

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer KENNETH W. BLOOM and ELIZABETH L. MONTREY-BLOOM
Address P. O. Box 3589, Kailua-Kona, HI 96745
Project Name(*): MAMALAHOA RANCH
Address: Lot 11, Block 7, "Kaloko-Mauka Subdivision, increment 3"

Registration No. 4289

Effective date: October 21, 2002

Expiration date: November 21, 2003

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. [X] This report supersedes all prior public reports [] This report must be read together with

X SUPPLEMENTARY: This report updates information contained in the: [] Preliminary Public Report dated: [X] Final Public Report dated: December 10, 1999 [] Supplementary Public Report dated:

And [] Supersedes all prior public reports. [X] Must be read together with the Final Public Report dated December 10, 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 586-2644 to submit your request.

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:

(1) The Declaration of Condominium Property Regime and the Condominium Map, (the "Amended Project Documents") have been amended by an instrument entitled "Amendment to Declaration of Condominium Property Regime of Mamalahoa Ranch and Condominium Map 2989" dated July 8, 2002, and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2002-136300, which amendments change the description and area of the limited common element land area which is appurtenant to Unit 1 and Unit 3, the details of which a prospective Purchaser should familiarize himself or herself with by reading the Amended Project Documents.

The limited common element land area now appurtenant to Unit 1 is 5.287 acres and the limited common element land area now appurtenant to Unit 3 is 13.434 acres, with the boundaries of each limited common element land area being located as shown on the Amended Condominium Map filed .

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and does not represent a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustration purposes only and should not be construed to be formal subdivision lines.

This public report does not constitute approval of the Project by the Real Estate Commission, or any other governmental agency, nor does it ensure that all applicable County codes, ordinances and subdivision requirements have necessarily been complied with.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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I. PERSONS CONNECTED WITH THE PROJECT

Developer: KENNETH W. BLOOM and ELIZABETH L. MONTREY-BLOOM Phone: (808) 325-3456
Name* (Business)
P.O. Box 3589
Business Address
Kailua-Kona, HI 96745

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*: (as to Unit 1 only, otherwise see Page 20) Phone: (808) 331-8200
MARYL REALTY, INC. (Business)
Name
75-1000 Henry Street, Ste. 200
Business Address
Kailua-Kona, HI 96740

Escrow: FIRST HAWAII TITLE CORPORATION Phone: (808) 885-4822
Name (Business)
P. O. Box 1180
Business Address
Kamuela, HI 96743

General Contractor*: N/A Phone: _____ (Business)
Name
Business Address

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

Attorney for Developer: WALLACE H. GALLUP, JR. Phone: (808) 329-5014
Name (Business)
75-5591 Palani Rd., Suite 3007
Business Address
Kailua-Kona, HI 96740

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

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

- A. **Declaration of Condominium Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances Document No. 99-171617
Book _____ Page _____
 Filed - Land Court Document Number _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

Amendment to Condominium Property Regime of Mamalahoa Ranch and Condominium Map No. 2989 dated July 8, 2002 recorded in said Bureau as Document No. 2002-136300.

- B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condominium Map No. 2989
 Filed - Land Court Condominium Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

The Condominium Map has been amended in part by amending the site plan which was a part of the original Condominium Map as referred to in and recorded with the above described Amendment to Declaration of Condominium Property Regime of Mamalahoa Ranch dated July 8, 2002 recorded in said Bureau as Document No. 2002-136300.

- C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances Document No. 99-171618
Book _____ Page _____
 Filed - Land Court Document Number _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]: None

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 B.

as follows:

- 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 F describes the encumbrances against the title contained in the title report dated August 6, 2002, issued by Commonwealth Land Title Insurance Company through its agent First Hawaii Title Corporation.

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 Agreement

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P.O. Box 541, Honolulu, Hawaii 96809, at a nominal cost.

This Public Report is a part of Registration No. 4289 filed with the Real Estate Commission on November 3, 1999.

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- 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-] (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.

KENNETH W. BLOOM and ELIZABETH L. MONTREY-BLOOM

Printed Name of Developer

By:  9/9/02
KENNETH W. BLOOM Date

By:  9.09.02
ELIZABETH L. MONTREY BLOOM Date

KENNETH W. BLOOM and ELIZABETH L. MONTREY-BLOOM

Print Name(s) and Title(s) of Person(s) Signing Above

Distribution:

Department of Finance, County of Hawaii
Planning Department, County of Hawaii

EXHIBIT C

LIMITED COMMON ELEMENTS

Certain parts of the common elements, herein referred to as the "limited common elements", are designated and set aside for the exclusive use of one or more 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:

- (a) That certain land area upon and around which "Unit 1" is located, shown and designated on the Condominium Map and being approximately 5.287 acres in area, is deemed a limited common element appurtenant to and for the exclusive use of "Unit 1".
- (b) That certain land area upon and around which "Unit 2" is located, shown and designated on the Condominium Map and being approximately 1.309 acres in area, is deemed a limited common element appurtenant to and for the exclusive use of "Unit 2".
- (c) That certain land area upon and around which "Unit 3" is located, shown and designated on the Condominium Map and being approximately 13.434 acres in area, is deemed a limited common element appurtenant to and for the exclusive use of "Unit 3".
- (d) All other common elements of the Project which are rationally related to less than all of the units of the Project shall be limited to the use of such unit(s) to which their use is rationally related and shall be deemed limited common elements.

All costs of every kind pertaining to the aforesaid limited common elements, including, but not limited to, costs of landscaping, maintenance, repair, replacement and/or improvement, shall be borne solely by the owner(s) of the unit(s) to which said limited common elements are appurtenant.

NOTE: The land area appurtenant to each unit does not represent a legally subdivided lot.

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

An encumbrance is a claim against or a liability on the property. The following list describes the encumbrances against the title contained in the Commitment For Title Insurance dated August 6, 2002, issued by Commonwealth Land Title Insurance Company through its agent First Hawaii Title Corporation:

1. Tax Map Key: (3) 7-3-026:023, County of Hawaii. Area assessed: 20.029 acres. Refer to the Director of Finance, County of Hawaii for real property taxes as may be due and owing.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Easement "3" for road and utility purposes, as shown on File Plan No. 1432.
4. Covenants, conditions, restrictions, reservations, agreements, obligations, exceptions and other provisions as contained in that certain Deed dated March 1, 1978, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 12788 at Page 179.
5. Farm Dwelling Agreement dated January 8, 1991, recorded in the Bureau of Conveyances as Document No. 91-020306.
6. Roadway and Utility Easement "A" (22,912 square feet) affecting Units 2 and 3 for use by Unit 1, as shown on said condominium File Plan No. 2989.
7. Waterline Easement "B" (2,351 square feet) affecting Units 1 and 3 for use by Unit 2, as shown on said Condominium File Plan No. 2989.
8. Utility Easement "C" (1,685 square feet) affecting Units 1 and 3 for use by Unit 2, as shown on said Condominium File Plan No. 2989.
9. Roadway Easement "D" (3,236 square feet) affecting Unit for use by Unit 2, as shown on said Condominium File Plan No. 2989.
10. Declaration of Condominium Property Regime concerning the "MAMALAHOA RANCH" condominium project dated October 1, 1999, recorded in said Bureau as Document No. 99-171617, amended by instrument entitled "Amendment to Declaration of Condominium Property Regime of Mamalahoa Ranch and Condominium Map No. 2989", dated July 8, 2002, recorded in the Bureau of Conveyances as Document No. 2002-136300.
11. By-Laws of the Association of Condominium Owners of the "MAMALAHOA RANCH" Condominium Project, dated October 1, 1999, and recorded in the Bureau of Conveyances as Document No. 99-171618.
12. Condominium Map No. 2989, as amended.
13. As to Unit 1 only:
 - (A) The terms, provisions, covenants, easements and reservations contained in the Apartment Deed dated July 21, 2000, recorded in said Bureau as Document No. 2000-105992;
 - (B) Mortgage in favor of HAWAII COMMUNITY FEDERAL CREDIT UNION, dated August 25, 2000, recorded in said Bureau as Document No. 2000-120220 in the original amount of \$290,000.00.
14. As to Unit 3 only:
 - (A) The terms, provisions, covenants, easements and reservations contained in the Apartment Deed dated July 21, 2000, recorded in said Bureau as Document No. 2000-105993;

DISCLOSURE ABSTRACT

MAMALAHOA RANCH Condominium Project

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

Developer(s)

Kenneth W. Bloom
Elizabeth L. Montrey-Bloom
P.O. Box 3589
Kailua-Kona, HI 96745
Phone: (808) 325-3456

Project Manager

Self Managed

Estimated Maintenance Fee Assessments and Disbursements

MAINTENANCE FEES: The regular maintenance and repair of each condominium unit, including all utility charges except for water, is the sole responsibility of each respective unit owner. The only common expense requiring monthly assessments (i.e. maintenance fees) is said water service, as all units are presently served by a common water meter. Pursuant to Section XII(d) of the Declaration, the amount of water expenses paid by each unit will be dependent upon each unit's respective water usage. Developer notes that outdoor watering and landscaping can add considerably to an individual unit's water expense. Accordingly, the amount of outdoor water usage will greatly influence the cost of water service. Developer's best estimate as to the cost of said water service — based upon "normal" usage — could range from approximately \$300.00 to \$600.00 per year per unit (\$25.00 to \$50.00 per month per unit), or even higher. Said estimates were prepared in accordance with generally accepted accounting principals. Developer discloses that no reserve study was done in accordance with Section 514A-83.6, Hawaii Revised Statutes, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Note: If, in the future, separate water meters are secured for each condominium unit, there will cease to be any shared expenses, and therefore, no maintenance fees.

INDIVIDUAL INSURANCE: Section 514A-86, Hawaii Revised Statutes, requires that fire insurance be purchased to cover the improvements portion of the Project. Developer anticipates that the Association will elect to obtain separate policies for each individual condominium unit pursuant to Section XIV(c) of the Declaration. As such, the premiums on said policies will be the individual responsibility of each unit owner rather than common expenses of the Project. Purchasers should be aware that premiums for said fire insurance vary widely depending upon the extent of the improvements on the property, the coverage desired, and the insurance company used. Developer's best estimate regarding the cost of said coverage is approximately \$500 to \$3,000 per year per unit. Said estimates were prepared in accordance with generally accepted accounting principals.

Use of Condominium Units

The units comprising the Project may be occupied and/or used only for those purposes permitted by applicable land use laws and zoning ordinances. There is no commercial development in the Project.

Warranties

Purchasers should be aware that the "condominium units" of the Project are comprised of existing structures. Said buildings have unavoidably undergone a certain amount of "wear and tear" commensurate with their age. Accordingly, purchasers should not expect the unit they desire to buy to be in "like-new" condition. **NO WARRANTIES FOR FITNESS OF USE OR MERCHANTABILITY OR ANY OTHER KIND ARE MADE AS TO THE INDIVIDUAL CONDOMINIUM UNITS OR THE COMMON ELEMENTS OF THE PROJECT. PURCHASERS ARE ADVISED TO CONDUCT THEIR OWN INSPECTION OF THE UNIT THEY DESIRE TO BUY. THE UNITS ARE SOLD "AS IS".**

Structural Components and Mechanical & Electrical Installations

Based on a report prepared by an independent registered architect, it is the Developer's opinion that all structural components and mechanical and electrical installations material to the use and enjoyment of the individual condominium units appear to be sound and in satisfactory working condition. However, NO REPRESENTATIONS OF ANY KIND ARE MADE AS TO THE EXPECTED USEFUL LIFE, IF ANY, OF THE STRUCTURAL COMPONENTS AND MECHANICAL AND ELECTRICAL INSTALLATIONS MATERIAL TO THE USE AND ENJOYMENT OF THE CONDOMINIUM UNIT(S).

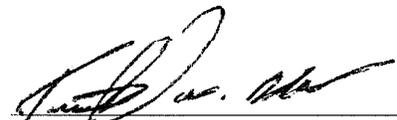
Code Violations

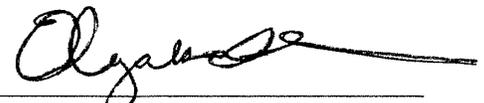
To the best of the knowledge, information and belief of the undersigned, there are no outstanding notices of uncured violations of the building code or other municipal regulations of the County of Hawaii.

Real Estate Broker for Unit 1

The Developer has listed Unit 1 for sale with Maryl Realty, Inc., whose business address is 75-1000 Henry Street, Suite 200, Kailua-Kona, HI 96740 and whose business phone number is (808) 331-8200.

Dated: September 9, 2002.


KENNETH W. BLOOM


ELIZABETH L. MONTREY-BLOOM

Developer(s)