

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

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

on

KALA COTTAGE
Opelo Road
Kamuela, Hawaii

Registration No. 1750

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: April 16, 1986
Expires: May 16, 1987

SPECIAL ATTENTION

A comprehensive reading of this report 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 FILED ON MARCH 20, 1986, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF APRIL 10, 1986. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. KALA COTTAGE condominium project is a ten-unit, fee simple commercial condominium project consisting of ten apartments contained in a single structure. In addition, there are a total of twelve parking stalls located in the Project (including two guest stalls), ten of which are designated limited common elements, one appurtenant to each apartment.
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 Preliminary Public Report.
3. The basic documents, the Declaration of Horizontal Property Regime of Kala Cottage, By-Laws of the Association of Apartment Owners of Kala Cottage, and a copy of the floor plans, elevations and site plan of the project, have not yet been recorded in the Bureau of Conveyances of the State of Hawaii.
4. No advertising or promotional matter has been submitted pursuant to the Rules and Regulations promulgated by the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended (the "Horizontal Property Act") ,and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report is made part of the registration of the KALA COTTAGE condominium project. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers and obtaining a signed receipt therefor.
7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, April 16, 1986, unless a Supplementary or Final Public Report is issued or the Commission upon a review of the registration issues an order extending the effective period of this Report.

NAME OF PROJECT: KALA COTTAGE

LOCATION: The site, consisting of a single parcel of land of approximately 8,830 square feet in area, is located at Opelo Road, Kamuela, Hawaii.

TAX MAP KEY: 3rd Division: 6-5-2-180

ZONING: CV 7.5 (Commercial-Village)

DEVELOPER: Leslie M. Agorastos and Melvin B. Hewett. Address: P.O. Box 337, Kamuela, Hawaii 96743. Phone: 885-6266.

ATTORNEY REPRESENTING DEVELOPER: Roger V. Meeker, 250 South Hotel Street, Courtyard Suite, Honolulu, Hawaii 96813. Phone: 524-6335.

DESCRIPTION: The Declaration of Horizontal Property Regime and plans submitted by the Developer indicate a fee simple project consisting of a two-story building, constructed principally of reinforced concrete slab and wood-frame construction, without basement, containing a total of ten (10) apartments. The apartments are described as follows:

- (a) Apartment 1 is located on the ground floor of the building, and is designated on the Condominium Map as "Office 1". It consists of a single-room office of approximately 288 square feet of interior area.
- (b) Apartment 2 is located on the ground floor of the building, and is designated on the Condominium Map as "Office 2". It consists of a single-room office of approximately 288 square feet of interior area.
- (c) Apartment 3 is located on the ground floor of the building, and is designated on the Condominium Map as "Office 3". It consists of a single-room office of approximately 372 square feet of interior area.
- (d) Apartment 4 is located on the ground floor of the building, and is designated on the Condominium Map as "Office 4". It consists of a single-room office of approximately 308 square feet of interior area.
- (e) Apartment 5 is located on the ground floor of the building, and is designated on the Condominium Map as "Office 5". It consists of a single-room office of approximately 146 square feet of interior area.
- (f) Apartment 6 is located on the ground floor of the building, and is designated on the Condominium Map as "Office 6". It consists of a single-room office of approximately 168 square feet of interior area.
- (g) Apartment 7 is located on the second floor of the building, and is designated on the Condominium Map as "Office 7". It consists of a single-room office of approximately 300 square feet of interior area.
- (h) Apartment 8 is located on the second floor of the building, and is designated on the Condominium Map as "Office 8". It consists of a single-room office of approximately 332 square feet of interior area.
- (i) Apartment 9 is located on the second floor of the building, and is designated on the Condominium Map as "Office 9". It consists of a single-room office of approximately 268 square feet of interior area.
- (j) Apartment 10 is located on the second floor of the building, and is designated on the Condominium Map as "Office 10". It consists of a single-room office of approximately 188 square feet of interior area.

The apartments are located in the manner shown on the said Condominium Map.

The respective apartments shall not be deemed to include any pipes, wires, conduits or other utility lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided.

Each apartment has direct access to the common areas.

COMMON ELEMENTS: The Declaration states that one freehold estate will be designated of all the remaining portions of the Project, herein referred to as "common elements", including specifically, but not limited to:

- (a) The land in fee simple;
- (b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roofs, entries, hallways, stairways, walkways, entrances and exits of said building;
- (c) The men's and women's bathrooms on the lower level, and the small storage room also located on the lower level;
- (d) All yards, grounds and landscaping;
- (e) All walkways, parking areas and driveways not designated as part of the respective apartments, including the guest parking stalls shown and designated on the Condominium Map as Parking Stalls 11 and 12;
- (f) All ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, water, sewage, irrigation and telephone;
- (g) Any and all other elements and facilities rationally in common use or necessary to the existence, upkeep and safety of the Project.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein referred to as the "limited common elements", will be designated and set aside for the exclusive use of one or more apartments, and such apartment(s) 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:

- (a) The designated parking stalls located in the parking areas on the front and side of the building. Each respective parking stall, as shown and designated on the Condominium Map, shall be deemed a limited common element appurtenant to and for the exclusive use of the respective apartment of corresponding number designation (e.g. Parking Stall 1 is appurtenant to Apartment 1, etc.). As noted above, Parking Stalls 11 and 12 are designated as guest parking stalls, and as such, are deemed common elements rather than limited common elements.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment and its owner(s) shall have appurtenant thereto the following percentage interest in the common elements of the Project, for all purposes including voting, said interest being referred to as the "common interest":

Apartment 1	—————	10.8 percent
Apartment 2	—————	10.8 percent
Apartment 3	—————	14.0 percent
Apartment 4	—————	11.6 percent
Apartment 5	—————	5.5 percent
Apartment 6	—————	6.3 percent
Apartment 7	—————	11.3 percent
Apartment 8	—————	12.5 percent
Apartment 9	—————	10.1 percent
Apartment 10	—————	7.1 percent

EASEMENTS: In addition to the exclusive easements established in the limited common elements, each apartment shall have appurtenant thereto non-exclusive easements in the common elements designed for such purposes of ingress to, egress from, utility services for, and support, maintenance and repair of such apartment, and in the other common elements of the Project for use according to their respective purposes. In addition, each apartment shall have appurtenant thereto easements in the other apartment(s) for the purposes of utility services for, and the maintenance and repair of said utility services, including electricity, gas, water, sewage, and telephone.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The Declaration provides that the apartments of the Project shall be occupied and used only as private commercial offices by the respective owners thereof, their clients, personal guests and tenants, and for no other purposes. The apartment owners shall have the absolute right to lease or rent their apartments subject to the limitations, restrictions, covenants and conditions contained in the Declaration and By-Laws of the Association of Apartment Owners.

OWNERSHIP OF TITLE: The Status Title Report, dated January 24, 1986, issued by Title Guaranty of Hawaii, Inc., indicates that fee simple title to the property is vested in Leslie M. Agorastos and Melvin B. Hewett, the Developers of the Project.

ENCUMBRANCES AGAINST TITLE: The above-mentioned Status Title Report indicates the following encumbrances:

- (a) For Real Property Taxes that may be due and owing, reference is made to the Office of the Tax Assessor, Third Division, State of Hawaii.
- (b) Mortgage in favor of KENSO OKAMURA and SUSANNAH PURDY OKAMURA (also known as Susana Purdy), husband and wife, as Tenants by the Entirety, dated July 6, 1979, recorded in said Bureau in Liber 13935 at Page 724.

- (c) Mortgage in favor of WELA KA HAO, a registered Hawaii limited partnership, dated May 30, 1985, recorded in said Bureau in Liber 18689 at Page 699.
- (d) Restrictive Covenants as set forth in Deed dated May 30, 1985, recorded in said Bureau in Liber 18689 at Page 692.
- (e) A 10-foot wide setback for future widening of Opelo Road.

PURCHASE MONEY HANDLING: A copy of the specimen Deposit Receipt, Offer and Acceptance (DROA) and the executed Escrow Agreement dated March 1, 1986 have been submitted as part of the registration. The Escrow Agreement identifies Title Guaranty Escrow Services, Inc. as Escrow for the Project. Upon examination, the DROA and Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. It is incumbent upon the purchaser and prospective purchaser that he reads with care the DROA and Escrow Agreement.

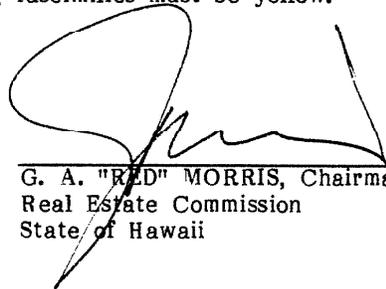
The Escrow Agreement establishes how proceeds from the sale of apartments and all sums received from any source are placed in escrow, as well as the methods of disbursement of said funds. The Escrow Agreement provides that a Purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said Purchaser, without interest and less cancellation fee and costs, if Purchaser shall in writing request refund of his funds and Escrow receives a written request from Developer to return to Purchaser the funds of such Purchaser. Said cancellation fee shall be in the minimum amount of \$25.00, but in no event shall exceed \$125.00, the exact amount to be commensurate with the amount of work completed at the time of cancellation.

MANAGEMENT OF PROJECT: The By-Laws which are incorporated in the Declaration provide that the operation of the Project may be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible Managing Agent. No Managing Agent has been appointed as of the date of this report.

STATUS OF PROJECT: The Developer reports that construction of the project has not yet commenced but is scheduled to commence on or around April 1, 1986.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted March 20, 1986.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of Registration No. 1750 filed with the Commission on March 20, 1986. This report when reproduced shall be a true copy of the Commission's Public Report. The paper stock used in making fascimilies must be yellow.



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

DISTRIBUTION: Department of Finance, County of Hawaii
Bureau of Conveyances, State of Hawaii
Planning Department, County of Hawaii
Federal Housing Administration
Escrow Agent

REGISTRATION NO: 1750

April 16, 1986

DISCLOSURE ABSTRACT

**KALA COTTAGE
Condominium Project**

Pursuant to Section 514A-61, Hawaii Revised Statutes
Horizontal Property Act

Co-Developers and Project Managers

LESLIE M. AGORASTOS
MELVIN B. HEWETT
P. O. Box 337
Kamuela, Hawaii 96743
Telephone: 885-6266

Estimated Maintenance Fees/Costs per Apartment

The developers anticipate that the required maintenance fees for each apartment to cover monthly utility expenses, repairs and maintenance will be as follows:

	<u>Annual</u>	<u>Monthly</u>
Apartment 1	388.80	32.40
Apartment 2	388.80	32.40
Apartment 3	504.00	42.00
Apartment 4	417.60	34.80
Apartment 5	198.00	16.50
Apartment 6	226.80	18.90
Apartment 7	406.80	33.90
Apartment 8	450.00	37.50
Apartment 9	363.60	30.30
Apartment 10	255.60	21.30

Whenever the Association determines that major driveway maintenance (or any other expense common to the entire Project) is necessary, and authorizes expenditures for said maintenance, each apartment owner shall be assessed an amount equal to his respective common interest share of said common expense.

Warranties

Construction of the two-story building containing the ten apartments of the Project will be completed in 1986. Developers warrant against any structural and appliance defects for a period of one year from and after the date of issuance of the Real Estate Commissions's Final Public Report.

Use of Apartments

All ten apartments comprising the Project are intended for commercial/business/office purposes only. There is no residential development in the Project.



LESLIE M. AGORASTOS



MELVIN B. HEWETT

Co-Developers