

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer JOHN E. LEE and SHAR L. LEE
Address 2350 17TH Avenue, Longmont, Colorado 80503

Project Name(\*): MAHALO PROPERTIES
Address: 73-1328 Hi'olani Street, Kailua-Kona, Hawaii 96740

Registration No. 4413
(Conversion)

Effective date: November 1, 2002
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: May 18, 2000
[ ] Supplementary Public Report dated:

And [ ] Supersedes all prior public reports
[X] Must be read together with Final Public Report dated May 18, 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

**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:

**Revised pages 6, 11, 21 and Exhibit "A" to the Final Public Report dated May 18, 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 to Declaration of Condominium Property Regime dated September 18, 2002, and recorded in the Bureau of Conveyances of the State of Hawaii as Document Number 2002-166991 (the "First Amendment"). These changes are summarized as follows:

1. To correct a typographical error in the original Declaration of Condominium Property Regime dated March 20, 2000, and recorded in the Bureau of Conveyances of the State of Hawaii as Document Number 2000-053880 (the "original Declaration") and the Final Public Report dated May 18, 2000, which incorrectly described "Unit 2" as containing three bedrooms, when it actually contains two bedrooms.

2. To slightly alter the delineation of the limited common element land areas appurtenant to each condominium unit, and upon and around which each condominium unit is located, as shown on the revised site plan to Condominium Map Number 3076 attached as Exhibit "A" to the First Amendment, and which changes the size of such limited common element land areas described in the original Declaration as follows:

Unit 1 – the land area has changed from approximately 23,338 square feet to approximately 21,741 square feet.

Unit 2 – the land area has changed from approximately 20,392 square feet to approximately 21,989 square feet.

**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. 2000-053880  
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 dated September 18, 2002, and recorded in the Bureau of Conveyances of the State of Hawaii as Document Number 2002-166991.

- 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 Condo Map No. 3076  
 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]:

First Amendment to Declaration of Condominium Property Regime dated September 18, 2002, and recorded in the Bureau of Conveyances of the State of Hawaii as Document Number 2002-166991 (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  
 Recorded - Bureau of Conveyances: Document No. 2000-053881  
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]:

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:

Pets \_\_\_\_\_

Number of Occupants: \_\_\_\_\_

Other: Declaration of Covenants, Conditions & Restrictions dated 3/31/78 & Amended 2/25/98 re: use & building restrictions (referred to hereafter as Decl. Of CC&Rs).

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators 0 Stairways Unit 2: 1 Trash Chutes 0

Apt. Type	Quantity	BR/Bath	Net		(Identify)
			Living Area (sf)*	Other Area (sf)	
Unit 1	1	3/2	1,540	670 / 22	lanai/porch
Unit 2	1	2/2	1,987	460	garage
				650	lanai
				200	entry porch
				506	deck patio

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 Exhibit "A" attached hereto.

Permitted Alterations to Apartments: As noted in Section XVI 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 said alterations are made. All alterations shall be completed expeditiously and in the manner set forth in said Section XVI.

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: Declaration of Covenants, Conditions and Restrictions referenced on page 11. Ask to see.

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, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 4413 filed with the Real Estate Commission on May 2, 2000.

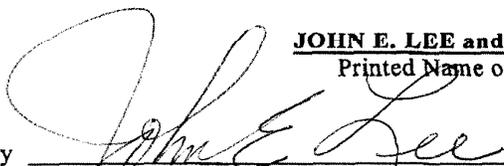
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D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 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.

**JOHN E. LEE and SHAR L. LEE**  
Printed Name of Developer

By  10-30-02  
Duly Authorized Signatory\* Date

By  10-30-02  
Duly Authorized Signatory\* Date

**JOHN E. LEE and SHAR L. LEE**  
Print Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Hawaii

Planning Department, County of Hawaii

## INDIVIDUAL UNIT DESCRIPTIONS

The Declaration of Condominium Property Regime and plans submitted by the Developer indicate that MAHALO PROPERTIES is a fee simple condominium project consisting of a total of two condominium units, each unit comprised of a separate structure or structures. The units are described as follows:

- (a) "Unit 1" consists of the following: (1) a separate one-story wood-frame structure, without basement, containing three bedrooms, two baths, living room, dining room, kitchen and laundry room -- all containing a net interior living area of approximately 1,540 square feet; (2) an attached covered lanai area of approximately 670 square feet; (3) an attached covered entry porch area of approximately 22 square feet; (4) an attached garage of approximately 460 square feet; and (5) 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 said existing improvements, the owner thereof is permitted to build other improvements as allowed by applicable law, provided that said improvements comply with the provisions of this Declaration and all applicable buildings codes and zoning ordinances. The right to secure the building permit(s) for and construct said additional improvements vests solely with the owner of said unit, and the costs and expenses of any such future construction shall be borne solely by the owner of said unit.
  
- (b) "Unit 2" consists of the following: (1) a separate two-story wood-frame structure, without basement, containing two bedrooms, two baths, living room, kitchen and laundry room -- all containing a net interior living area of approximately 1,987 square feet; (2) attached covered lanai areas totalling approximately 650 square feet; (3) an attached covered entry porch area of approximately 200 square feet; (4) ground floor deck and patio areas totalling approximately 506 square feet; and (5) 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 said existing improvements, the owner thereof is permitted to build other improvements as allowed by applicable law, provided that said improvements comply with the provisions of this Declaration and all applicable buildings codes and zoning ordinances. The right to secure the building permit(s) for and construct said additional improvements vests solely with the owner of said unit, and the costs and expenses of any such future construction shall be borne solely by the owner of said unit.