

CONDOMINIUM PUBLIC REPORT

Prepared &
Issued by:

Developer Paul M. Tundo and Richard Alan Gordon
Address 2200 Carnegie Lane, #A, Redondo Beach, CA 90278

Project Name (*): HOOKELE 76
Address: ~~73-4571 Kukuki Street, Kailua-Kona, HI 96740~~

Registration No. 4215 Effective date: July 28, 2004

Expiration date: Pursuant to §514A-43(b), HRS

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports: Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

PRELIMINARY:
(yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

FINAL:
(white) The developer has legally created a condominium and has filed complete information with the Commission.
[] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with _____

SUPPLEMENTARY:
(pink) This report updates information contained in the:
[] Preliminary Public Report dated: _____
[] Final Public Report dated: August 24, 1999
[] Supplementary Public Report dated: _____

And [] Supersedes all prior public reports.
[] Must be read together with Final Report of August 24, 1999
[] This report reactivates the _____
public report(s) which expired on _____

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the developer.

Changes made are as follows:

Page 5 - Title Guaranty Escrow Services, Inc. is the new escrow agent for the Project, and Robert D. Triantos is the new attorney for the developer. These changes are reflected on page 5 attached hereto, which replaces page 5 of the August 24, 1999 Public Report for the Project.

Page 14 - A new title report was ordered for the Project with an issuance date of June 14, 2004. The new issuance date and new title company are included in the page 14 attached hereto which replaces page 14 of the August 24, 1999 Public Report.

Exhibit "D" - Exhibit "D", Encumbrances Against Title, attached hereto replaces Exhibit "D" of the August 24, 1999 Public Report to update the earlier exhibit.

Disclosure Re Hawaii County Ordinance 02-111

The Hawaii County Council adopted Ordinance 02-111 on September 25, 2002. Ordinance 02-111 amends the Subdivision Code of the Hawaii County Code to require that condominium developments in certain zone districts, including agricultural zone districts, comply with County subdivision requirements. The ordinance also provides certain exemptions from these requirements. A prospective purchaser should contact the Planning Department of the County of Hawaii about the effect of Ordinance 02-111 and other County requirements on the Project.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Paul M. Tundo and
Richard Alan Gordon Phone: (310) 374-1629
Name* (Business)
2200 Carnegie Lane #A, Redondo Beach, CA 90278
Business Address

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

N/A

Real Estate Broker*: Thomas F. Schmidt, Tom Schmidt Realtors Phone: (808) 329-3124
Name (Business)
P.O. Box 398
Business Address
Kailua-Kona, HI 96745

Escrow Title Guaranty Escrow Services Phone: (808) 329-6666
Name (Business)
75-170 Hualalai Road, Suite C-210
Business Address
Kailua-Kona, HI 96740

General Contractor*: ONS, Inc. Phone: (808) 329-7349
Name (Business)
75-5806 Kakalani Street
Business Address
Kailua-Kona, HI 96740

Condominium Managing Agent*: Project will be self-managed by the Phone: _____
Name (Business)
Association of Apartment Owners
Business Address

Attorney for Developer: Robert D. Triantos, Esq. Phone: (808) 329-6464
Name (Business)
Carlsmith Ball LLP
Business Address
75-1000 Henry Street, Kailua-Kona, HI 96740

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which use them, as described in the Declaration, are:

described in Exhibit C.

as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit _____.

as follows:

Apartment "A": Fifty Percent (50%)

Apartment "B": Fifty Percent (50%)

Each apartment has an equal undivided fractional interest in all of the common elements. The common interests are equal and not related to or determined by the size of the apartments.

- E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit D describes the encumbrances against the title contained in the title report dated June 14, 2004 and issued by Title Guaranty of Hawaii, Inc.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other **Farm Dwelling Notice, Declaration of Covenants, Conditions and Restrictions of the Kaloko II Project**

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov
Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs
Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 4215 filed with the Real Estate Commission on July 19, 1999.

Reproduction of Report. When reproduced, this report must be on:

YELLOW paper stock

WHITE paper stock

PINK paper stock

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

PAUL M. TUNDO and RICHARD ALAN GORDON

Printed Name of Developer

By: Paul M. Tundo
Richard Alan Gordon
 Duly Authorized Signatory* July 5, 2004
Date

Paul M. Tundo and Richard Alan Gordon, Developer

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Hawaii

Planning Department, County of Hawaii

**Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner; Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.*

EXHIBIT "D"
ENCUMBRANCES AGAINST THE TITLE

1. Taxes as may be due and owing. Check with the County of Hawaii Department of Finance, Real Property Tax Division for real property taxes due and owing.
2. Assessments or charges levied by municipal or governmental authority or imposed by any other lawfully constituted body authorized by statute to assess, levy and collect the same, if any.
3. Title to all minerals and metallic mines reserved to the State of Hawaii.
4. An easement for the operation and maintenance of water tanks and water pipelines, if any, as set forth in DEED dated December 20, 1971, recorded in Liber 8062 at Page 1.
5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DECLARATION

DATED : June 1, 1989

RECORDED : Liber 23270 Page 785

Said Declaration was amended by instruments dated December 5, 1989, recorded in Liber 23999 at Page 656, and dated ---, 2000 (acknowledged January 24, 2001), recorded as Document No. 2001-010674.

Order Granting Plaintiff's Motion for appointment of Receiver, Injunctive and Declaratory Relief and Nullifying "Second Amendment to Declaration of Covenants, Conditions and Restrictions of the Kaloko II Project, dated April 11, 2002, recorded as Document No. 2002-065587.

6. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY
 REGIME FOR "HOOKELE 76" CONDOMINIUM
 PROJECT

DATED : April 9, 1999

RECORDED : Document No. 99-066203

MAP : 2896 and any amendments thereto

7. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT
 OWNERS

DATED : April 9, 1999
RECORDED : Document No. 99-066204

8. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : BY-LAWS OF KALOKO II ASSOCIATION

DATED : August 25, 2001
RECORDED : Document No. 2001-115917

9. Any and all easements encumbering the apartment herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said declaration, and/or in said apartment deed, and/or as delineated on said condominium file plan.