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REAL ESTATE COMMISSION
DEPARTMENT OF TREASURY & REGULATION
STATE OF HAWAII

205 EMPIRE BLDG.
HONOLULU 13, HAWAII

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**PRELIMINARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT**

ON
The MARQUESAN
3056 KALAKAUA AVENUE
HONOLULU 15, HAWAII

REGISTRATION NO. 2

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.

March 1, 1962

SPECIAL ATTENTION

A FINAL REPORT MUST BE ISSUED BY THE COMMISSION PRIOR TO CONSUMMATION BY DEVELOPER OF A BINDING CONTRACT OR AGREEMENT FOR THE SALE OF ANY UNIT IN THIS PROJECT.

Particular attention of prospective purchasers is also called to the following:

- (1) "The MARQUESAN" is a proposed condominium project.
- (2) The developer has not applied for a building permit. However, it plans to apply for a permit before March 23, 1962.
- (3) Architects are presently working on detailed building plans and specifications which are 80 percent complete.
- (4) A Master Lease, as contemplated under section 7 of the condominium law is neither prepared nor recorded at either the Bureau of Conveyances or the Land Court.
- (5) Apartment Leases also have not been drawn.
- (6) By-laws of the Council of Co-owners are not prepared.
- (7) No determination has been made as to the mechanics of assigning the Master Lease and Apartment Leases.

NOTE: The developer advises that all items above will be taken care of before a binding contract between the purchaser and the developer will be executed.

DEVELOPER: Rejess Corp., Ltd.
3056 Kalakaua Avenue, Honolulu, Hawaii

Incorporated in Hawaii January 20, 1960, the officers are:

Earle S. Spangler, President	4599 Waikui Street, Honolulu, Hawaii
Max W. Moody, Vice President	903 Kealaolu Avenue, Honolulu, Hawaii
Don D. Fleming, Secy/Treas	696 Elepaio Street, Honolulu, Hawaii
Russel W. Starr, Director	5967 Maunalani Circle, Honolulu, Hawaii
Garfield King, Director	3944 Noela Place, Honolulu, Hawaii
William M. Drew, Director	5384 Manauwea Street, Honolulu, Hawaii
Ross W. Moody, Director	917 Iiwi Street, Honolulu, Hawaii

NAME OF PROJECT: The MARQUESAN

LOCATION: In Waikiki, Honolulu, Hawaii at 3056 Kalakaua Avenue.

The premises was leased by the developer from Paul Koy, owner, on November 29, 1960.

DESCRIPTION: The proposed building will be an 11-story reinforced concrete structure consisting of 10 apartment floors with 3 different apartment models (1080, 1082 and 1164 sq. ft. floor areas) to each floor to be built in a hotel-apartment zone having a land area of approximately 8132 sq. ft.

It is planned to be built on a corner lot bounded by Kalakaua, Coconut and Kiele Avenues. The property does not have an ocean frontage but tenants will have access to the beach by way of a public right-of-way located about 175 feet ewa from its boundary.

There will be street level and basement parking areas. Each apartment unit will be entitled to the use of one parking space.

Each apartment unit will have 2 bedrooms, 2 baths, kitchen, livingroom-lanai and furnished with the following appliances: refrigerator/freezer combination, range, oven, dishwasher, disposal, washer/dryer combination and NuTone Food Center with attachments.

OWNERSHIP OF TITLE: Paul Koy, unmarried, who resides at 436 Namahana Street, Honolulu, Hawaii, owns the property in fee.

ENCUMBRANCES AGAINST TITLE:

- (1) A lease from Paul Koy, lessor to Rejess Corp., Ltd., lessee and developer, executed November 29, 1960.
- (2) An easement two feet wide running along and parallel to the entire northwest boundary of said Lot 50 and extending 67.5 feet in length northerly from the Kalakaua Avenue boundary of said Lot 50 in favor of the owners, from time to time, of Lot 51 of said "Diamond Head Terrace Tract" as set forth in Grant from Louis P. Stephens and Marjorie Booth Stephens, husband and wife, to Samuel Stanford Steinhauser and Marion Cochran Steinhauser, dated June 16, 1950.

LEASE PROVISIONS: The term of the lease between Paul Koy and the developer is for a 75-year period which commenced December 1, 1960. The lease provides for a certain set sum for annual rental for the first 25-year period, but for each

of the 10-year periods thereafter it provides that the rental be determined by mutual agreement between Lessor and Lessee and to be based on 6% of the then market value of the land only, that the annual net rental during each of the 10-year periods to be not less than the annual rental being paid during the preceding 10-year period.

NOTE: Building of a condominium apartment was not contemplated in the lease. However, by an executed document dated January 25, 1962, Paul Koy, lessor, agreed to execute and deliver to the developer, lessee, an appropriate Master Lease and 30 separate apartment leases to satisfy the provisions under the condominium law. The agreement further provides that the Master Lease will contain the same provisions with respect to the term of lease, the monthly lease rental, etc., as are found in the existing lease executed November 29, 1960.

GENERAL COMMON ELEMENTS: The developer advises that "General Common Elements" will include:

- (1) Basement--driveway to the parking stalls, double stairs, elevator shaft, trash room, mechanical and hot water supply room, tool room.
- (2) Lobby and street-level parking floor--driveway to parking spaces, entrance stairs, and walkways and exits.
- (3) Apartment floors--double stairway, elevators, passageways, access to trash chute, roof of building and access thereto.
- (4) Hot and cold water supply, electric mains, wet and dry standpipes, gas mains, telephone and television antennal conduits.
- (5) All other elements of the building necessary to its existence, maintenance and safety.

INTEREST TO BE CONVEYED PURCHASER: The developer advises that each of the 30 apartment owners will receive:

- (1) A certain apartment
- (2) One parking stall
- (3) An undivided one-thirtieth interest as tenant in common to use in common with the owners of the other apartments in the building the general common elements described above.
- (4) A one-thirtieth interest in the leasehold upon which "The MARQUESAN" is proposed to be constructed.

PURCHASE MONEY HANDLING: An escrow agreement executed on February 23, 1962 between the developer and the Bishop Trust Company, Ltd., also the exclusive sales agent, stipulates that all deposits received as reservation by the latter agency for the apartments will be placed in the firm's account to be called "Rejess Corp., Ltd., Escrow Account."

The agreement further provides that moneys received are not to be disbursed for any reason until such time a binding contract or agreement has been executed between the purchaser and the developer and that in the event the parties cannot agree on the terms and conditions before June 30, 1962 the money upon demand will be returned to the depositor.

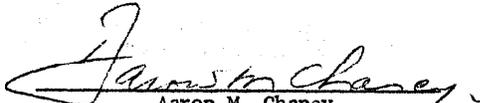
The purchaser is advised to inspect the escrow agreement.

INITIAL DEPOSIT RECEIPT: An apartment reservation receipt form has been prepared by the developer which stipulates, among other things, that the deposit will be placed in the escrow account at the Bishop Trust Company, Ltd., and that if the purchaser and the developer cannot agree on the terms and conditions of the purchase on or before June 30, 1962, the full deposit upon demand will be returned to the purchaser.

SALE OF LEASEHOLD IN APARTMENTS: Sale of apartment units as conventional co-op was commenced in November, 1961. The developer plans to convert it to a horizontal property regime.

MANAGEMENT AND OPERATION: The developer has not worked out the details in the management or operation of the building. It advises, however, that they will be ready before a binding contract is presented to the purchaser.

The purchaser is advised to acquaint himself with the general provisions of the horizontal property regime law enacted by the last legislature in 1961 governing pro-rata contribution towards monthly maintenance expenses by the apartment owners.


Aaron M. Chaney
Chairman