

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

SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

ON

THE CONTINENTAL PLAZA

1040 Lunalilo

Honolulu, Hawaii

Registration No. 1219

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

It was prepared as a supplement to an earlier Report dated January 30, 1980 and May 25, 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 5, 1983

Expires: June 24, 1984

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:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED ON DECEMBER 24, 1979, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF NOVEMBER 30, 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 January 30, 1980 and Final Public Report of May 25, 1981 on THE CONTINENTAL PLAZA, Registration No. 1219, the Developer has submitted additional information and documents reflecting material changes made to 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 Supplementary Public Report.
3. Advertising and promotional matter have been submitted to the Real Estate Commission pursuant to the rules and Regulations promulgated by the Commission.
4. The basic documents (Declaration of Horizontal property Regime, By-Laws of the Association of Apartment Owners, and the Condominium Map) have been recorded in the Bureau of Conveyances of the State of Hawaii as noted in the Final Public Report. Amendments to the Declaration were recorded in Liber 17001 at Page 198 and in Liber 17450 at Page 316.
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 of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Supplementary Public Report will automatically expire on June 24, 1984, unless a Second Supplementary Public Report is issued or the Commission, upon review of this registration, issues an order extending the effective period of the reports.
7. This Supplementary Public Report amends the Preliminary Public Report and the Final Public Report and is made a part of the registration on THE CONTINENTAL PLAZA condominium project. The Developer shall be responsible for placing this Supplementary Public Report (pink paper stock), the Preliminary Public Report (yellow paper stock), the Final Public Report (white paper stock) and revised Disclosure Abstract dated August 24, 1982 in the hands of all purchasers and prospective purchasers and securing a signed copy of the receipt therefor.

Except for the information under the topical headings which follow, the information contained in the Preliminary Public Report dated January 30, 1980, as modified by the Final Public Report dated May 25, 1981, has not materially changed.

DEVELOPER: CONTINENTAL PLAZA ASSOCIATES, a co-ownership of GECC Financial Corporation, a Hawaii corporation and Washington Mutual Savings Bank, a Washington corporation duly registered in Hawaii as a foreign lender. The respective addresses are: Continental Plaza Associates and GECC Financial Corporation, 700 Bishop Street, Suite 1600, Honolulu, Hawaii 96813; Telephone (808) 945-8100; Attn: Sal Pagliaro; and Washington Mutual Savings Bank, 1101 Second Avenue, Seattle, Washington 98101; Telephone (206) 464-4400; Attn: David G. Murphy.

ATTORNEY REPRESENTING DEVELOPER: Case, Kay & Lynch (Attn: Michael L. Biehl, Esq. and Thomas L. Kelly, Esq.) Grosvenor Center, Mauka Tower, Suite 2600, 737 Bishop Street, Honolulu, Hawaii 96813. Telephone: (808) 547-5400.

OWNERSHIP OF TITLE: A Policy of Title Insurance issued by Ticor Title Insurance Company of California, dated October 24, 1983, reflects that fee simple title to the land is held by Continental Plaza Associates, the Developer.

ENCUMBRANCES AGAINST TITLE: The Policy of Title Insurance issued by Ticor Title Insurance Company of California, dated October 24, 1983, reflects the following encumbrances:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. A 7-foot wide road widening setback line along Ernest Street, as shown on the map prepared by Jerry S. Nakagawa, Registered Professional Land Surveyor, dated June 21, 1979.
3. MORTGAGE SECURITY AGREEMENT AND FINANCING STATEMENT.

MORTGAGOR: GNP DEVELOPMENT VENTURES, a registered Hawaii joint venture

MORTGAGEE: GECC FINANCIAL CORPORATION, a Hawaii corporation

DATED : March 27, 1981

RECORDED : Liber 15444 Page 301

AMOUNT : \$18,694,000.00

Above Mortgage was amended by instrument dated February 14, 1983, recorded in Liber 16854 at Page 146.

4. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions reservations, easements and other provisions set forth in Declaration of Horizontal Property Regime dated March 16, 1981, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 15427 at Page 379, and the By-Laws attached thereto, as the same are or may hereafter be amended in accordance with law, said Declaration or said By-Laws. (Project covered by Condominium Map No. 795 recorded in said Bureau of Conveyances.) Said Declaration was amended by instruments dated April 15, 1983, recorded in Liber 17001 at Page 198, and dated November 9, 1983, recorded in Liber 17450 at Page 316.
5. Declaration of Covenants, Conditions and Restrictions (park) dated March 16, 1981, recorded in Liber 15427 at Page 460, as amended by instrument dated April 7, 1981, recorded in Liber 15481 at Page 377.
6. Real property taxes due and payable; reference is made to Finance Director, City and County of Honolulu.

PURCHASE MONEY HANDLING: A revised specimen Condominium Sales Contract (hereinafter called "Sales Agreement") and a revised Escrow Agreement have been submitted to the Real Estate Commission as part of the registration. The Escrow Agreement dated November 18, 1983, identifies Title Guaranty Escrow Services, Inc. as the escrow

agent. Upon examination, the specimen Sales Agreement and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly with Section 514A-40, Section 514A-39 and Section 514A-63 through Section 514A-67. The provisions of the Sales Agreement and the Escrow Agreement should be carefully read by purchasers. The specimen Sales Agreement filed as part of the registration recites the conditions under which the purchaser acknowledges receipt of the Public Report.

All information under this topical heading in the Preliminary and Final Public Reports have been amended in its entirety, as follows:

Among other provisions, the Escrow Agreement provides that the purchaser shall be entitled to a refund of his funds only if (a) the developer advises Escrow in writing to refund the purchaser's funds or of the developer's rescission of the Sales Agreement; or (b) the developer notifies Escrow of the developer's or purchaser's cancellation of a reservation or of purchaser's exercise of any right of rescission in the Sales Agreement.

Among other provisions, the specimen Sales Agreement provides that:

(1) The developer makes no warranties, express or implied, with respect to the apartments, the project, or consumer products or other things installed therein, including warranties of merchantability, habitability, workmanlike construction, fitness for a particular purpose or sufficiency of design. The developer does, however, agree to attempt to pass through to the purchaser the benefit of the general contractor's warranties, if any, and also the unexpired term, if any, of any assignable manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances in the apartment.

(2) The developer may cancel the Sales Agreement and hold the purchaser in default if any material discrepancies are discovered between the financial information furnished by the purchaser and the purchaser's actual financial status. The developer may also cancel if the purchaser's application or eligibility for a mortgage loan is rejected or not given unqualified approval or approval subject only to qualifications acceptable to the developer within forty-five (45) days after application. If purchaser proposes to pay the purchase price in cash and the developer, in its sole discretion, after reviewing the written evidence submitted to it by purchaser, determines that the developer is not satisfied as to purchaser's ability to make such cash payments, then the developer may cancel the Sales Agreement. The developer may also cancel the Sales Agreement if purchaser should die before closing.

(3) The developer's mortgage loan (interim, renewals and extensions, used for acquiring the land, constructing the project, sale of the apartments and associated costs) shall be and remain at all times a lien or charge on the project, including the individual apartments, prior to and superior to any and all other liens or charges on the project, and purchasers intentionally waive, relinquish and subordinate the priority or superiority of any lien or other legal or equitable interest they may have under the Sales Agreement in favor of the lien or charge on the project of the security interest of the lender. The purchasers also consent to the assignment for security of the developer's interest in the Sales Agreement and purchasers' escrow deposits to lender.

(4) The developer makes no representations with respect to the possibility or probability of rental or other income from the apartment or other economic benefits to be derived from the rental of the apartment, including but not limited to, any representations to the effect that the developer or the Managing Agent of the project or a third party will provide services relating to the rental or sale of the apartment nor representations as to possible advantages from the rental of the apartment under federal or state tax laws. If purchaser wishes to rent the apartment to third persons, purchaser must make his own arrangements. Purchaser further agrees and acknowledges that in the event that the offer to sell and the purchase of the apartment or the activities of purchaser with respect to the apartment are determined to be or alleged to give rise to any violation of any federal or state securities laws or regulations, the developer may obtain an injunction enjoining any such activities by the purchaser, and the developer may in addition pursue any other remedies and purchaser shall pay the developer's cost and attorneys' fees in connection therewith. The terms of that particular paragraph will survive the closing, occupancy, and delivery of the apartment deed to the purchaser.

(5) The purchaser will pay all closing costs, including but not limited to, the escrow fee, conveyance taxes, all acknowledgment fees, all appraisal fees, all recording costs, charges for purchaser's credit report, costs for drafting of the mortgages and notes, and any assignment thereof, and costs of any title insurance. All applicable mortgage costs shall be paid by purchaser, and purchaser shall pay the nonrefundable and nontransferable start-up fee for commencement of the operations of the project by the Managing Agent and the Association of Apartment Owners. Real property taxes, maintenance costs and other prorations shall be made, and risk of loss shall transfer from the developer to purchaser on the scheduled Closing Date as defined in the specimen Sales Agreement. Purchaser shall execute all documents necessary for closing and deposit with escrow all funds other than proceeds of purchaser's first mortgage loan within ten (10) business days after receiving written notice to pre-close. Pre-closing may commence at any time after forty-five days after the effective date of the Sales Agreement.

It is incumbent upon purchasers and prospective purchasers that they read with care the specimen Sales Agreement and the executed Escrow Agreement. The Escrow Agreement establishes how the proceeds from the sale of the condominium apartments are placed in trust, as well as the retention and disbursement of funds.

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 on December 24, 1979, and information subsequently filed as of November 30, 1983.

This SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of Registration No. 1219 filed with the

Commission on December 24, 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.



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

DISTRIBUTION:

Department of Finance
City and County of Honolulu
Bureau of Conveyances
Planning Department
City and County of Honolulu
Federal Housing Administration
Escrow Agent

Registration No. 1219

Dated: December 5, 1983