

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION

DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS

STATE OF HAWAII

1010 RICHARDS STREET

P. O. BOX 3469

HONOLULU, HAWAII 96801

SECOND

SUPPLEMENTARY

HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)

PUBLIC REPORT

THE WAIKIKI ROYAL

255 Beach Walk

Honolulu, Hawaii

REGISTRATION NO. 1237 (Conversion)

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

It was prepared as a supplement to ~~an~~ earlier Reports dated February 22, 1980, March 31, 1980 and March 10, 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: July 8, 1983

Expires: April 30, 1984

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 JANUARY 29, 1980 AND INFORMATION SUBSEQUENTLY FILED AS OF JULY 6, 1983. 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. Since the issuance of the Commission's Preliminary Public Report of February 22, 1980, the Final Public Report of March 31, 1980 and its Supplementary Report of March 10, 1981, on THE WAIKIKI ROYAL condominium apartment project, Registration No. 1237, the Commission has been informed that TymeBank, Inc., has obtained title to the forty-eight (48) unsold residential condominium apartment units in the Project and the Developer wishes to sell undivided one-sixth (1/6) interests in each of the apartment units, together with the exclusive right to use such units for sixty (60) day periods, to the public.

NOTE: The sale of units for intervals of 60 or more day periods does not come under the purview of TIME SHARING PLANS, Chapter 514E of the Hawaii Revised Statutes.

2. The Developer of the Project has submitted to the Commission for examination all documents deemed necessary for the registration of the condominium project and issuance of this Supplementary Public Report.

3. Advertising and promotional matter has not been submitted to the Commission.

4. This Second Supplementary Public Report (pink paper stock) is made a part of the registration of THE WAIKIKI ROYAL condominium project, a copy of which the Developer is required to provide all purchasers and prospective purchasers, along with copies of the Preliminary, Final and previous Supplementary Public Reports and the revised Disclosure Abstract dated May 6, 1983. Securing a signed copy of the receipt is also the responsibility of the Developer.

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 promulgated thereunder which relate to Horizontal Property Regimes.

6. This Second Supplementary Public Report automatically expires on April 30, 1984, unless a Third Supplementary Public Report is issued, or the Commission, upon review of the registration, issues an order extending the effective period of this report.

The information under the topical headings DEVELOPER, INTEREST TO BE CONVEYED TO PURCHASER, RESTRICTIONS AS TO USE, OWNERSHIP

OF TITLE, ENCUMBRANCES AGAINST TITLE, PURCHASE MONEY HANDLING, MANAGEMENT AND OPERATIONS has been changed. Information under all other topical headings has not been disturbed.

DEVELOPER: The Commission has been advised that TymeResorts International, Ltd., a Hawaii corporation having its principal place of business at 190 South King Street, Suite 740, Honolulu, Hawaii 96813, Telephone No. (808) 523-3110, will be the new developer for the project.

The officers and directors of TymeResorts International, Ltd., are as follows:

Michael Roedeinger, President, Director
Jim Ariyoshi, Vice President
Herb Holden, Treasurer, Director
John C. Kinney, Secretary, Director

INTEREST TO BE CONVEYED TO PURCHASER: The Developer will convey to the purchaser an Interval Ownership consisting of an undivided one-sixth (1/6th) interest in a) the Unit, b) the furnishings located therein and c) in the undivided percentage interest in the common elements of the Project appurtenant thereto, together with an exclusive right to use and occupy the Unit for a period designated in the Apartment Deed and in the Declaration of Covenant, Conditions and Restrictions applicable to the Unit.

RESTRICTIONS AS TO USE: The Developer has advised the Commission that a Declaration of Covenants, Conditions and Restrictions on Interval Interests conveyed will be filed of record on each of the Units prior to or simultaneously with the first conveyance of an Interval Ownership Interest on each such Unit. A specimen copy of such Declaration has been submitted to the Commission.

Said Declaration of Covenants, Conditions and Restrictions provides that the Grantee shall have the exclusive right to occupy the apartment, and as between Grantor and the cotenants, to use and enjoy the common elements of the project and the rights and easements appurtenant thereto, during the Interval designated and conveyed to Grantee.

Said Declaration of Covenants, Conditions and Restrictions, provides the following table designating the Intervals for which Grantor is conveying Interval Ownership in the condominium.

<u>Period</u> <u>Designation</u>	<u>From</u>	<u>Date</u>	<u>To</u>
A	12/30		2/27
B	2/28		4/28
C	4/29		6/27
D	6/28		8/26

E	9/1	10/30
F	10/31	12/29
Y	8/27	8/31

Said Declaration of Covenants, Conditions and Restrictions provides that Grantor and Grantee hereby waive any and all rights to seek or obtain, through any legal proceeding judicial partition or sale in lieu of partition of the condominium.

Said Declaration of Covenants, Conditions and Restrictions, under Section 4, provides for protection of interests as follows:

1. Grantor and Grantee shall not permit their respective interests in the Apartment or Common Furnishings to be subjected to any lien (other than current real property taxes and special district assessments), and/or claim or charge, the enforcement of which could result in (1) the sale or threatened sale of the interval interest of any cotenant to the Apartment or (2) any interference with the use or enjoyment thereof by any such cotenant.

2. Grantor and Grantee agree that should any such sale of the Apartment and/or Common Furnishings be threatened, or of the interest of a cotenant therein, or should interference with the use and enjoyment of such interests by any cotenant be threatened, by reason of any lien, claim or charge caused by any of the cotenants, including Grantor and Grantee, or should proceedings be instituted to effect any such sale or interference, then any cotenant or cotenants acting on his or their behalf or through the Interval Manager provided for below, or the Manager acting on behalf of any one or more of the cotenants, may, but shall not be required to, pay or compromise the lien, claim or charge without inquiry into the proper amount or validity thereof and, in that event, the cotenant who caused such lien, claim or charge to arise shall immediately repay the amount so advanced or expended to the party who made such advance and expenditure, together with such reasonable attorneys' fees and related costs as such party may have incurred.

3. Grantor and Grantee further agree that no cotenant shall permit his interest in any funds from time to time in the possession of the Manager in accordance with these CC&Rs to be subjected to any attachment, lien, claim or charge or other legal process and any cotenant failing this shall promptly restore any such funds held by the

Manager to the extent depleted by reason of the assertion of any such attachment, lien, claim, charge, or other legal process and shall reimburse the Manager for all reasonable attorneys' fees or other costs incurred in respect thereof.

Said Declaration of Covenants, Conditions and Restrictions provides that Grantee shall keep the Apartment and all Common Furnishings in good condition and repair during his Interval and shall vacate the condominium at the expiration of his Interval by removing all persons and property therefrom, excluding only Common Furnishings, and leaving the Apartment in good and sanitary condition and repair, and shall otherwise comply with such reasonable check-out and other procedures as may from time to time be set forth in rules established by the Manager.

Said Declaration of Covenants, Conditions and Restrictions provides that Grantor or his representative shall be the initial Manager and Grantor agrees to manage the Apartment under the terms and conditions provided therein. Grantor shall act as Manager for an initial period of two years from the date the first Interval Ownership interest to the Apartment is conveyed, and thereafter until replaced by the vote of the majority in interest of all of the cotenants to the Apartment. Any Manager succeeding Grantor shall serve during such period as may be determined by such vote of the cotenants. The appointment of each successor Manager shall be evidenced by a written agreement executed by cotenants having a majority in interest to the Apartment and by the successor Manager. During any period when no Manager is acting, such majority in interest of the cotenants shall have all of the rights herein conferred upon the Manager.

Said Declaration of Covenants, Conditions and Restrictions provides that the Manager shall control and direct the management, maintenance and repair of the Apartment and the acquisition, maintenance, repair and replacement of the Common Furnishings, and, through rules and regulations issued by it, shall administer the affairs of the cotenants with respect to the use and occupancy of the Apartment, check-in and check-out procedures, and the payment of all expenses and costs related thereto. The Manager shall have exclusive possession of the Apartment during Interval Y as defined above, and Manager shall be expressly authorized, in its discretion and on behalf of the cotenants to do any or all of the following to the extent not inconsistent with further directions given it by the action of the majority in interest of the cotenants:

"a. To repair, maintain, repaint, remodel, furnish or refurnish the Apartment or any part thereof; to establish reserves for anticipated costs, including the acquisition and replacement of Common Furnishings; and to acquire and pay for materials, supplies, furniture, furnishings, labor or services which the Manager deems necessary or proper for the maintenance and operation of the apartment; provided that the Manager shall not make any discretionary capital expenditure

which exceeds available reserves by more than \$2500.00 without the prior approval of the majority in interest of the cotenants;

b. To pay all taxes and assessments, including assessments by the Association, and other costs or charges affecting or relating to the Apartment;

c. To adopt from time to time and enforce reasonable rules relating to the possession, use and enjoyment of the Apartment by the cotenants;

d. To obtain and pay the cost of legal, auditing and accounting services necessary or proper for the maintenance and operation of the Apartment and the enforcement of these CC&Rs;

e. To obtain and pay the cost of: (1) insurance covering the Apartment and Common Furnishings against loss or damage by fire and other hazards with extended coverage; (2) public liability insurance or property damage; and (3) any other insurance deemed necessary or desirable by the Manager or by a majority in interest of the cotenants;

f. To exercise on behalf of the cotenants the voting and other membership rights of the Apartment in the Association; provided that the Manager shall vote in such manner as may be directed by a majority in interest of cotenants or, in the absence of such direction, as the Manager deems to be in the best interest of the cotenants;

g. To do any and all other acts or things necessary to appropriate the ordinary and necessary operation and maintenance of the Apartment or to the preservation and protection of the Apartment in the event of an emergency;

h. To delegate the authority and responsibilities of Manager hereunder to one or more agents for such periods and upon such terms as the Manager deems proper;

i. To collect, either in advance of disbursement or following disbursement if the Manager advances sums in payment of any of the foregoing, each cotenant's share of the aforesaid costs and any other amounts properly expended by the Manager; to estimate any such expenditure in advance, and to bill the cotenants accordingly; and to take proper steps to enforce any cotenant's obligations hereunder;

j. Manager shall provide Grantee at least once a year with a financial statement itemizing expenses for the Apartment for the previous year."

Said Declaration of Covenants, Conditions and Restrictions provide that the Manager shall be entitled to compensation from each cotenant for its services the amount of \$5.00 per interval, per month or such other compensations as may be agreed upon by the Manager and the cotenants from time to time, and to reimbursement for the reasonable and necessary administrative,

secretarial and other personnel employed.

Said Declaration of Covenants, Conditions and Restrictions provides that Grantor, Grantee and each other cotenant of the Apartment shall be responsible for paying Apartment expenses as follows or in the following manner:

1. The cost of any utility charges directly allocable to the occupancy of the Apartment during a cotenant's Interval, and the cost of repairing any damage to the Apartment or Common Furnishings which is the responsibility of a particular cotenant;

2. A share of the following costs and expenses (including amounts assessed by the Association) which bears the same relationship to the whole as each cotenant's undivided percentage interest in the Apartment bears to 100%: (1) real property taxes and special district assessments, (2) insurance premiums for fire and extended coverage insurance and other casualty insurance from time to time payable, (3) ground lease payments (if applicable), (4) basic telephone charges and cost of utility services, recreational privileges and other standard services, (5) cost of ordinary repair and maintenance of the Apartment and acquisition, repair, replacement and maintenance of Common Furnishings, (6) premiums for liability insurance, (7) the Manager's reimbursable administrative expenses and other costs and expenses herein authorized to be paid and not otherwise allocated, (8) amounts necessary to establish proper reserves for the foregoing items and; (9) other costs and expenses provided herein, including the Manager's compensation.

3. All such payments shall be made through the Manager. The Manager shall be under no obligation to, but may in its discretion, advance sums required to pay the obligations of any one or more of the cotenants or to make the aforesaid payments or incur obligations within the Manager's authority to provide funds therefor. The Manager shall not be responsible for the acts or conduct of any of the cotenants or for the breach of any of the obligations of any of the cotenants hereunder. The Manager shall not be liable to any cotenant in the absence of bad faith or negligence but shall hold the cotenants harmless from and against any and all claims, expenses, liabilities, demands, causes of action, awards, or judgments rendered against the Manager or the cotenants arising out of or in connection with the negligent conduct of the Manager, its officers, employees or subagents.

4. The manager may in its discretion estimate the amounts to be paid by each cotenant in advance and provide procedures for the payment thereof in equal periodic installments or otherwise, and may require additional or supplemental payments of amounts properly payable by the cotenants in addition to any such estimated payments and may include in any such estimated or supplemental payment provisions for payment of the Manager's compensation. Each cotenant shall pay to the Manager, within ten days after receipt of a statement therefor, the amount of any costs payable by the cotenant thereunder including estimated costs and amounts required to establish and maintain reserves authorized thereunder.

Said Declaration of Covenants, Conditions and Restrictions provides that no cotenant shall make improvements, decorations or repairs to the Apartment or Common Furnishings or contract to do so or subject the Apartment or Common Furnishings to any liens for the making of improvements, decorations or repairs. No cotenant shall create or permit to exist any nuisance in the Apartment or commit waste with respect to the Apartment or permit anything to be done or kept in the Apartment which would increase the rate of insurance upon the Apartment or Common Furnishings.

Said Declaration of Covenants, Conditions and Restrictions provides that each cotenant of the Apartment shall have a lien, in the nature of a mortgage with private power of sale, on the Interval Ownership of each other cotenant of the Apartment as security for the prompt and faithful performance by such other cotenant of the obligations under the CC&Rs and payment of costs of enforcement and reasonable attorney's fees.

Said Declaration of Covenants, Conditions and Restrictions provides the Manager, on behalf of the other cotenants, may bring an action for damages or to enjoin the violation or specifically enforce the provisions, or to enforce any statutory or contractual lien against any cotenant who fails to comply with any of the provisions of the CC&Rs.

Said Declaration of Covenants, Conditions and Restrictions provides that in the event of any damage or destruction to the Apartment or the Common Furnishings the Manager shall forthwith cause such damage to be repaired and shall apply any available insurance proceeds thereto. If the damage is not covered by insurance, or if the available insurance proceeds are insufficient, the Manager shall assess and the cotenants shall pay the cost or the amount of such deficiency in proportion to their undivided ownership interests in the Apartment unless the damage was caused by the intentional or negligent act or omission of any cotenant, his family, guests, invitees or lessees, in which event the cost of repair or deficiency shall be paid by such cotenant. The Manager shall attend any meeting of members of the Association called to determine whether to repair, restore or dissolve the Project, shall vote at any such meeting on behalf of the cotenants to provide for the repair and restoration of the Project or, in the event the Project is dissolved, to administer the distribution of any and all proceeds from dissolution allocable to the Apartment. The Declaration also provides that any proceeds allocable to the Apartment and payable to the cotenants as a result of (1) any excess of insurance proceeds over the cost of repair or restoration or (2) any similar cause, and not required for the repair or restoration of the Apartment or Common Furnishings or any part thereof, or not necessary to compensate any one or more cotenants for loss or damage to their individual person or property shall be distributed to the cotenants in proportion to their respective undivided ownership interests in the Apartment. Any assessment properly levied against the Apartment by the Association for the purposes of repair or restoration of the Project shall be assessed against and paid by the cotenants in proportion to their respective undivided ownership interests in the Apartment subject first to

reserves on hand.

OWNERSHIP OF TITLE: A Preliminary Title Report dated May 10, 1983, issued by Hawaii Escrow & Title, Inc., discloses that title to the property is vested in TymeBank, Incorporated, a Delaware Corporation. The Developer and TymeBank Incorporated have executed an agreement whereby Developer has full right to sell the project and TymeBank Incorporated will reimburse Developer for expenses incurred in connection with this filing and will pay to Developer the sum of \$200.00 per month for its services until this project is completely sold. Apartment Deeds will be executed by TymeBank, Incorporated as Grantor.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report reflects the following encumbrances against title:

1. Title to all mineral and metallic mines reserved to the State of Hawaii.

2. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in the instruments dated December 10, 1915; November 30, 1914; and April 7, 1915, recorded as aforesaid in Liber 442, Page 24; Liber 422, Page 165; and Liber 420, Page 284, respectively in the Bureau of Conveyances.

3. Easement in favor of Lot 29 for pedestrian and vehicle passage over and across a portion of Lot 31, being a strip 10-feet wide, as contained in that certain instrument dated April 1, 1968, recorded in Liber 6024, Page 289.

4. Matters as shown on Condominium File Plan No. 693, filed in the Bureau of Conveyances.

5. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions, easements and by-laws set forth in the Declaration of Horizontal Property dated February 29, 1980, recorded on March 12, 1980 in Liber 14566, Page 720 in the Bureau of Conveyances. Said Declaration was amended by Instrument dated January 6, 1981, recorded on January 30, 1981 in Liber 15316, Page 127.

6. Any and all easements encumbering the apartment and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, as amended, and/or in said Apartment Deed, and/or as delineated on said condominium File Plan.

7. A Mortgage dated July 9, 1982 to secure repayment of the sum of \$5,600,000.00 made by TymeBank Incorporated, a Delaware corporation as Mortgagor, in favor of State Savings & Loan Association, a Utah corporation, as Mortgagee and recorded August 3, 1982 in Liber 16498, Page 44.

8. A Mortgage dated August 2, 1982 to secure repayment of \$305,000.00 made by TymeBank Incorporated, a Delaware corporation, as Mortgagor, in favor of Mimi Bond Abrams, single, as Mortgagee and recorded on August 3, 1982 in Liber 16498, Page 83.

9. A Financing Statement covering certain personal property given by TymeBank Incorporated to State Savings & Loan Associates, recorded in August 3, 1982 in Liber 16498, Page 75.

10. A Mortgage dated December 29, 1982, to secure repayment of \$177,500.00, recorded in Liber 16772, Page 235.

11. Real property taxes and assessments as may be due and owing.

PURCHASE MONEY HANDLING: An executed Escrow Agreement dated May 16, 1983, identifies Hawaii Escrow & Title, Inc., as the Escrow Agent. Upon examination, the executed Escrow Agreement and specimen Sales Contract are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. Among other provisions, the Escrow Agreement provides that the Escrow Agent shall refund to purchaser all of purchaser's funds, without interest, less a cancellation fee of \$35.00 and the cost of any credit report, escrow fees and other costs incurred by lender in conducting the loan investigation after the purchaser has requested such return and if Escrow has received from the Developer, a written notice that any of the following has occurred:

a. The Developer and the purchaser shall have requested Escrow to return to purchaser the funds of purchaser then being held thereunder by Escrow.

b. If the Developer notifies Escrow Agent of its exercise of the option to rescind the sales contract.

c. If the required percentage of Intervals is not sold within the period provided in the sales contract.

Each purchaser and prospective purchaser should read and understand the Escrow Agreement and the Sales Contract before executing the Sales Contract, since the Escrow Agreement describes the procedure for receiving and disbursing the purchaser's funds, and the Sales Contract specifically provides that the purchaser approves the Escrow Agreement and assumes the benefits and obligations therein provided,

The Sales Contract provides that the Unit will be subject to a Declaration of Covenants, Conditions and Restrictions and that the purchaser has examined and approved of the form of the Declaration of Covenants, Conditions and Restrictions governing the Unit, together with the Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners and House Rules, and the Property Management Agreement applicable to the Project.

Among other provisions, the Sales Contract provides: (1) The purchase and sale of the Interval Ownership of a unit is conditioned upon at least eighty percent (80%) of the undivided interests in the apartment having been sold and closed concurrently with said purchase and sale or have already closed. and (2) All major appliances, plumbing and electrical/gas


fixtures included in the sale shall be sold "AS IS".

MANAGEMENT AND OPERATIONS: The Commission has been furnished with a copy of a May 4, 1983 Management Agreement which identifies The Crozier Management Corporation, 190 South King Street, Suite 740, Honolulu, Hawaii, Telephone: (808) 523-3110, as the Managing Agent for the Project. The Commission has also been informed that The Crozier Management Corporation will also be the initial Property Manager designated by Developer pursuant to the Declaration of Covenants, Conditions, Restrictions for each of the Units being sold by Developer for TymeBank, Incorporated.

The purchaser or prospective purchaser should be cognizant of the fact that this published Report represents information disclosed by the Developer in the Notice of Intention submitted January 29, 1980 and additional information subsequently filed as of July 6, 1983.

This Supplement to Horizontal Property Regime (Condominium) Public Report is made a part of Registration No. 1237 filed with the Commission January 29, 1980.

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


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

Distribution:
Department of Finance
Bureau of Conveyances
Planning Department,
City and County of Honolulu
Federal Building Administration
Escrow Agent

Registration No. 1237

Dated: July 8, 1983.