CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer JEFF MURPHY
Address 75-1027 Henry Street, PMB 102, Kailua-Kona, Hawaii 96740

Project Name(*): HO'OMAU CONDOMINIUM PROJECT
Address: Kalaoa 3rd, District of North Kona, Island and County of Hawaii, State of Hawaii

Registration No. 4323 (Conversion)

Effective date: March 10, 2003
Expiration date: Non-expiring 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 governmental 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.
[X] No prior reports have been issued.
[ ] This report supersedes all prior public reports.
[ ] This report must be read together with _____

X **SUPPLEMENTARY: (pink)** This report updates information contained in the:
[ ] Preliminary Public Report dated: _____
[X] Final Public Report dated: February 23, 2000
[ ] Supplementary Public Report dated: _____

And [ ] Supersedes all prior public reports
[X] Must be read together with Final Public Report dated February 23, 2000
[ ] 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

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

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required and attached to this report [X] 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.

[X] Changes made are as follows:

Revised pages 6, 10, 11, 12, 14 and 16, and Exhibits "A", "B" and "D" to the Final Public Report dated February 23, 2000 are attached hereto and incorporated herein by reference and supersede and replace such pages in the original Final Public Report.

These changes reflect the matters addressed in the First Amendment ("As Built") to Declaration of Condominium Property Regime of Ho'omau Condominium Project dated September 18, 2001, and recorded in the Bureau of Conveyances of the State of Hawaii as Document Number 2001-163283 (the "First Amendment"), Amended Condominium Map Number 2983 recorded in said Bureau on or about October 17, 2001, and the Second Amendment to Declaration of Condominium Property Regime dated November 12, 2002, and recorded in said Bureau as Document Number 2002-215324. These changes are summarized as follows:

1. To reflect and describe the alteration of Units 1 and 2 from 48 square feet one room, dirt floor shade cloth greenhouse structures to fully-constructed dwellings.

2. To reflect the addition of the Common Element Shared Access Easement, for access purposes appurtenant to and in favor of Units 1 and 2, located upon a portion of the Limited Common Element Land Area Appurtenant to Unit 2.

3. To reflect the current state of title to the subject property, including an updated listing of all encumbrances.

Disclosure. Hawaii County Ordinance No. 02-111, effective September 25, 2002, may affect a prospective purchaser's ability to replace, alter or add structures to the condominium units or the limited common element land areas appurtenant thereto.

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
[X] Recorded - Bureau of Conveyances: Document No. 99-167332
Book _____ Page _____
[ ] Filed - Land Court Document No. _____

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

First Amendment to Declaration of Condominium Property Regime of Ho'omau Condominium Project dated September 18, 2001, and recorded in the Bureau of Conveyances of the State of Hawaii as Document Number 2001-163283.

Second Amendment to Declaration of Condominium Property Regime dated November 12, 2002, and recorded in said Bureau as Document Number 2002-215324.

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
[X] Recorded - Bureau of Conveyances Condo Map No. 2983
[ ] Filed - Land Court Condo Map No. _____

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

Amended Condominium Map Number 2983 (incorrectly enumerated as "2893") recorded in said Bureau on or about October 17, 2001

Second Amendment to Declaration of Condominium Property Regime dated November 12, 2002, and recorded in said Bureau as Document Number 2002-215324 (Specifically see Exhibit "A" thereto).

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
[X] Recorded - Bureau of Conveyances: Document No. 99-167333
Book _____ Page _____
[ ] Filed - Land Court: Document No. _____

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

Fee Owner: JEFF MURPHY
Name
75-1027 Henry Street, PMB 102
Address
Kailua-Kona, Hawaii 96740

Lessor: N/A
Name

Address

C. **Buildings and Other Improvements:**

1. [X] New Building(s)
   [ ] Conversion of Existing Building(s)
   [ ] Both New Building(s) and Conversion

2. Number of Buildings: 2 Floors Per Building Unit 1 - 1; Unit 2 - 2

   [X] Exhibit "A" contains further explanations.

3. Principal Construction Material:

   [ ] Concrete [ ] Hollow Tile [X] Wood

   [X] Glass and other building materials

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted By Zoning
[ ] Residential		[ ] Yes [ ] No
[ ] Commercial		[ ] Yes [ ] No
[ ] Mix Res/Comm		[ ] Yes [ ] No
[ ] Hotel		[ ] Yes [ ] No
[ ] Timeshare		[ ] Yes [ ] No
[ ] Ohana		[ ] Yes [ ] No
[ ] Industrial		[ ] Yes [ ] No
[X] Agricultural	2	[X] Yes [ ] No
[ ] Recreational		[ ] Yes [ ] No
[ ] Other		[ ] Yes [ ] No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
[X] Yes [ ] No

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

[X] Pets: Pets are permitted

[ ] Number of Occupants:

[ ] Other:

[X] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators 0 Stairways Unit 1: 2, Unit 2: 1 Trash Chutes 0 .

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
Unit 1	1	3/2	1,104	480	carport
Unit 2	1	2/2	1,724	140	porch
				460	garage

Total Number Apartments: 2

***Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.**

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment: See Exhibits "A" and "C" attached hereto.

Permitted Alterations to Apartments: As noted in Section 20 of the Declaration, individual unit owners may, at their sole discretion and at their own expense, remodel, expand or otherwise alter their unit, provided said alterations are done in complete accordance with all applicable ordinances, codes, rules, regulations and other requirements in force at the time of said construction. All alterations shall be completed expeditiously and in the manner set forth in said Section 20.

7. Parking Stalls:

Total Parking Stalls: 4*

	Regular		Compact		Tandem		
	Covered	Open	Covered	Open	Covered	Open	TOTAL
Assigned (for each unit)	Unit 1:2						2
	Unit 2:2						2
Guest							
Unassigned							
Extra for Purchase							
Other:							
Total Covered & Open	4						4

* There is also ample parking space within the limited common element land areas appurtenant to each apartment.

[ ] Commercial parking garage permitted in condominium project.

[ ] Exhibit_____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[ ] Swimming pool [ ] Storage Area [ ] Recreation Area

[ ] Laundry Area [ ] Tennis Court [ ] Trash Chute

[X] Other: The Common Element Shared Access Easement, for access purposes appurtenant to and in favor of both Units 1 and 2, shown and designated as such on the revised site plan portion of Condominium Map Number 2983 (See Exhibit "A" to the Second Amendment to Declaration of Condominium Property Regime).

9. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations

[X] There are no violations. [ ] Violations will not be cured.

[ ] Violations and cost to cure are listed below. [ ] Violations will be cured by _____.
(Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations
(For conversions of residential apartments in existence for at least five years):

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.

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

[X] described in Exhibit "C"
[ ] as follows:

Note: Land areas described herein are not subdivided lots.

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 _____.

[X] as follows:

Each unit and its owner(s) shall have appurtenant thereto a one-half (1/2) fractional (50%) interest in the common elements of the Project for all purposes including voting, said interest is referred to as "common interest".

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 January 28, 2003, and issued by First Hawaii Title Corporation.

G. **Status of Construction and Date of Completion or Estimated Date of Completion:**

Unit 1 was completed in approximately 2000. Unit 2 was completed in approximately 2002.

H. **Project Phases:**

The developer [ ] has [X] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's plans or right for future development (such as additions, mergers or phasing):

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 given 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 or through the developer's sales agent, if any. 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, HI 96809, at a nominal cost.

This Public Report is part of Registration No. 4323 filed with the Real Estate Commission on December 17, 1999.

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[ ] YELLOW paper stock [ ] WHITE paper stock [X] 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 514-] (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.

JEFF MURPHY
Printed Name of Developer

By _____ 11-12-02
Duly Authorized Signatory* Date

JEFF MURPHY
Print Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Hawaii

Planning Department, County of Hawaii

EXHIBIT A

Description of the Estates Created

Two freehold estates were created and designated, and hereinafter referred to as "condominium units" (also referred to herein as "unit" or "units"). Specifically, the two estates so created and designated are referred to hereinafter as "Unit 1" and "Unit 2". Unless provided otherwise herein, each individual condominium unit is comprised of all of the structures and/or other improvements physically located or to be located on the land area appurtenant to said unit, as designated and defined in subparagraphs 5(a) and 5(b) herein. Said condominium units are or will be located as shown and designated on the Condominium Map, the number of which is noted above. The units are described as follows:

(a) "Unit 1" consists of (i) an eight (8) room, single story, double wall dwelling having an approximate living area of 1104 square feet; and a carport with a net area of approximately 480 square feet with no basement, and (ii) any and all other future improvements which may be constructed on the land area appurtenant to said unit by the owner thereof. Specifically, in addition to the above-described improvements, the owner thereof is permitted, if allowed by law, to build any permitted structures on the land area appurtenant to said unit, provided that said structures comply with all applicable building codes and zoning ordinances. The costs and expenses of any such future construction shall be borne solely by the owner of said unit.

(b) "Unit 2" consists of (i) a nine (9) room, two story, double wall dwelling having an approximate living area of 1724 square feet, a porch with a net area of approximately 140 square feet, and a garage with a net area of approximately 460 square feet with no basement, and (ii) any and all other future improvements which may be constructed on the land area appurtenant to said unit by the owner thereof. Specifically, in addition to the above-described improvements, the owner thereof is permitted, if allowed by law, to build any permitted structures on the land area appurtenant to said unit, provided that said structures comply with all applicable building codes and zoning ordinances. The costs and expenses of any such future construction shall be borne solely by the owner of said unit.

End of EXHIBIT A

EXHIBIT B

Description of Common Elements

One freehold estate was designated in all portions of the Project other than the units (except as herein specifically included), these portions of the Project being herein referred to as the "common elements", including specifically, but not limited to:

(a) The land in fee simple;

(b) All ducts, pumps, pipes, wires, conduits or other utility lines running over, under or through any unit or any limited common element appurtenant thereto which are utilized by or serve more than one unit and other central and appurtenant installations for common services, if any, including water, power, light, sewage, irrigation and telephone;

(c) Any and all other apparatus, installations and/or facilities in common use and all other parts of the Property necessary or convenient to the existence, maintenance and safety of the Project, or normally in common use;

(d) Each unit 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 unit, and in the other common elements of the Project for use according to their respective purposes. When applicable, each unit shall also have appurtenant thereto easements in the other units(s) for the purposes of utility service for, and the maintenance and repair of said utility services, including but not limited to electricity, gas, water, sewage, telephone and television cable;

(e) The limited common elements described in Exhibit C of this public report and Section 5 of the Declaration;

(f) The common element shared access easement, for access purposes appurtenant to and in favor of both Units 1 and 2, shown and designated as such on the Condominium Map by cross-hatching, and located upon a portion of the Limited Common Element Land Area Appurtenant to Unit 2 (as further described in Section 5(b) of the Declaration)."

The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof, except as provided in the Act. Any such partition or division shall be subject to the prior consent thereto by the holder(s) of all mortgage(s) of record against any condominium unit(s).

End of EXHIBIT B

EXHIBIT "D"

ENCUMBRANCES AGAINST TITLE

1. For real property taxes that may be due and owing, reference is made to the Real Property Tax Office of the Third Division. Also, possible rollback taxes may be assessed by the Real Property Tax Office of the Third Tax Division.

2. Reservation in favor of the State of Hawaii of all minerals and metallic mines.

3. Grant dated April 29, 1966, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 9167, Page 2.

4. Covenants, conditions, restrictions, reservations, obligation, terms and other agreements set forth in that certain Deed dated May 10, 1973, and recorded in said Bureau in Liber 10033, Page 542.

5. Declaration of Condominium Property Regime of "HO'OMAU CONDOMINIUM PROJECT" dated October 13, 1999, and recorded in said Bureau as Document Number 99-167332, as the same may from time to time be amended in accordance with law and said Declaration. (Project covered by Condominium Map No. 2983).

   First Amendment ("As Built") to Declaration of Condominium Property Regime of Ho'omau Condominium Project dated September 18, 2001, and recorded in said Bureau as Document Number 2001-163283 (Amended Condominium Map No. 2983 recorded in said Bureau).

   Second Amendment to Declaration of Condominium Property Regime dated November 12, 2002, and recorded in said Bureau as Document Number 2002-215324 (includes further amendment to Condominium Map No. 2983).

6. By-Laws of the Association of Condominium Owners of "HO'OMAU CONDOMINIUM PROJECT" dated October 13, 1999, and recorded in said Bureau as Document Number 99-167333, as the same may be from time to time amended in accordance with law and said By-Laws.

7. AS TO UNIT 1:

   A. Mortgage in favor of Bank of America, N.A., a national banking association, dated January 9, 2001, and recorded in said Bureau as Document Number 2001-006738.

   B. Mortgage in favor of Countrywide Home Loans, Inc., a New York corporation, dated March 20, 2001, and recorded in said Bureau as Document Number 2001-042370.

8. AS TO UNIT 2:

   A. Mortgage in favor of Countrywide Home Loans, Inc., a New York corporation, dated September 10, 2002, and recorded in said Bureau as Document Number 2002-163352.

   B. Mortgage in favor of Countrywide Home Loans, Inc., a New York corporation, dated September 10, 2002, and recorded in said Bureau as Document Number 2002-163353.