

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
THE PEPPER TREE
98-156 Lipoa Place, Aiea, Hawaii
REGISTRATION NO. 686

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.

Issued: May 30, 1974
Expires: June 30, 1974

SPECIAL ATTENTION

A comprehensive reading 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
MAY 13, 1974, AND ADDITIONAL MATERIAL SUB-
SEQUENTLY FILED AS OF MAY 23, 1974.

THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT (CHAPTER 514, HAWAII REVISED STATUTES)

1. The Pepper Tree is a proposed leasehold condominium project consisting of forty-eight (48) apartment units arranged throughout six two-story buildings. There will be forty-eight (48) parking stalls available, one for each unit.
2. The proposed Declaration and other information submitted by Developer indicates that purchasers will receive a leasehold interest by way of an apartment lease issued directly by the fee owner and the master lessor.
3. The Developer of the project has filed all documents and materials deemed necessary by the Commission for the registration of this proposed condominium project and the issuance of the Preliminary Public Report.
4. The basic documents (Declaration of Horizontal Property Regime. By-Laws of the Association and Apartment Owners and a copy of Approved Floor Plans) have not yet been filed in the office of the recording officer.
5. The Developer has advised the Commission that advertising and promotional matter required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to public exposure.
6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, and the Rules and Regulations promulgated thereunder which relate to Horizontal Property Regimes.
7. This Preliminary Public Report is made a part of the registration of The Pepper Tree Condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers.
8. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, May 30, 1974, unless a Supplementary Public Report issues or the Commission upon review of registration issues an order extending the effective period of this report.

NAME OF PROJECT: THE PEPPER TREE

LOCATION: The site, consisting of approximately 42,000 square feet, is located at 98-156 Lipoa Place, Aiea, Hawaii.

TAX MAP KEY: FIRST DIVISION 9-8-14-21

ZONING: R-6

SPECIAL NOTE: The project is a non-conforming use under the Comprehensive Zoning Code.

DEVELOPER: BRACO, LIMITED, a Hawaii Corporation, whose principal place of business is 350 Ward Avenue, Honolulu, Hawaii. The names of the principal officers of said Corporation are as follows:

Cornelis Kool - President

Paul Loughridge, Jr. - Executive Vice President

Bram Kool - Vice President and Treasurer

Richard G. MacMillan - Secretary

ATTORNEY REPRESENTING OWNER: Wooddell, Mukai & Ichiki (Mr. Richard MacMillan) 500 Alexander Young Building, Honolulu, Hawaii 96813, Telephone: 531-6277.

DESCRIPTION OF PROJECT:

1. The proposed Declaration reflects that the Project consists of forty-eight (48) apartments arranged throughout six (6) buildings, hereinafter described and designated on said Condominium Map as Buildings "1" through "6", inclusive. Each of the six (6) residential buildings has two stories and no basement, and is constructed principally of wood walls, roofs, decks and upper floors, concrete slab on ground floor, gypsum board, stucco, glass and related building materials. A single-story, detached structure housing the manager's office is located adjacent to the swimming pool.

The first digit of each apartment number designates the building wherein such apartment is situate. The last digits of the apartment number are indicative of the floor of such building on which the apartment is located, with all apartment numbers ending "01" through "04", inclusive, being assigned to apartments situate on the first floor and all apartment numbers ending in "05" through "08", inclusive, being assigned to second-floor apartments.

2. The apartments are designated on said Condominium Map and described as follows:

(a) Each of the sixteen (16) two-bedroom, two-bath apartments utilizing plans identified as Unit Type A contains five (5) rooms and a floor area of approximately 562 square feet.

(b) Each of the sixteen (16) two-bedroom, two-bath apartments utilizing plans identified as Unit Type B contains five (5) rooms and a floor area of approximately 555 square feet.

(c) Each of the four (4) two-bedroom, two-bath apartments utilizing plans identified as Unit Type C contains five (5) rooms and a floor area of approximately 575 square feet.

(d) Each of the four (4) two-bedroom, two-bath apartments utilizing plans identified as Unit Type D contains five (5) rooms and a floor area of approximately 571 square feet.

(e) Each of the four (4) one-bedroom, one-bath apartments utilizing plans identified as Unit Type E contains four (4) rooms and floor area of approximately 404 square feet.

(f) Each of the four (4) one-bedroom, one-bath apartments utilizing plans identified as Unit Type F contains four (4) rooms and a floor area of approximately 400 square feet.

3. Each apartment has immediate access to its entry after travel by walkway or stairway to its designated floor, and by the walkways and driveways connecting its building to the street entrance of the Project. Each residential building shall be serviced by two (2) stairways.

4. The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls, the interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all of the walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and any fixtures originally installed therein.

COMMON ELEMENTS. The proposed Declaration states that the common element shall include, but shall not be limited to:

1. All land in fee simple;
2. All foundations, columns, girders, beams, walls, roofs, stairways, walkways, entrances and exits of said buildings;
3. All yards, grounds, landscaping, refuse facilities, the swimming pool, and other recreational facilities and appurtenances;

4. All driveways and parking areas;
5. The structure housing the manager's office;
6. All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenance transmission facilities, installations which serve more than one apartment for services such as power, light, water, gas, air conditioning, refuse, telephone and radio and television signal distribution; and
7. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance or safety, and normally in common use.

LIMITED COMMON ELEMENTS. The Declaration provides that certain parts of the common elements, hereinafter called "limited common elements", are set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

1. In each of the buildings of the Project, the two exterior stairways connecting the first and second floor shall be for the exclusive use of the apartments on the second floor of such building served thereby.

2. One automobile parking space, so designated on said Condominium File Plan by the number corresponding to the number of the apartment, shall be appurtenant to and for the exclusive use of the apartment with which the same shall be transferred upon the initial conveyance by lease.

INTEREST TO BE CONVEYED TO PURCHASERS. Each apartment shall have appurtenant thereto a percentage interest in all common elements of the Project and the same proportionate share in all common profits and expenses of the Project and for all other purposes including voting, as follows:

<u>Unit Type</u>	<u>Number of Units</u>	<u>Common Interest Per Apartment</u>
A (Apt. Nos. 301, 304, 305, 308, 401, 404, 405, 408, 501, 504, 505, 508, 601, 604, 605 and 608)	16	2.2%
B (Apt. Nos. 302, 303, 306, 307, 402, 403, 406, 407, 502, 503, 506, 507, 602, 603, 606, and 607)	16	2.2%

C (Apt. Nos. 104, 108, 204 and 208)	4	2.2%
D (Apt. Nos. 103, 107, 203, and 207)	4	2.2%
E (Apt. Nos. 101, 105, 201 and 205)	4	1.5%
F (Apt. Nos. 102, 106, 202 and 206)	4	1.5%

RESTRICTIONS AS TO USE. The apartments shall be occupied and used only for residential purpose and for no other purpose. Except as aforesaid, the owners of the respective apartments shall have the absolute right to lease such apartment subject to all of the provisions of the Declaration and By-Laws.

OWNERSHIP OF TITLE. The preliminary title report dated April 15, 1974 by Hawaii Title & Escrow, Inc. indicates that title to the land is vested in the Trustees of the Estate of Bernice Pauahi Bishop, deceased.

ENCUMBRANCES AGAINST TITLE.

1. The reservation in favor of the State of Hawaii of all mineral and metallic mines of every description.

2. Lease from Trustees under the Will and of the Estate of Bernice Pauahi Bishop, deceased, to Central Hawaiian, a joint venture, dated August 1, 1961, recorded in the Bureau of Conveyances in Liber 4183 at Page 365.

3. Easement "5", 10 feet wide for storm drain purposes as shown on File Plan 754.

4. TERMS, CONVENANTS AND CONDITIONS as contained in Lease No. 13650-17 dated May 1, 1968 and recorded June 14, 1968 in Liber 6095, Page 321.

5. MORTGAGE executed by JAMES O. BURKE, unmarried, dba Daiwa Associates, in favor of KASSLER AND CO., a Colorado corporation, in the amount of \$713,250.00, dated February 10, 1972 and recorded February 10, 1972 in Liber 8115, Page 30.

6. MORTGAGE executed by BRACO, LIMITED, a Hawaii corporation, in favor of JAMES O. BURKE, dba Daiwa Associates, in the amount of \$564,568.17, dated November 30, 1973 and recorded December 5, 1973 in Liber 9628, Page 40.

7. FINANCING STATEMENT executed by JAMES O. BURKE, in favor of WESTINGHOUSE CREDIT CORPORATION, 933 Penn Ave.,

Pittsburgh Pennsylvania, 15222, and recorded December 4, 1971 in Liber 7299, Page 287.

8. FINANCING STATEMENT executed by JAMES O. BURKE dba Daiwa Associates, in favor of KASSLER AND CO., which was assigned to Old Colony Cooperative Bank, 58 Weybosset Street, Providence, Rhode Island, 02901, and recorded in February 10, 1972 in Liber 8114, Page 473.

9. FINANCING STATEMENT executed by BRACO, LIMITED, corporation, in favor of JAMES O. BURKE, dba Daiwa Associates, recorded December 5, 1973 in Liber 9628, Page 72.

10. The second installment of real property taxes for 1973-1974 due May 30, 1974, had not been paid, as of the date of said preliminary title report.

PURCHASE MONEY HANDLING. An executed Escrow Agreement, dated April 15, 1974, identifies Hawaii Escrow & Title, Inc. as the Escrow Agent. Upon examination of the Escrow Agreement, as amended, it is found to be in consonance with Chapter 514, Hawaii Revised Statutes, and particularly Section 514-35 through Section 514-40.

According to the Deposit Receipt and Sales Contract, in the event that less than thirty-five (35) apartments are sold prior to March 1, 1975, Developer may, at its option, cancel the contract and cause the Escrow Agent to refund to buyer all monies paid without interest and less a cancellation fee of \$15.00.

It is incumbent upon the purchaser and prospective purchaser to read and understand the Escrow Agreement before executing the Deposit Receipt and Sales Contract since the Escrow Agreement describes the procedure for receiving and disbursing purchaser's funds and the Deposit Receipt and Sales Contract specifically provides that the purchaser approves said Escrow Agreement and assumes the benefit and obligations therein provided.

MANAGEMENT OF PROJECT. The By-Laws which are incorporated in the Declaration provide that the operation of the project shall be conducted for the Association under the direction of its Board of Directors by a responsible corporate managing agent. The initial Managing Agent named in the Declaration is Parade Realty, Inc., 350 Ward Avenue, Honolulu, Hawaii.

STATUS OF PROJECT. The Developer has advised the Commission that the Project was completed in 1970 and has been used since such time as an apartment-hotel.

The purchaser or prospective purchaser should be cognizant of the fact that his published report represents information disclosed by the Owner in the required Notice of Intention submitted May 13, 1974, and additional information subsequently filed as of May 23, 1974.

This is a PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT which is made a part of REGISTRATION NO. 686, dated May 30, 1974. This report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be yellow.



DOUGLAS R. SODEVANI, Chairman
REAL ESTATE COMMISSION

Distribution:

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

Registration No. 686
May 30, 1974