsibility of the Developer.
3. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of this condominium project and issuance of this Second Supplementary Public Report.

The Declaration of Horizontal Property Regime of Hale Palms dated December 10, 1979 together with the By-Laws attached thereto was recorded on December 19, 1979 in the Bureau of Conveyances of the State of Hawaii, in Liber 14332, Page 1. An Amendment to Declaration of Horizontal Property Regime of Hale Palms and By-Laws of the Association of Apartment Owners of Hale Palms, dated October 20, 1980, changing, inter alia, the name of the project from Hale Palms to Waikiki Beachside and restated the entire Declaration and By-Laws was recorded on November 26, 1980 in the Bureau in Liber 15112, Page 590. The Declaration was further amended on September 25, 1981 which was recorded on September 25, 1981 in the Bureau in Liber 15842, Page 720.

Approved floor plans have been filed as Condominium Map No. 673 in the Bureau of Conveyances of the State of Hawaii, on December 19, 1979. Said Condominium Map was amended by that certain Amendment to Condominium Map and Declaration of Horizontal Property Regime of the Hale Palms dated November 21, 1980, changing, inter alia, the name of the project from Hale Palms to Waikiki Beachside, and recorded on November 26, 1980, as aforesaid in Liber 15166, Page 68.

4. Advertising and promotional matters which have been submitted previously are not being used by the present developer.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A of the Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

6. The Developer has requested and the Commission has approved an extension of the Final and Supplementary Reports to expire August 18, 1982.

The information under the topical headings in the Preliminary Report dated January 29, 1980, as amended by the Supplementary Public Report dated November 26, 1980 and the Final Public Report dated January 19, 1981, has not been changed except for DEVELOPER, ATTORNEY REPRESENTING DEVELOPER, PURPOSES OF BUILDINGS AND RESTRICTIONS AS TO USE, OWNERSHIP OF TITLE, ENCUMBRANCES AGAINST TITLE, AND PURCHASE MONEY HANDLING.

DEVELOPER: The Developer of the Project has been changed from A & M Investments, a Hawaii partnership, to WBS Equity Partners, a Hawaii limited partnership, whose principal place of business and post office address is Suite 617, 1136 Union Mall, Honolulu, Hawaii 96813, and whose telephone number is (808) 524-2009. The general partners are:

G. W. Waikiki, Inc., a Hawaii corporation
Suite 617, 1136 Union Mall
Honolulu, Hawaii 96813
Tel. (808) 524-2009

The Bidwell Corporation, a Hawaii corporation
P. O. Box 192
Honolulu, Hawaii 96810
Tel. (808) 839-5989

ATTORNEY REPRESENTING DEVELOPER: The attorney for the Developer has been changed to Hiroshi Sakai, Attorney at Law, A Law Corporation, whose principal place of business and post office address is Suite 602, City Bank Building, 810 Richards Street, Honolulu, Hawaii 96813, and whose telephone number is (808) 531-4171.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The information under this topical heading in the Supplementary Public Report dated November 26, 1980 has been amended in its entirety as follows:

The apartments shall be occupied and used only for purposes permitted from time to time by applicable zoning ordinances, rules, and regulations, including any permissible non-conforming use. The apartments may be used and occupied under a time share ownership plan, or a time share use plan, as those terms are defined in Chapter 514E, Hawaii Revised Statutes, or any other arrangement where the occupancy of the apartment units may be on a temporary or transitory purpose. The apartments may further be used for hotel purposes, and operations, and time shares sales and operations. The apartments may be used for any time period or periods including any annually recurring period on a fixed or floating basis; provided, however, that each apartment shall be owned only by a single person or entity which shall be responsible to the Lessor for payment of

the rent and observance of the covenants contained in the condominium conveyance documents therefor. The parking stalls may be used as a parking space for a motor vehicle or such other purposes as the Developer and/or Association shall determine in its sole discretion. The owners of the respective apartments shall have the absolute right to assign the entire lease of such apartments subject to all provisions of the Horizontal Property Act, this Declaration and the By-Laws attached hereto.

NOTE: In the event any person, including the Developer, desires to sell any time-share interest in any apartment in the project, such person(s) will have to fully comply with the provisions of Chapter 514-E of the Hawaii Revised Statutes and any Rules and Regulations promulgated hereunder prior to selling any such time-share interest.

No apartment owner shall use his apartment for any purpose which will injure the reputation of the project, or suffer anything to be done or kept in his apartment or elsewhere on the project which will (a) jeopardize the soundness of any building or the premises, (b) interfere with or unreasonably disturb the rights of other owners and occupants, (c) obstruct the corridors or stairways of the building, (d) increase the rate of fire insurance on the building or the contents thereof, or (e) reduce the value of the project. For purposes hereof, the use of an apartment under a time share ownership plan, a time share use plan, or any other arrangement where the occupancy of the apartment units may be on a temporary or transitory purpose, shall not, merely by such use, be deemed a prohibited use.

NOTE: The Developer, and after the Developer has sold all of his units in the project and no longer has any interest in the project, then the Association of Apartment Owners, through its Board of Directors, shall have the right and power but not the obligation to conduct hotel, rentals, apartments, and time sharing sales and operations. Such power and right shall include where necessary the power and right to make renovations and/or additions to the common elements and to conduct other activities necessary to reasonably conduct the foregoing operations, including without limitation, the right to enter into such leases and such purchase contracts as it may deem appropriate. After the Developer has sold all of his units in the project and no longer has any interest in the project, such lease and purchase contracts shall be assumed by the Association of Apartment Owners and may be renegotiated by its Board of Directors on such terms as are acceptable by the Board and the various parties to such leases and contracts.

PURCHASE MONEY HANDLING: A new Escrow Agreement dated November 5, 1981 has been executed between Guardian Escrow Services, Inc., as Escrow and WBS Equity Partners, as Seller. The Escrow Agreement terms remain the same as the prior agreement of September 10, 1980.

OWNERSHIP OF TITLE: A Title Insurance Policy dated September 25, 1981 issued by Stewart Title Guaranty Company lists WBS Equity Partners, a Hawaii limited partnership as the Lessee for the leasehold, the Lessor of which continues to be Chun Kee, Ltd.

ENCUMBRANCES AGAINST TITLE: The Title Insurance Policy dated September 25, 1981, issued by Stewart Title Guaranty Company, lists the following as encumbrances to the land:

1. For real property taxes due and payable, reference is made to Director of Finance, City and County of Honolulu.
2. Title to all minerals and metallic mines reserved to the State of Hawaii.
3. A 10 foot setback line along Lemon Road, as disclosed dated April 1, 1962, recorded April 26, 1962, in Book 4261, Page 477.
4. Condominium Map No. 673, filed in the Bureau of Conveyances, State of Hawaii.
5. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions, easements and by-laws set forth in the Declaration of Horizontal Property Regime dated December 10, 1979, recorded December 19, 1979, in the Bureau of Conveyances, State of Hawaii, in Book 14332, Page 1.

Said Declaration was amended by instruments dated October 20, 1980, November 21, 1980 and September 25, 1981, recorded October 31, 1980, November 26, 1980 and September 25, 1981, in Books 15112, 15166 and 15842, Pages 590, 68 and 70, respectively.
6. Terms, provisions and conditions of that certain Lease dated April 15, 1979, Amendment to Lease and Assignment of Lease.
7. Mortgage dated August 31, 1979, recorded November 13, 1979, in the Bureau of Conveyances, State of Hawaii, in Book 14159, Page 211, to secure the repayment of \$800,000.00, and any additional advances and other amounts secured thereby, under the terms and provisions thereof,

Mortgagor: The Willash Group, a Hawaii Limited Partnership.

Mortgagee: Properties Universal, Inc., a Hawaii Corporation.

Assigned by an assignment dated November 8, 1979, recorded November 13, 1979, in Book 14159, Page 219, in said Bureau, as security.

To: Henry Bernard Mau, husband of Violet Tom Mau.

Said Mortgage was amended by instruments dated September 18, 1981 and September 25, 1981, recorded September 25, 1981, in Book 15842, Pages 745 and 735, respectively, in said Bureau.

Consent thereto by Henry Bernard Mau, husband of Violet Tom Mau, recorded concurrently in Book 15842, Page 750, in said Bureau.

8. Mortgage dated October 28, 1980, recorded October 31, 1980, in the Bureau of Conveyances, State of Hawaii, in Book 15112, Page 696, to secure the repayment of \$400,000.00, and any additional advances and other amounts secured thereby, under the terms and provisions thereof,

Mortgagor: A & M Investments, a registered Hawaii General Partnership.

Mortgagee: The Willash Group, a Hawaii Limited Partnership.

Assigned by an assignment dated October 28, 1980, recorded November 14, 1980, in Book 15138, Page 116, in said Bureau, as security.

To: Properties Universal, Inc., a Hawaii corporation.

Said Mortgage was amended by an instrument dated and recorded September 25, 1981, in the Bureau of Conveyances, State of Hawaii, in Book 15842, Page 753.

Said Mortgage was subordinated to the lien of that certain Mortgage shown in Paragraph 9, by an agreement dated and recorded September 25, 1981, in Book 15842, Page 756, in said Bureau.

9. Mortgage dated and recorded September 25, 1981, in the Bureau of Conveyances, State of Hawaii, in Book 15842, Page 759, to secure the repayment of \$245,307.67, and any additional advances and other amounts secured thereby, under the terms and provisions thereof,

Mortgagor: WBS Equity Partners, a Hawaii Limited Partnership.

Mortgagee: A & M Investments, a Hawaii General Partnership.

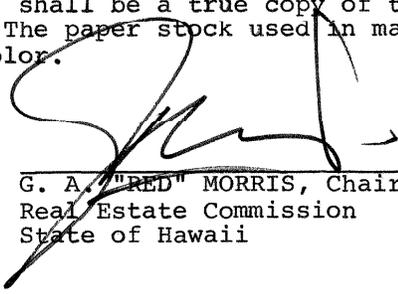
10. Mortgage dated December 3, 1981 recorded in the Bureau of Conveyances, State of Hawaii, in Book 16024, Page 683, in favor of AYS, Ltd., Mortgagee,

to secure the repayment of \$60,666.66 made by WBS
Equity Partners, a Hawaii Limited Partnership, as
Mortgagor.

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 on
December 19, 1979, and information subsequently filed as of
December 22, 1981.

This SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT is made a part of Registration No. 1215 filed with
the Commission on December 19, 1979.

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



G. A. "RED" MORRIS, Chairman
Real Estate Commission
State of Hawaii

Distribution:

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BUREAU OF CONVEYANCES
PLANNING DEPARTMENT, CITY AND COUNTY OF HONOLULU
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

Registration No. 1215

December 22, 1981