

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII
1010 RIQUADRO STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
THE CONTESSA
2825 S. King Street
Honolulu, Hawaii

REGISTRATION NO. 226

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

It was prepared as a supplement to an earlier Report dated _____ 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: April 8, 1971
Expires: May 8, 1972

SPECIAL ATTENTION

A comprehensive reading of the 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:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED SEPTEMBER 24, 1968 AND INFORMATION SUBSEQUENTLY FILED ON SEPTEMBER 10, 1969 and APRIL 2, 1971. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND LATER ADVISING THE COMMISSION OF CHANGES IN THE PROJECT IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT.

1. Since the issuance of the Commissioner's Preliminary Public Report of October 18, 1968 and the Final Public Report of September 10, 1969 on The Contessa, Registration No. 226, the Developer reports that changes have been made in the plan or set up as presented in the September 24, 1968 Notice of Intention to Sell and that the revisions have been made to the information filed with the Commission on September 10, 1969 and April 2, 1971.
2. Developer on the date of March 30, 1971 filed with the Commission the following:
 - a. First Amendment to the Master Lease dated February 19, 1971 between the Kawaihāo Church, a Hawaii non-profit corporation, as Lessor, and Rainbow Plaza Development, Inc., as Lessee, recorded in Liber 7459, Page 370 on March 24, 1971.

- b. Amendment to Declaration of Horizontal Property Regime of The Contessa condominium project and the By-Laws attached thereto as Exhibit "A" dated February 19, 1971, and filed in the Office of the Bureau of Conveyances, State of Hawaii, in Liber 7459, Page 383 on March 24, 1971.
 - c. Property Management Contract dated March 1, 1971 with Tropic Shores Realty, Ltd.
 - d. Printed copy of Receipt, Ratification and Subordination to be executed by all purchasers.
 - e. Rules and Regulations of The Contessa condominium adopted on March 1, 1971.
 - f. Printed copy of Apartment Lease.
3. The changes subsequently made and determined to be a material revision to the information disclosed earlier which an examination caused the Commission to publish a preliminary public report. This supplementary report (pink paper stock) amends the Preliminary Public Report (yellow paper stock) and the Final Public Report (white paper stock) becoming a part of The Contessa Registration.
- The Developer who is responsible for placing a true copy of this Supplementary Public Report in the hands of all purchasers and prospective purchasers along with a copy of the Supplementary Preliminary Report dated October 18, 1968 and the Final Public Report dated September 10, 1969. The Buyer shall sign the required receipt signifying that he had an opportunity to read all three (3) reports.
- 4. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of the project and updating information disclosed therein.
 - 5. Advertising and promotional matter have been filed pursuant to the rules and regulations promulgated by the Commission.
 - 6. The purchaser and prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes and the Condominium Rules and Regulations promulgated thereunder which relate to Horizontal Property Regime.
 - 7. This Supplementary Public Report shall be effective from the date of issuance, April 8, 1971 to May 8, 1972.

NAME OF PROJECT: THE CONTESSA

THE LOCATION, TAX MAP KEY, ZONING, DEVELOPER, and OWNERSHIP TO TITLE are unchanged since the Final Public Report of September 10, 1969.

ATTORNEY REPRESENTING DEVELOPER: Messrs. Yoshimi Hayashi and Hiroshi Sakai, Suite 602, City Bank Building, 810 Richards Street, Honolulu, Hawaii 96813. Phone 531-4171.

ENCUMBRANCES AGAINST TITLE: The Developer has submitted a title search report dated March 25, 1971, prepared by abstractor Long & Melone Title Insurance, Ltd., which indicates the following encumbrances as of that date: Master Lease executed March 13, 1968 recorded in Liber 6022, page 129, as amended by instrument dated February 19, 1971, recorded in Liber 7459, page 370. The Declaration of Horizontal Property Regime dated September 23, 1968 recorded in Liber 6579, page 268, as amended by instrument dated February 19, 1971, recorded in Liber 7459, page 383 (now Condominium Map No. 141). MORTGAGE: Rainbow Plaza Development, Inc. to Bank of Hawaii, dated April 3, 1969, recorded in Liber 6477, page 222. TO SECURE: \$5,000,000.00. FINANCING STATEMENT recorded April 14, 1969 in Liber 6477, page 221, Debtor: Rainbow Plaza Development, Inc., Secured Party: Bank of Hawaii. Covering all furnishings, fixtures, furniture, equipment, appliances, machinery,

apparatus and other assets together with all replacements and additions, now owned or hereafter acquired by the Debtor and used by the Debtor, in the operation of the improvements at South King and Walaka Streets, Honolulu, Hawaii. TAXES for fiscal year July 1, 1970 to June 30, 1971: first installment \$20,481.67, paid \$9,551.60 and balance delinquent \$10,930.07; interest to March, 1971, \$320.62; total \$12,343.70; second installment due May 20, 1971 of \$20,481.66.

AMENDMENT TO MASTER LEASE, DECLARATION AND BY-LAWS: The following amendments to the Master Lease have been made:

(a) Article 10 of the Master Lease which deals with Fire Insurance has been amended to clearly protect the interest of the first mortgagee of any sublease of the demised premises by loss of fire or damage.

(b) Article 16 of the Master Lease which deals with Assignment and Subletting of the demised land has been amended so that no consent of the Lessor is required for the assignment or reassignment of partial interests in the leasehold estate in connection with the sale to individual owners of condominium apartment units, assigned or sublet with the written consent of the Lessor.

(c) The proviso appearing on pages 13 and 14 of the Master Lease which deals with non-payment of rent by the Lessee, or if the Lessee becomes bankrupt or make assignment for benefit of creditors or abandons the premises, etc., has been amended to protect the owners of the condominium units.

(d) Paragraph B under the Mutual Covenants provisions of the Master Lease which deals with condemnation of the demised premises has been amended to protect the interest of the mortgagee.

(e) Paragraph C under the Mutual Covenant provisions of the Master Lease and which deals with consent to mortgage has been amended to clarify that the Lessee or sublessee may mortgage a condominium apartment unit without the further consent of the Lessor whereas presently it appears that the premises as a whole only may be mortgaged without the further consent of the Lessor.

(f) Paragraph F under the Mutual Covenant provisions of the Master Lease and which deals with protection of subleases has been amended to include holders of partial interest in the leasehold estate and mortgages.

(g) The original description of two parcels and exceptions has been changed to a consolidated description and the area of the land has been corrected from 88,690 to 88,645 square feet.

The following amendments to the Declaration and By-Laws have been made:

(a) The title to the Declaration has been amended to read, "DECLARATION TO THE HORIZONTAL PROPERTY REGIME".

(b) The introductory paragraph to the Declaration has been amended to include the Lessor, First Amendment to Master Lease and cite the amended Horizontal Property Act.

(c) Paragraph 4 of the Declaration has been amended to include the definition of the word "lanai".

(d) Paragraph 13 of the Declaration which deals with condemnation has been amended to protect the interest of the first mortgagee of any condominium apartment unit.

(e) Paragraph 16 of the Declaration which deals with the amendment of the Declaration by apartment owners has been amended so that any mortgagee may provide in its mortgage rights of voting during the terms of its mortgage to amend the Declaration and By-Laws.

(f) Section 1, Article II, of the By-Laws which deals with the applicability of By-Laws has been amended to enlarge the meaning of "lease" and "lessor" to include "sublease" of any apartment and the "sublessor" of any such apartment.

(g) Section 3, Article V of the By-Laws which deals with representation has been amended to include the first mortgagee.

(h) Section 1, Article VI of the By-Laws which deals with assessments and other charges has been amended to allow the mortgagee to collect customer trust funds and remit when due monies retained in the customer trust funds.

(i) Section 1, Article VII, of the By-Laws has been amended to allow the first mortgagee under a foreclosure to assign its interest without the prior written consent of the Lessor.

MANAGEMENT AND OPERATIONS: The By-Laws of Association of Apartment Owners provide that the Board of Directors will employ a responsible Hawaii corporation as managing agent to manage and control the project subject to prior approval of every such employment contract by majority of apartment owners. Pursuant to the power reserved in the sales contract the Developer has appointed Tropic Shores Realty, Ltd. as the responsible corporate management agent of the project, a copy of the property management contract dated March 1, 1971 is on file with the Real Estate Commission.

STATUS OF PROJECT: Notice of Completion was published in the Honolulu Advertiser on March 12 and 19, 1971, and said Notice was filed with the clerk of the First Circuit Court, State of Hawaii, on March 24, 1971.

The purchaser or prospective purchaser should be cognizant of the fact that this report represents the information disclosed by the Developer and the required notice of intention submitted September 24, 1968 and information subsequently filed on September 10, 1969 and March 30, 1971.

This Supplementary Property Regime (Condominium) Public Report is made a part of Registration No. 226 filed with the Commission on September 24, 1968.

The report, when reproduced, shall be a true copy of the Commission's public report. The paper stock used in making facsimile must be pink in color.


for DOUGLAS R. SODEHANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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Distribution:

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

April 8, 1971
Registration No. 226