DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME	LORENZO CONDOMINIUM
Address	331 & 333 West Kuiaha Road Haiku, Hawaii 96708
Registration Number	6200
Effective Date of Report	**January 19, 2007**
Developer	Lawrence P. Carnicelli

Preparation of this Report

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. The law defines "material facts" to mean "any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale."

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts or all pertinent changes, or both, about the project have been fully or adequately disclosed; or (3) is not the Commission's judgment of the value or merits of the project.

This report may be used by the Developer for promotional purposes only if it is used in its entirety. No person shall advertise or represent that the Commission has approved or recommended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developer's Public Report, clearly reflecting the changes, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

Purchasers are encouraged to read this report carefully and to seek professional advice before signing a sales contract for the purchase of a unit in the project.

Signing a sales contract may legally bind a purchaser to purchase a unit in the project, though a purchaser may have rights to cancel or rescind a sales contract under particular circumstances that may arise.

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

SPECIAL ATTENTION

[Use this page for special or significant matters which should be brought to the purchaser's attention and that are not covered elsewhere in this report.]

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 lines on the Condominium Map dividing the land into limited common element land areas are for illustration purposes only and should not be construed to be formal subdivision lines.

This Public Report does not constitute an approval of the Project by the Real Estate Commission or any other government agency, nor does it ensure that all County codes, ordinances and subdivision have necessarily been complied with.

1. There are County restrictions on the number of residential dwelling units, or other structures, which may be built on the property. Therefore, unless the Purchaser is buying an existing residential dwelling, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE IS ALSO NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. The Purchaser should consult with the appropriate County agencies to determine whether the Purchaser may build a residential dwelling unit, or any other type of structure, on the property. Unit A is an existing single-family dwelling, and Unit B is an existing single-family dwelling.

2. Facilities and improvements normally associated with County-approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owners and emergency traffic, drainage facilities, etc., may not be provided, and services such as County street maintenance and trash collection may not be available for interior roads and driveways.

3. In a condominium, all of the land included in the condominium remains a single, unsubdivided parcel of land for purposes of zoning and land use regulation. If one unit owner violates a regulation, the violation is attributable to both that owner and the innocent owner of each other unit. For example, if one owner builds or adds to a structure in a manner which violates height limits, size limit, setbacks, building permit requirements, or flood zone rules, or uses the unit for an unauthorized additional dwelling or short term rental, the violation applies to the entire condominium and the innocent unit owner may be subject to fines or may be denied a building permit as long as the violation remains uncured. BUYER SHOULD CONSULT WITH AN ATTORNEY CONCERNING THESE IMPORTANT RISKS.

4. Developer certifies that the subject property is zoned R-1 Residential by the County of Maui.

5. The subject property is not within the Special Management Area (SMA).

6. The subject property is not within a 100-year flood inundation area.

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EXHIBIT E: Summary of Escrow Agreement
EXHIBIT F: Home Inspection Report, Prepared By: Barkman Inspection Service
EXHIBIT G: Miscellaneous Inspection Report from the County of Maui
EXHIBIT H: Common Interest

General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. In addition, certain requirements and approvals of the county in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

If you are a typical condominium unit owner, you will have two kinds of ownership: (1) ownership in your individual unit; and (2) a percentage interest in the common elements.

You will be entitled to exclusive ownership and possession of your unit. Subject to the documents governing them, condominium units may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

Your unit will, however, be part of the group of units that comprise the condominium project. Study the project's Declaration of Condominium Property Regime, Bylaws of the Association of Unit Owners, Condominium Map and House Rules, if any, which are being concurrently delivered to you with this report. These documents contain important information on the use and occupancy of the units and the common elements of the project, as well as the rules and regulations of conduct for unit owners, tenants and guests.

Operation of the Condominium Project

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there is a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first that the Developer will effectively control the affairs of the Association. It is frequently necessary for the Developer to do so during the early stages of development and the Developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	☑ Fee Simple ☐ Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	☑ Yes ☐ No
Fee Owner's Name if Developer is not the Fee Owner	Fee Owner is Developer
Fee Owner's Address	187 Ikea Place Pukalani, Hawaii 96768
Address of Project	331 and 333 West Kuiaha Road Haiku, Hawaii 96708
Address of Project is expected to change because	N/A
Tax Map Key (TMK)	(2nd) 2-7-031-022
Tax Map Key is expected to change because	N/A
Land Area	12.022 square feet
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	Developer is Fee Owner

1.2 Buildings and Other Improvements

Number of Buildings	2
Floors Per Building	Unit A: 1, Unit B: 2
Number of New Building(s)	0
Number of Converted Building(s)	2
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Wood, glass and related material

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc.)	Area
A	1	2/1	583	147	Lanai/Deck	730
B	1	3/2	1228	91	Decking	1319
See Exhibit A__.						

2	**Total Number of Units**

Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.

1.4 Parking Stalls

Total Parking Stalls in the Project:	4*
Number of Guest Stalls in the Project:	0*
Number of Parking Stalls Assigned to Each Unit:	2*
Attach Exhibit N/A specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights. *Each unit will have the right to park in the limited common element appurtenant to said unit, including guests.	

1.5 Boundaries of the Units

Boundaries of the unit:
Exterior surfaces of walls, roofs, and foundations.

1.6 Permitted Alterations to the Units

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project):
Each unit may be expanded, relocated and altered in owner's discretion (except as limited by law or the Declaration). The owner may unilaterally amend the Declaration to redefine the unit to conform the unit boundaries as altered, expanded or relocated.

1.7 Common Interest

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit'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 unit owners. The common interest for each unit in this project, as described in Declaration, is: 50%

Described in Exhibit H.

As follows:

1.8 Recreational and Other Common Facilities (Check if applicable):

☐	Swimming pool
☐	Laundry Area
☐	Storage Area
☐	Tennis Court
☐	Recreation Area
☐	Trash Chute/Enclosure(s)
☐	Exercise Room
☐	Security Gate
☐	Playground
✔	Other (describe): Common Element Driveway and Septic Disposal System.

1.9 Common Elements

Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.
Described in Exhibit A___.
Described as follows:

Common Element	Number
Elevators	0
Stairways	0
Trash Chutes	0

1.10 Limited Common Elements

Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.
Described in Exhibit A___.
Described as follows:

1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.	
☐	Pets:
☐	Number of Occupants:
☐	Other:
☐	There are no special use restrictions.

1.12 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 a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).
Exhibit B___ describes the encumbrances against title contained in the title report described below.
Date of the title report: November 20, 2006
Company that issued the title report: Title Guaranty of Hawaii, Inc.

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning					
	Type of Use	No. of Units	Use Permitted by Zoning		Zoning
✔	Residential	2	✔ Yes	☐ No	R-1 (Residential)
☐	Commercial		☐ Yes	☐ No	
☐	Mix Residential/Commercial		☐ Yes	☐ No	
☐	Hotel		☐ Yes	☐ No	
☐	Timeshare		☐ Yes	☐ No	
☐	Ohana		☐ Yes	☐ No	
☐	Industrial		☐ Yes	☐ No	
☐	Agricultural		☐ Yes	☐ No	
☐	Recreational		☐ Yes	☐ No	
☐	Other(specify)		☐ Yes	☐ No	
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			✔ Yes	☐ No	
Variances to zoning code have been granted.			☐ Yes	✔ No	
Describe any variances that have been granted to zoning code.		N/A			

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots

In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.

A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.

	Conforming	Non-Conforming	Illegal
Uses	✔	☐	☐
Structures	✔	☐	☐
Lot	✔	☐	☐

If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:

N/A

1.15 Conversions

Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.	☑ Applicable ☐ Not Applicable

Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units:
Units "A" and "B" are each more than 5 years old.

Based on a report on Units "A" and "B" dated September 18, 2006, by Barkman Inspection Service, and certified by Nicholas T. Wagner, and independent, registered Hawaii Architect, the Declarant states as follows:

All of the structural components and mechanical and electrical installations material to the use and enjoyment of the project appear to be in good condition.

Developer's statement of the expected useful life of each item reported above:
The Declarant hereby states that no representations are made with respect to the useful life of any structural component or mechanical or electrical installations material to the use and enjoyment of Units "A" and "B" of Lorenzo Condominium.

List of any outstanding notices of uncured violations of any building code or other county regulations:
N/A

Estimated cost of curing any violations described above:
N/A

Verified Statement from a County Official

Regarding any converted structures in the project, attached as Exhibit G is a verified statement signed by an appropriate county official which states that either:

(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:
(i) Any variances or other permits that have been granted to achieve compliance;
(ii) Whether the project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and
(iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance;

or

(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.

Other disclosures and information:

1.16 Project In Agricultural District

Is the project in an agricultural district as designated by the land use laws of the State of Hawaii? **If answer is "Yes", provide information below.**	☐ **Yes** ☑ **No**
Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws? ☐ Yes ☐ No If the answer is "No", provide explanation.	
Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws? ☐ Yes ☐ No If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.	
Other disclosures and information:	

1.17 Project with Assisted Living Facility

Does the project contain any assisted living facility units subject to Section 321-11(10), HRS? **If answer is "Yes", complete information below.**	☐ **Yes** ☑ **No**
Licensing requirements and the impact of the requirements on the costs, operations, management and governance of the project.	
The nature and the scope of services to be provided.	
Additional costs, directly attributable to the services, to be included in the association's common expenses.	
The duration of the provision of the services.	
Other possible impacts on the project resulting from the provision of the services.	
Other disclosures and information.	

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer	Name: Lawrence P. Carnicelli Address: 187 Ikea Place, Pukalani, Hawaii 96768 Business Phone Number: (808) 283-6090 E-mail Address: N/A
Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).	N/A
2.2 Real Estate Broker	Name: The Prudential Maui Realtors, Inc. Address: 256 Papalaua Street, Lahaina, HI 96761 Business Phone Number: (808) 661-5200 E-mail Address: lpc@hawaii.rr.com
2.3 Escrow Depository	Name: Title Guaranty Escrow Services, Inc. Address: 3350 Lower Honoapiilani Road, Ste 211 Lahaina, Hawaii 96761 Business Phone Number: (808) 661-8715
2.4 General Contractor	Name: N/A Address: Business Phone Number:
2.5 Condominium Managing Agent	Name: Self Managed by the Association Address: Business Phone Number:
2.6 Attorney for Developer	Name: Thomas D. Welch, Jr. of Mancini, Welch and Gieger, llp Address: 33 Lono Avenue, Suite 470 Kahului, Hawaii 96732-1681 Business Phone Number: (808) 871-8351

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

3.1 Declaration of Condominium Property Regime

The Declaration of Condominium Property Regime contains a description of the land, buildings, units, common interests, common elements, limited common elements, and other information relating to the condominium project.		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Recorded, Bureau of Conveyances	October 23, 2006	2006-205103

Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number

3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit 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 that affect how the condominium project will be governed.		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Recorded, Bureau of Conveyances	October 23, 2006	2006-205104

Amendments to Bylaws of the Association of Unit Owners		
Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.	
Land Court Map Number	
Bureau of Conveyances Map Number	4335
Dates of Recordation of Amendments to the Condominium Map:	

3.4 House Rules

The Board of Directors may adopt rules and regulations (commonly called "House Rules") to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the Developer. Changes to House Rules do not need to be recorded to be effective.		
The House Rules for this project:		
Are Proposed		☐
Have Been Adopted and Date of Adoption		☐
Developer does not plan to adopt House Rules		☑

3.5 Changes to the Condominium Documents

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.		
Document	Minimum Set by Law	This Condominium
Declaration	67%	67%
Bylaws	67%	67%

3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents

☐	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
☑	Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows: The Developer reserves the right to modify the Declaration, By-Laws, Condominium Property Regime Map, and other documents, and a Buyer will authorize the Developer to make and a Buyer will specifically approve, all changes to said documents and the Project: (a) as may be required by law, any title insurance company, any institutional lender, or any governmental agency; or (b) prior to conveyance of the first unit, as the Developer deems necessary; provided that no such modification shall, without the Buyer's consent: (i) materially impair the prospective use and enjoyment of the Unit; (ii) materially reduce the size of the limited common area appurtenant to the Unit; (iii) render unenforceable a Buyer's mortgage lien commitment; (iv) increase the Buyer's share of common expenses; or (v) reduce the obligations of the Developer for common expenses on unsold units.

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

Management of the Common Elements: The Association of Unit Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

The Initial Condominium Managing Agent for this project is (check one):

☐	Not affiliated with the Developer
✔	None (self-managed by the Association)
☐	The Developer or an affiliate of the Developer
☐	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit C__ contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:

☐	Electricity for the common elements
☐	Gas for the common elements
✔	Water: The charges shall be divided between the unit owners based on actual use measured by a submeter.
✔	Sewer: Septic tank pumping fees, if applicable
☐	TV cable
☐	Other (specify)

4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:

✔	Electricity for the Unit only
☐	Gas for the Unit only
☐	Water
☐	Sewer
✔	TV cable
☐	Other (specify)

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

Sales Documents on file with the Commission include, but are not limited to, the following:	
☑	Specimen Sales Contract Exhibit D contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
☑	Escrow Agreement dated: December 1, 2006 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit E contains a summary of the pertinent provisions of the escrow agreement.
☐	Other

5.2 Sales to Owner-Occupants

If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sale to Owner-Occupants.

☐	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
☐	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit N/A.
☐	Developer has or will designate the units for sale to Owner-Occupants by publication.

5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.	
☐	There are no blanket liens affecting title to the individual units.
☑	There are blanket liens that may affect title to the individual units.

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage in favor of Mortgage Electronic Registration Systems, Inc., as nominee for Meritrites Mortgage, LLC, a Delaware limited liability company dated August 25, 2004, recorded in the Bureau of Conveyances of the State of Hawaii as Doc. No. 2004-178432. Also additional mortgage in favor of same entity, dated August 25, 2004, recorded in said Bureau as Document No. 2004-178433.	Buyer may lose his or her unit but buyer's deposit to be refunded, less any escrow cancellation fee. All mortgage liens will be paid in full out of the proceeds of the sale of the first unit and the units will be released from the liens at that time.

5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:
Building and Other Improvements: N/A
Appliances: N/A

5.5 Status of Construction, Date of Completion or Estimated Date of Completion

Status of Construction: Units A and B were built in 1931 and repaired in 1989.
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract: N/A
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: N/A

5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance

The Developer is required to deposit all moneys paid by purchasers in trust under a written escrow agreement with a Hawaii licensed escrow depository. Escrow shall not disburse purchaser deposits to the Developer or on behalf of the Developer prior to closing, except if a sales contract is canceled or if Developer has met certain requirements, which are described below.

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

☑	The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project. If the box to the left is checked, Sections 5.6.2 and 5.7, which follow below, will not be applicable to the project.

5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):	
☐	For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or
☐	For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.

In connection with the use of purchaser deposits (check Box A or Box B):

Box A ☐	The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report. If Box A is checked, you should read and carefully consider the following notice, which is required by law: **Important Notice Regarding Your Deposits: Deposits that you make under your sales contract for the purchase of the unit may be disbursed before closing of your purchase to pay for project costs, construction costs, project architectural, engineering, finance, and legal fees, and other incidental expenses of the project. While the developer has submitted satisfactory evidence that the project should be completed, it is possible that the project may not be completed. If your deposits are disbursed to pay project costs and the project is not completed, there is a risk that your deposits will not be refunded to you. You should carefully consider this risk in deciding whether to proceed with your purchase.**
Box B ☐	The Developer has **not** submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits. If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract. At such time, the **Important Notice Regarding Your Deposits** set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, **you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment**. (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report. You should understand that, although the **Important Notice Regarding Your Deposits** set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.

Material House Bond. If the Developer has submitted to the Commission a completion or performance bond issued by a material house instead of a surety as part of the information provided prior to the use of purchaser deposits prior to closing or conveyance of a unit, the Developer shall disclose the same below and disclose the impact of any restrictions on the Developer's use of purchaser deposits.

5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.	
1.	**Developer's Public Report**
2.	**Declaration of Condominium Property Regime (and any amendments)**
3.	**Bylaws of the Association of Unit Owners (and any amendments)**
4.	**Condominium Map (and any amendments)**
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other: Reference is made to Exhibit "B" for a specific list of encumbrances affecting this property.

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 514B, HRS) and the Administrative Rules (Chapter 107, HAR), are available online. Please refer to the following sites:
Website to access official copy of laws: www.capitol.hawaii.gov
Website to access rules: www.hawaii.gov/dcca/har

5.8 Purchaser's Right to Cancel or Rescind a Sales Contract

A purchaser's right to cancel a sales contract or to rescind a sales contract may arise under varying circumstances. In the sections below, some circumstances that will give rise to a purchaser's right to cancel or rescind are described, together with what a purchaser must do if the purchaser wishes to exercise any of the rights.

5.8.1 When a Sales Contract becomes Binding and Purchaser's 30-Day Right to Cancel a Sales Contract

A sales contract signed by a purchaser and the developer will not become binding on a purchaser or the Developer until the following events have taken place:

(1) The purchaser has signed the sales contract.

(2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.

(3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.

(4) The purchaser does at least one of the following:

(a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

(b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or

(c) Closes the purchase of the unit before the 30-day cancellation period expires.

The purchaser or the Developer may cancel the sales contract at any time during the 30-day cancellation period, and the sales contract will be canceled and the purchaser's deposits returned to the purchaser, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of $250.

5.8.2 Right to Cancel a Sales Contract if Completion Deadline Is Missed

In addition to the purchaser's 30-day cancellation right described in Section 5.8.1 above, when a sales contract is signed before completion of construction of a project, the purchaser will have the right to cancel if the unit is not completed by certain deadlines. In conversion projects, there must be a deadline for completion of any required repairs. Every sales contract shall contain an agreement of the Developer that the completion of construction shall occur on or before the completion deadline, and that completion deadline is set forth in this report in Section 5.5. The sales contract shall provide that the purchaser may cancel the sales contract at any time after the specified completion deadline, if completion of construction does not occur on or before the completion deadline, as the same may have been extended. Upon a cancellation, the purchaser's deposits shall be refunded, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of $250.00.

5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change

If a "material change" in a project occurs after a purchaser has signed a sales contract that has become binding, the purchaser will have a 30-day right to rescind after notification and description of the material change. A material change is defined in the Condominium Property Act to be any change that "directly, substantially and adversely affects the use or value of (1) a purchaser's unit or appurtenant limited common elements; or (2) those amenities of the project available for the purchaser's use."

The purchaser will be informed of the material change by the developer on a form prescribed by the Commission containing a description of the material change.

After notice of the material change, the purchaser may waive the right to rescind by:

(1) Checking the waiver box on the rescission form; or

(2) Letting the 30-day rescission period expire, without taking any action to rescind; or

(3) Closing the purchase of the unit before the 30-day rescission period expires.

The rescission form must be signed by all purchasers of the affected unit and delivered to the developer no later than midnight of the 30th calendar day after the purchasers received the rescission form from the developer. Purchasers who validly exercise the right of rescission shall be entitled to a prompt and full refund of any moneys paid.

A rescission right shall not apply in the event of any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of a project, made pursuant to the terms of the project's Declaration.

These provisions shall not preclude a purchaser from exercising any rescission rights pursuant to a contract for the sale of a unit or any applicable common law remedies.

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

1. Setbacks. No new structures will be placed in any Limited Common Element within a setback area of five feet from the boundary dividing Limited Common Element A from Limited Common Element B, unless agreed to by the owners of both units A and B. Existing structures within the said setback area may remain, and be repaired and replaced as needed. Additional setbacks from perimeter boundaries of the condominium land are required by Maui County Code.

2. Water. The condominium is served by a single water meter and water use for both units will be billed to the Association of Unit Owners by the County of Maui Department of Water Supply in a single bill. The Association is responsible for paying said charges and will allocate them among the unit owners as common expense assessments. The method of allocation shall be by individual use meters ("submeters") apportioning the County's billings between both units by proportionate metered water usage.

The County of Maui Department of Water Supply has adopted a policy to require that each unit in a condominium have its separate water meter. This condominium has only one meter, which is shared. This sharing may be in violation of these rules. Due to the current shortage of water in the Department's upcountry water system, it may not be possible to obtain a second meter for this property. WATER SERVICE IS NOW BEING PROVIDED TO BOTH UNITS AND DEVELOPER KNOWS OF NO INSTANCE WHERE THE WATER DEPARTMENT HAS TERMINATED WATER SERVICE TO A CONDOMINIUM UPON CONVERSION. HOWEVER BUYER IS CAUTIONED THAT BUYER MAY BE REQUIRED TO OBTAIN A METER AS A CONDITION TO THE BUYER'S USE, EXPANSION OR CONSTRUCTION OF BUYER'S UNIT, OR THE ISSUANCE OF A BUILDING PERMIT FOR ANY PURPOSE. BUYER SHOULD CONSULT WITH HIS OR HER LEGAL COUNSEL OR CONTACT THE DEPARTMENT OF WATER SUPPLY FOR ADDITIONAL INFORMATION.

3. Mailboxes. Each unit has its own separate mailbox.

4. Sewer. Both units currently share a septic disposal system, shown on the Condominium Map as "Common Element Seepage Pit" and "Common Element Septic Tank". County and sewer service is not available. The owners of each unit shall share equally in the cost of maintaining, operating and/or replacing the shared system. No representations or warranties are made as to the quality, useful life, replacement cost, operating cost, or maintenance cost of the system.

5. Historic Property. Since Units A and B are over 50 years old, they are considered "historic" properties under the Historic Preservation Rules, Hawaii Revised Statutes, Chapter 6E, and are eligible for designation by the State of Hawaii Department of Land and Natural Resources on the Hawaii Register or Historic Places. As such, approval by the Department of Land and Natural Resources may be required before the demolition or substantial alteration of the buildings may be approved.

6. Licensed Real Estate Salesperson. Pursuant to Sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Developer, Lawrence P. Carnicelli, is a current and active Hawaii-licensed Real Estate Broker, RB-18787. Further that Lawrence P. Carnicelli is licensed with The Prudential Maui Realtors, Inc., the project broker. Pursuant to Section 16-99-11(c), HAR "no license shall be allowed to advertise 'For Sale by Owner', 'For Rent by Owner', 'For Lease by Owner', 'For Exchange by Owner'."

7. Pre-Existing Buildings. Since the buildings are all pre-existing there may be lead paint, asbestos and other environmentally harmful materials contained in the buildings which may be hazardous and which would not be permitted for a new building today.

8. Hazardous materials. The developer neither prepared nor commissioned a Phase I Environmental Site Assessment and makes no representations or warranties whatsoever. The developer has made no independent investigation as to asbestos or other hazardous substances in the units or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws. Buyer acknowledges that in light of the age of the Project, there may be asbestos and other hazardous substances in the units, or in, under or around the Project. Because of the possible presence of such substances, Buyer should have the unit inspected to determine the extent (if any) of such contamination and any necessary remedial action. The developer will not correct any defects in the units or in the Project or anything installed or contained therein and Buyer expressly releases the developer from any liability to Buyer if any hazardous materials are discovered.

9. Lead Warning Statement. Pursuant to federal law, 42, U.S.C 4852(d), the Residential lead-Based Paint Reduction Act, "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligent quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase."

10. Zoning and Land Use Violations. In a condominium, all of the land included in the condominium remains a single, unsubdivided parcel of land for purposes of zoning and land use regulation. If one unit owner violates a regulation, the violation is attributable to both that owner and the innocent owner of each other unit. For example, if one owner builds or adds to a structure in a manner which violates height limits, size limit, setbacks, building permit requirements, or flood zone rules, or uses the unit for an unauthorized additional dwelling or short term rental, the violation applies to the entire condominium and the innocent unit owner may be subject to fines or may be denied a building permit as long as the violation remains uncured. BUYER SHOULD CONSULT WITH AN ATTORNEY CONCERNING THESE IMPORTANT RISKS.

11. Developer certifies that the subject property is zoned R-1 Residential by the County of Maui.

12. The subject property is not within the Special Management Area (SMA).

13. The subject property is not within a 100-year flood inundation area.

EACH BUYER IS ADVISED TO CONTACT THE APPROPRIATE GOVERNMENT AGENCIES TO DETERMINE SPECIFIC REQUIREMENTS FOR THIS PROPERTY, AND TO CONSULT WITH AN ATTORNEY AND OTHER APPROPRIATE PROFESSIONALS.

The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a)(13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

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 purchasers 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. The Developer hereby agrees promptly to amend this report to report any pertinent or material change or both in any information contained in this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

Lawrence P. Carnicelli
Printed Name of Developer

By: _____ December 5, 2006
Duly Authorized Signatory* Date

Lawrence P. Carnicelli: Owner / Developer
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Maui

Planning Department, County of Maui

***Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

EXHIBIT A

LORENZO CONDOMINIUM

DESCRIPTION OF BUILDINGS:

The condominium consists of two separate units, each of which is a single-family dwelling. Each unit is located on that portion of the land defined on the Condominium Map as a limited common element appurtenant to and for the exclusive use of said unit. Each building is constructed primarily of wood, glass and related materials. Upon expansion, relocation, construction or reconstruction of any unit by any owner(s) thereof as provided in the Declaration, the modified or new building containing any unit may be constructed of any other building material meeting applicable building codes, including but not limited to concrete, masonry, plaster, wood, glass or related materials.

DESCRIPTION OF UNITS:

The condominium shall consist of two (2) units designated Unit "A" and Unit "B", with Unit "A" the southwestern most and Unit "B" the northeastern most. Each unit is shown on the Condominium Map.

Unit "A" is a one-story single-family dwelling, containing 583 square feet of net living area, and includes two bedrooms, one bathroom, a living room, kitchen, closet spaces and covered lanai and decking (including 147 square feet of area).

Unit "B" is a two-story single-family dwelling, containing 1228 square feet of net living area, and includes three bedrooms, two bathrooms, living/kitchen area, family room, wet bar, entry, closet spaces, and decking (including 91 square feet of area).

Unit "A" has direct access to its appurtenant limited common element on which the unit is located, which in turn provides access to a Common Element Driveway, which provides access to a public road (West Kuiaha Road).

Unit "B" has direct access to its appurtenant limited common element on which the unit is located, which in turn provides access to a Common Element Driveway, which provides access to a public road (West Kuiaha Road).

The boundaries of each unit shall consist of the exterior finished surface of all exterior walls, roofs, doors, windows, and also include all foundations and underpinnings, and other appurtenant structures and facilities within said boundaries. The responsibility for maintenance, repair, replacement and reconstruction and insurance of each unit is delegated to the owner(s) of said unit, and all of the cost thereof shall be borne by the owner(s) of said unit, at no cost to the owner(s) of any other unit or the association.

LOCATION, RELOCATION, AND NUMBERING OF UNITS:

Each unit is located as shown on the condominium file plan. The units are lettered "A" and "B" consecutively from southwest to northeast. As provided in Section K.2. of the Declaration, at the option of the owner(s) of each unit, said unit may be relocated to any other location within the limited common element appurtenant to said unit, and the boundaries of said unit may be changed, by amendment to the Declaration as provided in Section K.2. of the Declaration; provided however, that (a) all construction in connection therewith shall comply with all applicable zoning and building codes; and (b) no portion of the structure comprising a unit or other structure shall be constructed outside of the boundaries of the area designated for said unit as its limited common element as shown on the Condominium File Plan, or within any required setbacks.

APPROXIMATE FLOOR AREA OF UNITS:

Unit	Floor Area
A	583 square feet of living area 147 square feet of covered lanai and decking
B	1228 square feet of living area 91 square feet of decking

NOTE: THE FLOOR AREAS ARE APPROXIMATE ONLY. THE DECLARANT MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE FLOOR AREA OF ANY PARTICULAR UNIT.

COMMON ELEMENTS:

The common elements include all other elements of the Project not included within any unit, including but not limited to:

(a) The Property in fee simple;

(b) The shared water meter and any shared water lines and appurtenances;

(c) The Common Element Driveway as shown on the Condominium Map for vehicular and pedestrian ingress and egress, utilities and landscaping; however parking of a vehicle(s) in said Driveway is not allowed;

(d) The underground Common Element seepage pit and Common Element septic tank as shown on the Condominium Map, and including any shared sewer lines and appurtenances (collectively the Septic System), together with the right to enter for the operation, maintenance, repair and replacement of said Septic System; but otherwise the surface and above ground area above said Septic System is not a common element;

(e) The limited common elements described below; and

(f) The common elements shall also include any other utility installations serving more than one unit, and all other portions of the condominium other than the units.

LIMITED COMMON ELEMENTS:

Each unit has appurtenant to it and for its exclusive use the land described in the condominium file plan as appurtenant thereto. The file plan describes these areas as "Limited Common Element A" appurtenant to Unit A and "Limited Common Element B" appurtenant to Unit B. Each area is appurtenant to and for the exclusive use of its unit and which is physically located on said limited common element as shown on the condominium file plan. Each limited common element includes the land located underneath the unit located thereon.

EXHIBIT B

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes which may be due and owing. Reference is made to the Tax Assessor's Office, County of Maui.

2. Mortgage in favor of Mortgage Electronic Registration Systems, Inc., as nominee for Metrocities Mortgage, LLC, a Delaware limited liability company, dated August 25, 2004, recorded as Document No. 2004-178432.

3. Mortgage in favor of Mortgage Electronic Registration Systems, Inc., as nominee for Metrocities Mortgage, LLC, a Delaware limited liability company, dated August 25, 2004, recorded as Document No. 2004-178433.

4. The terms and provisions contained in Declaration of Condominium Property Regime of "Lorenzo Condominium" Condominium Project dated October 23, 2006, recorded as Document No. 2006-205103, with Map #4335 and any amendments thereto.

5. The terms and provisions contained in Bylaws of the Association of Unit Owners dated October 23, 2006, recorded as Document No. 2006-205104.

EXHIBIT C

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Unit	Monthly Fee x 12 months = Yearly Total
A	$67.50 per month x 12 = $810.00 per year
B	$67.50 per month x 12 = $810.00 per year

Developer's Statement: Buyer will be obligated to commence payments of common expenses immediately after closing of Buyer's purchase.

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency

Estimate of Maintenance Fee Disbursements:

	Monthly Fee x 12 months = Yearly Total
Utilities and Services	
Air Conditioning	
Electricity	
[ ] common elements only	
[ ] common elements and units	
Elevator	
Gas	
[ ] common elements only	
[ ] common elements and units	
Refuse Collection	
Telephone	
Water(†) and Septic Waste Disposal	$60.00/month x 12 months = $720.00
Maintenance, Repairs and Supplies	
Building	
Grounds	
Water lines	$5.00/month x 12 months = $60.00
Common Element Driveway	$10.00/month x 12 months = $120.00
Septic Disposal System	$10.00/month x 12 months = $120.00
Management	
Management Fee	
Payroll and Payroll Taxes	
Office Expenses	
Insurance	
Liability Insurance premiums for Common Element Driveway	$20.00/month x 12 months = $240.00
Reserves(*)	
Replacement of common water lines	$5.00/month x 12 months = $60.00
Replacement of Septic Disposal System	$10.00/month x 12 months = $120.00
Replacement of Common Element Driveway	$10.00/month x 12 months = $120.00
Taxes and Government Assessments	
Audit Fees	$5.00/month x 12 months = $60.00
Other	
TOTAL	$135.00/month x 12 months = $1620.00

I, the undersigned condominium developer for the Lorenzo Condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

LAWRENCE P. CARNICELLI (Signature)

December 5, 2006
Date

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

This reserve amount is not based on a reserve study required by Hawaii law. The reserve study will be performed by the Association of Unit Owners.

(†) Water use will be metered and billed based on actual amounts used by each unit.

ATTACHMENT 1 TO ESTIMATE OF
MAINTENANCE FEE DISBURSEMENTS

The Developer, in arriving at the figure for "Reserves" in the attached estimate, has not conducted a reserve study in accordance with HRS §514A-83.6 and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Upon its formation, the Association should conduct a replacement reserve study for the common element driveway and the shared septic waste disposal system.

EXHIBIT D

SUMMARY OF DEPOSIT RECEIPT AND SALES CONTRACT

The Deposit Receipt and Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an unit in the Project. Among other things, the Deposit Receipt and Sales Contract states:

a. The total purchase price, method of payment and additional sums which must be paid in connections with the purchase of an unit.

b. That the purchaser acknowledges having received and read a public report for the Project prior to signing the Deposit Receipt and Sales Contract.

c. That the Developer makes no representations concerning rental of a unit, income or profit from a unit, or any other economic benefit to be derived from the purchase of a unit.

d. That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

e. Requirements relating to the purchaser's financing of the purchase of a unit.

f. That the unit and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.

g. That the Developer makes no warranties regarding the unit, the Project or anything installed or contained in the unit or the Project.

h. That the Project may be subject to ongoing sales activities which may result in certain annoyances to the purchaser.

i. That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

The Deposit Receipt and Sales Contract contains various other important provisions relating to the purchase of a unit in the Project. It is incumbent upon purchasers and prospective purchasers to read with care the specimen Deposit Receipt and Sales Contract on file with the Real Estate Commission.

EXHIBIT E

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits a purchaser makes pursuant to a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement, these things will or may happen:

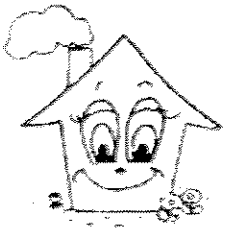
a. Escrow will let the purchaser know when payments are due.

b. Escrow will arrange for the purchaser to sign all necessary documents.

c. The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Contract.

The Escrow Agreement also establishes the procedures for the retention and disbursement of a purchaser's funds and says what will happen to the funds upon a default under the Sales Contract. The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. It is incumbent upon purchasers and prospective purchasers to read with care the executed Escrow Agreement on file with the Real Estate Commission.

EXHIBIT F



Barkman Inspection Service

240 Olani Place
Kihei, HI 96753
Cell: (808) 357-8305
Fax: (808) 874-0329

Customer

LAWRENCE CARNICELLI

Inspection Address

331 WEST KUIAHA ROAD HAIKU, HI

Buyer's Real Estate Agent
NA

Seller's Real Estate Agent
NA

Inspection Date:	9-18-2006	Inspected by:
Weather:	Raining	
Temperature:	78 F	John Barkman

The Client(s) LAWRENCE CARNICELLI

The above parties agree to the following: in consideration for the fee received, BARKMAN INSPECTION SERVICE (hereinafter referred to as BARKMAN) is to perform a real estate inspection and report on the property located at:

Address: 331 WEST KUIAHA ROAD HAIKU, HI

REAL ESTATE INSPECTION AGREEMENT

The limited visual inspection performed to ASHI/CREIA standards, pertains solely to items listed on the inspection report which are readily accessible at the time of the inspection. The inspection to be done under this agreement is to identify items in need of immediate repair or specific hazards. The presence of Client(s) is advisable during the inspection and shall be at Client(s) own risk. This inspection is supplemental to any real estate transfer or seller's Disclosure Statement and shall not be used as a substitute for such Disclosure Statement(s).

This limited inspection intends to reduce risk but will not eliminate risk. When inspection of any system or component is limited or designated as not inspected due to inaccessibility or for any other reasons, Client(s) must understand that conditions affecting the structure, systems or components may be present. All findings should be considered partial or incomplete until further evaluated by a qualified repair person prior to closing if so recommended. Since this inspection is based upon visual observations made on one day during a limited time period, BARKMAN cannot be responsible for any condition effecting any system or component, which is intermittent and not detectable during the inspection. No warranties are expressed or implied. The inspector will not light pilot lights, activate the main water, gas or electric systems, energize electrical circuits which are off or otherwise operate other than user controls.

The written inspection report provided by BARKMAN will contain the opinions of the inspector. These opinions would not be applicable to changing conditions. Although code compliance and engineering evaluation are specifically excluded from the inspection, some may be used as a reference and basis for the opinion of the inspector. The inspection services to be provided are further defined and limited by the report and any attached addendum.

GENERAL STATEMENTS AND AGREEMENTS THAT APPLY TO HOME INSPECTIONS

Unless specifically stated, the report will not include opinions of the following: code compliance, durability, environmental concerns, compliance with any conservation or energy standard, efficiency, fitness for purpose, flood or seismic risks, underground plumbing, future life, future performance, especially that of foundations, insurability, merchantability, obsolescence, quality, or safety of any item inspected. In addition, the report will not contain information relating to: septic systems, wells, cisterns, private water supplies, water quality or volume, central vacuum systems, solar systems whether active or inactive, security systems, soils systems, lead paint, asbestos, radon, toxic or flammable materials, refrigerators, freezers, remote overhead door transmitters/receivers, floor coverings, wall coverings, free standing kitchen appliances, laundry appliances, water conditioners, spas, tennis courts, playground equipment or other recreational or leisure appliances and self-cleaning or continuous-cleaning capabilities of ovens. Further, the inspection will not include any analysis of any wood destroying organisms or insects, molds, fungus, spores, wood and non-wood infesting insects such as fleas, cockroaches, bees, mites, ticks, flies, or any other type of pest or rodent. Any opinion in the report pertaining to aforementioned items is to be considered partial and incomplete. Before completion of any contractual agreements on the property inspected, Clients(s) agree to obtain second opinions or estimates of cost by appropriate specialists on items where performance may be reported questionable, in need of repair or unsafe. It is specifically understood and agreed that BARKMAN and the Client(s) are bound only by the terms and conditions of this agreement and have not relied on any representations, oral or otherwise. Any conditions requiring repair, replacement, or servicing should be evaluated by professionals in appropriate trades before closing.

The client(s) agree to notify BARKMAN in writing of any complaints or items in question within 14 days of discovery and to allow BARKMAN access to the property to evaluate these items before corrective action is taken. Immediate repair should be made in life threatening situations. In other than life threatening situations, Client(s) failure to permit BARKMAN to re-inspect the item in issue shall mean that Client(s) have waived any claim against BARKMAN with respect to that item . In no event shall any action be brought against BARKMAN for a breach of this Agreement at any time beyond one (1) year after the date of this Agreement.

Dispute Resolution. Upon written request by either party that is submitted according to the applicable rules for arbitration, any claim, demand or cause of action, which arises out of or is related to this Agreement, (collectively Claims') shall be resolved by binding arbitration by and through the services of Construction Arbitration Services, Inc. The decision of the arbitrator on any Claims submitted to arbitration shall follow applicable substantive law and be in writing setting forth the

findings of fact and law and the reasons supporting the decision. Such decision shall be final and binding upon the parties, subject to the right of appeal described below. Judgment upon any arbitration award may be entered in any court having jurisdiction. The arbitrator has exclusive authority to resolve any dispute relating to the applicability or enforceability of this Agreement, including the provisions of this section. Either party shall have the right to appeal to the appropriate court any errors of law in the decision rendered by the arbitrator. After a demand for arbitration is made, each party may conduct a limited number of depositions (including the production of documents) by mutual agreement or as permitted by the arbitrator.

Insurance. Insurance to pay for undiscovered repairs and unsafe conditions is not carried by BARKMAN. If there is concern you should have comprehensive inspections conducted. Client(s) agrees that in the event any portion of the contract, report or addendum is ruled inadmissible as evidence that the remainder of all aforementioned documents, or any portion thereof, shall remain admissible as evidence. Changes to this contract are not accepted without specific written approval of BARKMAN.

Entire Agreement. This Agreement, and the written report issued by the inspector, constitutes the sole Agreement between Client(s) and BARKMAN.

Third Party Indemnification. This inspection and the report are not intended for the use or benefit of anyone other than the Client(s). No third party shall have any right arising from the inspection or the report. In consideration for BARKMAN furnishing the report, Client(s) shall indemnify and hold BARKMAN harmless from any claims, demands or costs as a result of any third party demand or claim arising out of the inspection or the report.

DISCLAIMER OF WARRANTIES AND GUARANTEES

BARKMAN MAKES NO GUARANTEE OR WARRANTY AS TO ANY OF THE FOLLOWING: 1. THAT ALL REPAIR NEEDS AND HAZARDS HAVE BEEN DISCOVERED OR DISCLOSED IN ACCESSIBLE OR INACCESSIBLE AREAS. 2. THAT ANY OF THE ITEMS INSPECTED ARE DESIGNED OR CONSTRUCTED IN A GOOD OR WORKMANLIKE MANNER. 3. THAT ANY OF THE ITEMS INSPECTED WILL CONTINUE TO PERFORM IN THE FUTURE AS THEY ARE PERFORMING AT THE TIME OF INSPECTION. 4. THAT THE BUILDING WILL NOT EXPERIENCE OR CONTAIN WOOD DESTROYING INSECT ACTIVITY OR DAMAGE. 5. NO GUARANTY OR WARRANTY OF MERCHANTABILITY OR FITNESS OF USE OF THE CONDITION OF THE PROPERTY. 6. THAT BARKMAN WILL PAY FOR THE REPAIR OF UNDISCOVERED PROBLEMS OR CONDITIONS.

The Client(s) agree and understand that BARKMAN is not an insurer and does not insure against defects in the property, and that the maximum liability incurred by BARKMAN for errors and omissions in the inspection, including any liability of any inspector, owner or employee of BARKMAN, if any, to the Client(s) shall be limited to two (2) times the amount of the fee paid for the applicable inspection as a result of the settlement. Such damages are the sole and exclusive remedy of Client(s). Client(s) agree to pay all legal expenses and reasonable compensation for loss of time that may be incurred by any inspector, owner or employee of BARKMAN as a result of any legal action by the Client(s) where the Client(s) do not prevail. Client(s) understand that comprehensive inspections may be available from specialist from other companies.

BY MY SIGNATURE BELOW, I ACKNOWLEDGE THAT I HAVE READ THIS CONTRACT, THAT I WILL READ THE REPORT AND ALL ATTACHMENTS BEFORE PURCHASING THE PROPERTY, THAT I UNDERSTAND THE TERMS AND CONDITIONS AND THAT I AGREE TO BE BOUND BY THESE TERMS AND CONDITIONS AND TO PAY INSPECTION FEES. THE FINAL REPORT WILL NOT BE RELEASED UNTIL PAYMENT IS RECEIVED BY BARKMAN.

CLIENT(S): Buyer please sign here: Customer signed a hard copy at inspection

(IF THIS IS A JOINT PURCHASE, SIGNATURE REPRESENTS AUTHORITY TO SIGN FOR ALL PARTIES)

DATED: **9-18-2006** PHONE: **283-5090**

EXPLANATION OF RATING CODES:

All ratings denote and are limited to conditions as observed by the inspector at the time of the inspection. As the below codes tend to be general, more details may be provided where applicable. The rating codes and comments jointly compose this report and are intended to be read together.

A	Appears to be 1 to 2 years old and is working satisfactorily.
B	Appears to be working but aging naturally. May need maintenance, repair or upgrade in the future.
C	Appears to by in need of maintenance or repair now.
D	Suggest replacement
NA	Not applicable
NR	Not rated

FOUNDATION

RATING	DETAIL	MATRIX
C	Construction:	☐ slab ☒ concrete piers ☐ un-reinforced ☐ pole construction
	Settlement:	☒ major ☐ minor ☐ none detected
	Seismic bolting:	☐ yes ☒ no ☐ undetermined
	Crawl space:	Access location: side yard Adequate ventilation: ☒ yes ☐ no
	Basement:	Access location: Sump pumps: N/A
	Other:	☐ Unable to inspect foundation for cracks or defects due to inaccessibility and/or the floor coverings. ☒ There were vertical cracks found in the foundation walls. Recommend calling a licensed contractor to repair as needed.

ROOF

RATING	DETAIL	MATRIX
C	Roof type:	sheet metal
C	Flashing:	☐ yes ☒ no ☒ need tar around the vent pipe at roof line
NA	Drainage:	☐ gutters ☐ downspouts ☐ needs cleaning ☐ needs repair ☐ loose nails
NA	Chimneys:	Number: 0 Adequate Clearance: N/A ☐ Trim tree/shrubs from chimney Spark arrestors: N/A Flashing: ☐ yes ☐ no ☐ needs caulking

- ☐ Did not inspect common roof area; maintained by homeowners association.
- ☐ The chimney flashing needs tar or repair.
- ☐ The rolled composition roofing is bubbling and/or cracked. Call a licensed roofing contractor to repair as needed.
- ☐ There are damaged or missing shingles or shakes. Call a licensed roofing contractor to repair as needed.
- ☐ The chimney is cracked or loose below the roof line. Recommend calling a licensed general contractor.
- ☐ Some or all of the ridge caps are worn out. Recommend calling a licensed roofing contractor to make needed repairs.
- ☐ There are cracks, bare spots and/or bubbling in the rock and tar roof. Recommend calling a licensed roofing contractor to make repairs as needed.
- ☒ Need tar around the vent pipe at the roof line.
- ☒ Call a licensed roofing contractor to make needed repairs, some of the sheet metal is loose.

WALLS

RATING	DETAIL	MATRIX
C	Structure:	☒ wood ☐ masonry ☐ steel
C	Exterior finish:	☐ drivit ☐ masonry ☐ vinyl siding ☒ wood siding ☐ fiberboard siding ☐ wood shingles ☐ stucco
B	Window type:	wood sash
B	Window glazing:	☐ putty ☐ rubber ☒ wood ☐ good ☐ fair ☐ poor ☐ need repair
B	Window screens:	☒ yes ☐ no ☐ some missing ☐ need repair
B	Entry Door type:	Metal and glass, hinged ☐ cracked glass ☐ dry rot
B	Other external doors:	☐ french ☐ bel air ☐ hollow core ☒ wood ☐ aluminum slider ☐ vinyl slider ☐ metal glass ☐ solid core ☐ need repair
NA	Screen doors:	☐ present ☐ missing ☐ torn ☐ need repair
C	Paint condition: walls: eaves: trim: windows/doors:	☐ good ☐ fair ☒ poor ☐ good ☐ fair ☒ poor ☐ good ☐ fair ☒ poor ☐ good ☐ fair ☒ poor ☒ possible dry rot at eaves, exterior walls, windows & doors. Check with a pest control company.

Summary notes: Check with a pest control company about any dry rot or termites at the exterior of house.

ELECTRICAL

RATING	DETAIL	MATRIX
B	Overview:	Supply: ☐ underground ☒ overhead Voltage: ☐ 120 ☒ 240 Circuits: ☒ breakers ☐ screw type fuses Type of wire: romex Main circuit breaker: N/A

Amp Ratings:	15	3	15 double	0	40 double	0	70 double	0
	20	3	20 double	0	50 double	1	90 double	0
	30	0	30 double	1	60 double	0	100 double	0

- ☐ Have system checked by licensed electrician for repairs/service.
- ☐ Recommend upgrading old electrical panel and system.
- ☒ Electrical panel and/or system have been upgraded. Check for a permit.
- ☐ Recommend upgrading any two prong outlets and original switches.
- ☐ Overhead lines are frayed or loose at weather head; call MECO for service.
- ☐ Overhead lines to garage appear to be too low. Current building standards: 10 ft. min at lowest point.
- ☒ No main circuit breaker at service panel (do not be alarmed – this is normal for condos). Based on observed wire size amp rating is approximately 100 amps.
- ☐ Electrical wires have been "doubled up" at 1 20 amp breaker. Current building standards require that only one "hot wire" be connected to any one circuit breaker.
- ☐ Only a representative number (one or two in each room) of outlets and switches were checked during the inspection. Incorrectly wired outlets and defective switches may be concealed behind furniture and other personal items in the house at the time of inspection.
- ☐ Ground fault circuit interrupters (GFCI) are safety devices designed to protect people from potentially fatal electrical shock. I recommend the installation of GFI's at all grounded vanity, bathroom, kitchen counter tops, as well as garage, pool/spa and exterior receptacles.
- ☐ Reverse neutral is a condition where the plug is improperly wired. You should contact an electrician to make corrections.
- ☐ Open ground is a condition where the plug has not been grounded. You should contact an electrician to ground the plug or plugs.

PLUMBING SYSTEM

RATING	DETAIL	MATRIX
B	Water Heater:	☒ electric ☐ solar ☐ propane # of units: 1 Total capacity: 50 gallons Age of units: NR Circulating pump: ☐ yes ☒ no Relief valve: ☐ yes ☒ no T&P relief valve ☒ yes ☐ no Water shut off valve ☒ yes ☐ no Adequate combustion ☐ yes ☐ no ventilation: ☒ N/A
B	Water pipe type:	☒ plastic ☒ galvanized steel ☒ copper
	Water main & pressure:	Water main shut off location: front yard Main pressure: N/R lbs. psi Main line: regulated
B	Drain pipe type:	ABS plastic

- ☐ Need di-electric connectors where copper meets galvanized metal.
- ☐ Water pressure is decreased when operating two or more faucets simultaneously, possibly due to mineral deposit build up in the pipes.
- ☐ Current house water pressure is above 80 psi, uniform plumbing regulations recommend pressure regulator be installed for pressure over 80 psi.
- ☐ Need to vent the relief valve on the water heater to current building standards.
- ☐ Galvanized plumbing is old and appears to be original and based on the age of the house I would anticipate some repairs/replacements of these lines as the normal life expectancy of galvanized pipe is 35-40 years.
- ☐ I recommend using a licensed plumber for any needed repairs.

ATTIC

RATING	DETAIL	MATRIX
B	Accessible:	Yes Location: kitchen
NA	Ventilation:	☐ roof ☐ wall ☐ eaves ☐ mechanical ☐ electrical
NA	Flooring:	☐ yes ☒ no
NA	Insulation:	☒ none ☐ blown fiberglass ☐ fiberglass batts ☐ black rock wool ☐ cellulose ☐ unknown

LAUNDRY AREA

RATING	DETAIL	MATRIX
B	Sinks:	☐ yes ☒ no leaks or water damage: No set up for washer: ☒ yes ☐ no set up for dryer: ☒ yes ☐ no electric 240 outlet: ☒ yes ☐ no working vent fan: ☐ yes ☒ no N/A
NA	Flooring:	Type: N/R Damage: N/A
NA	Windows:	☐ yes ☐ no ☐ cracked Catches: N/A Working: N/A

AIR CONDITIONING

RATING	DETAIL	MATRIX
NA	System type: Fuel: Number of units: Location:	N/A N/A N/A appox. size: N/A tons ☐ bedroom ☐ living room ☐ guest room ☐ yard
	Thermostat location:	N/A
NA	Ducts:	N/A damaged: ☐ yes ☐ no
	System Installed:	☐ with permit ☐ without permit ☐ unknown

LIVING ROOM

RATING	DETAIL	MATRIX
C	Ceiling type:	wood Cracks: yes, minor
B	Wall type:	wood Cracks: yes, minor
B	Window type:	vinyl louver and wood sash
NA	Catches:	N/A
B	Door type:	wood, slider
B	Latches:	working
B	Flooring type:	carpet Damage: minor wear
B	Electrical:	Lighting: ☐ wall ☒ ceiling type: iridescent outlets: ☐ 2 prong ☒ 3 prong reverse neutral: ☐ yes ☒ no open ground: ☐ yes ☒ no

Summary notes: There is evidence of termites at ceiling, check with a pest control company.
The entry porch lanai has been enclosed.

KITCHEN

RATING	DETAIL	MATRIX
B	Ceiling type:	drywall Cracks: yes, minor
B	Wall type:	drywall Cracks: yes, minor
B	Window type:	wood sash and slider
NA	Catches:	N/A
B	Door type:	wood, hinged
B	Latches:	working
B	Flooring type:	laminate Damage: none
B	Cabinet doors & drawers:	☒ working ☐ not working ☐ broken drawer/guides
C	Countertop type:	formica Damage: stained
B	Electrical:	Lighting: ☐ wall ☒ ceiling type: iridescent outlets: ☐ 2 prong ☒ 3 prong reverse neutral: ☐ yes ☒ no open ground: ☐ yes ☒ no GFI: N/A
C	Plumbing:	Sink type: stainless steel worn Garbage disposal: none
NA	Oven:	☐ built in ☐ free standing working
NA	Range:	☐ built in ☐ free standing working Type: ☐ propane ☐ electronic Exhaust fan: working
NA	Built-ins:	☐ dish washer ☐ microwave ☐ refrigerator ☐ trash compactor ☐ working ☐ not working

Summary notes: Stained counter top.
The sink drain line is leaking.

BEDROOM (#1)

RATING	DETAIL	MATRIX
B	Ceiling type:	wood Cracks: yes, minor
B	Wall type:	wood Cracks: yes, minor
C	Window type:	wood sash
NA	Catches:	N/A
B	Door type:	wood, hinged
C	Latches:	not working
B	Flooring type:	carpet Damage: minor wear
B	Closet Type:	☐ walk-in ☒ wall wardrobe ☐ cracked mirror
B	Electrical:	Lighting: ☐ wall ☒ ceiling type: iridescent outlets: ☐ 2 prong ☒ 3 prong reverse neutral: ☐ yes ☒ no open ground: ☐ yes ☒ no
C	Smoke Alarms:	☒ yes ☐ no ☒ working ☐ not working Locations: bedroom, kitchen and living room

Summary notes: Evidence of termites at one window frame.
Old door latch is not working.
Smoke alarms need battery.

BEDROOM (#2)

RATING	DETAIL	MATRIX
B	Ceiling type:	wood Cracks: yes, minor
C	Wall type:	wood Cracks: yes, minor
C	Window type:	wood sash
NA	Catches:	N/A
B	Door type:	wood, hinged
B	Latches:	working
B	Flooring type:	carpet Damage: minor wear
B	Closet Type:	☐ walk-in ☒ wall wardrobe ☐ cracked mirror
B	Electrical:	Lighting: ☐ wall ☒ ceiling type: iridescent outlets: ☐ 2 prong ☒ 3 prong reverse neutral: ☐ yes ☒ no open ground: ☐ yes ☒ no
B	Smoke Alarms:	☒ yes ☐ no ☒ working ☐ not working Locations: bedroom

Summary notes: There is evidence of termites at the wall.
One cracked window pane.

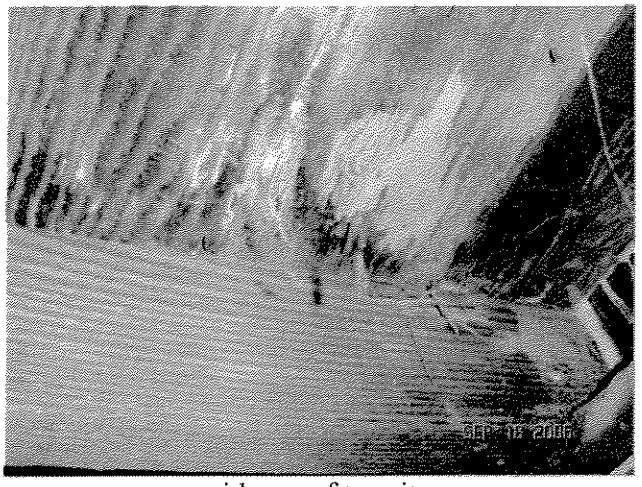
BATHROOM (Master, Size = full)

RATING	DETAIL	MATRIX
B	Ceiling type:	wood Cracks: yes, minor
B	Wall type:	wood Cracks: yes, minor
B	Window type:	vinyl louver
B	Catches:	working
B	Door type:	wood, hinged
B	Latches:	working
B	Flooring type:	vinyl Damage: peeling floor tiles
B	Wash Basin:	cast fiberglass Damage: minor wear
B	Counter type:	cast fiberglass Damage: minor wear
C	Bathtub type:	fiberglass Enclosure: curtain Note: cracked
NA	Other fixtures:	☐ jacuzzi ☐ whirlpool ☐ steam shower
B	Shower type:	☐ stall ☒ combined with bathtub Enclosure: curtain ☐ leaking enclosure Note: cracked
B	Toilet type:	☒ 2 piece ☐ 1 piece 1.6 gallons per flush ☒ yes ☐ no Loose bolts: ☐ yes ☒ no Location: ☐ floor ☐ tank
B	Electrical:	Lighting: ☒ wall ☒ ceiling type: iridescent outlets: ☐ 2 prong ☒ 3 prong reverse neutral: ☐ yes ☒ no open ground: ☐ yes ☒ no GFI: working
NA	Mech. ventilation:	N/A ☐ recommend cleaning
NA	Plumbing:	Leaks: ☐ faucet ☐ drain ☐ toilet ☐ angle stops ☐ need washers ☐ tub ☐ shower ☐ sink Slow drainage: ☐ sink ☐ tub ☐ shower ☐ toilet

Summary notes: Chipped and cracked shower/tub fiberglass shell.

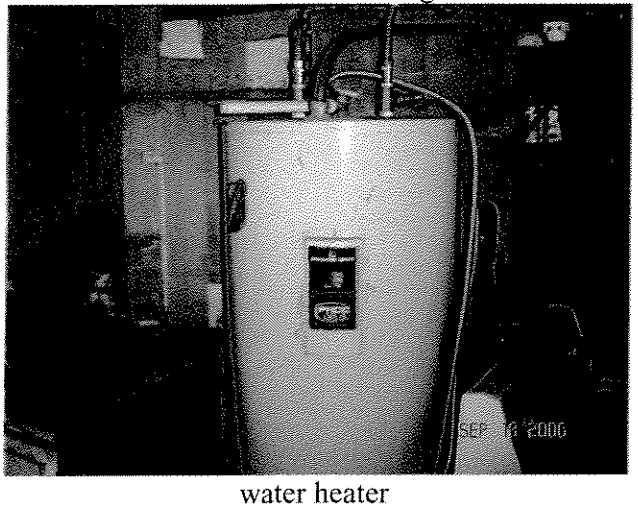
PHOTOS

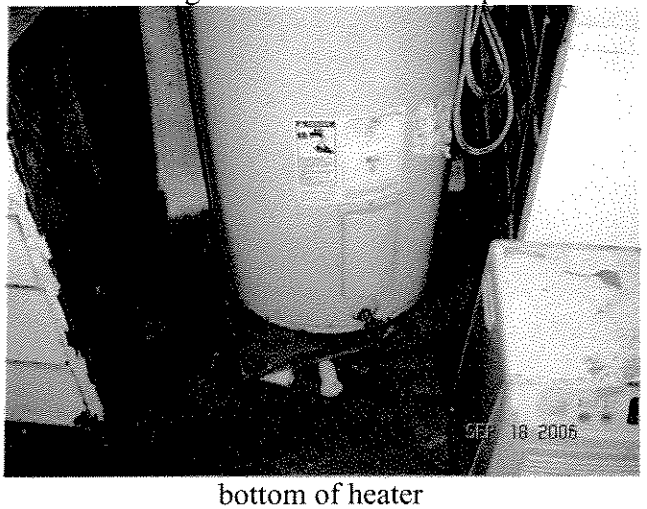
side yard


evidence of termites

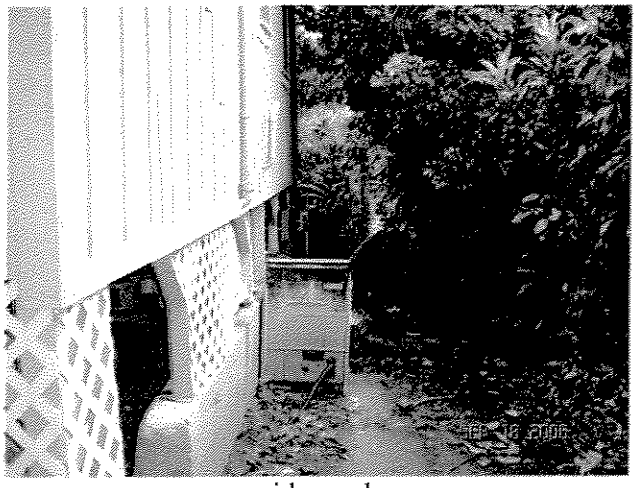
more termite damage

damaged foundation needs repair


water heater

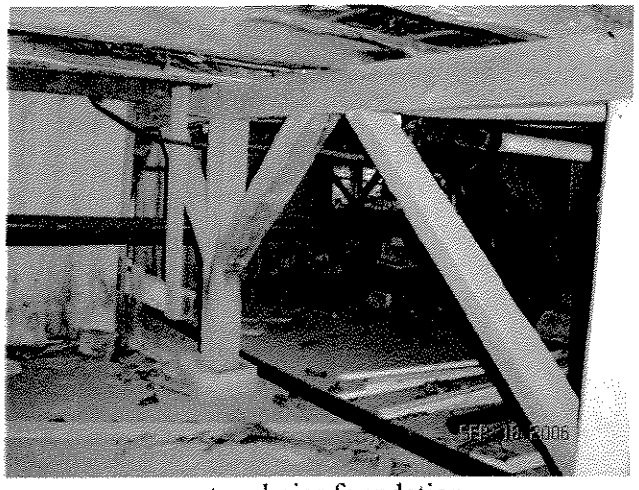

bottom of heater

PHOTOS

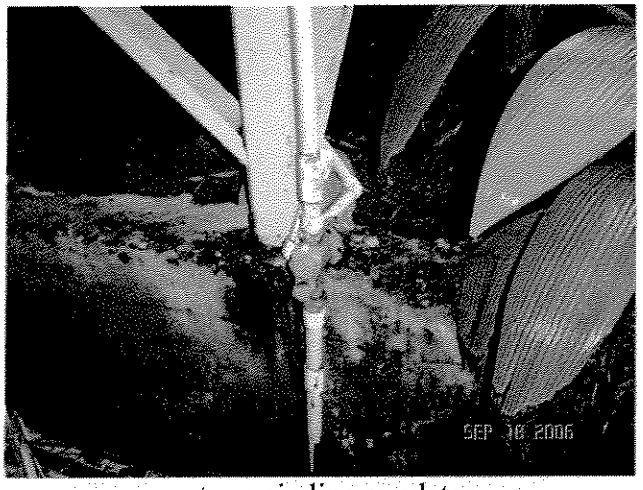


side yard

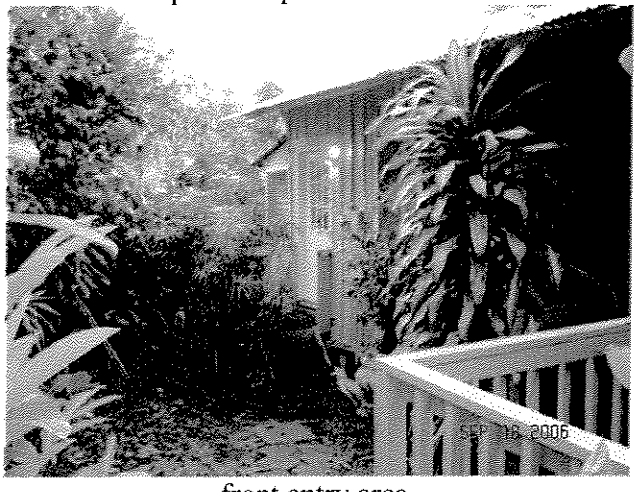
under house plumbing



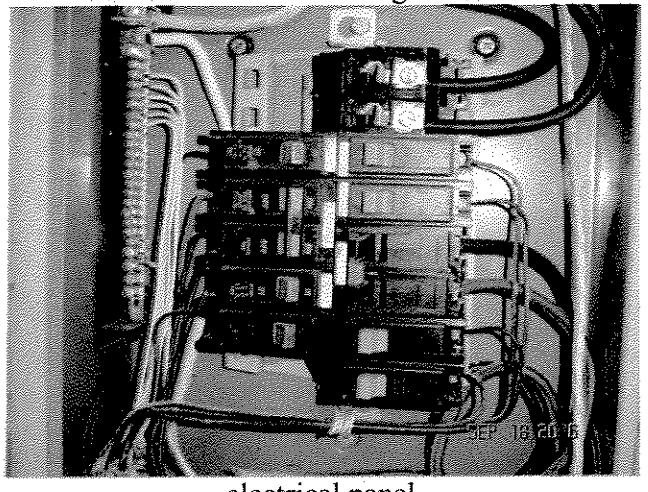
post and pier foundation



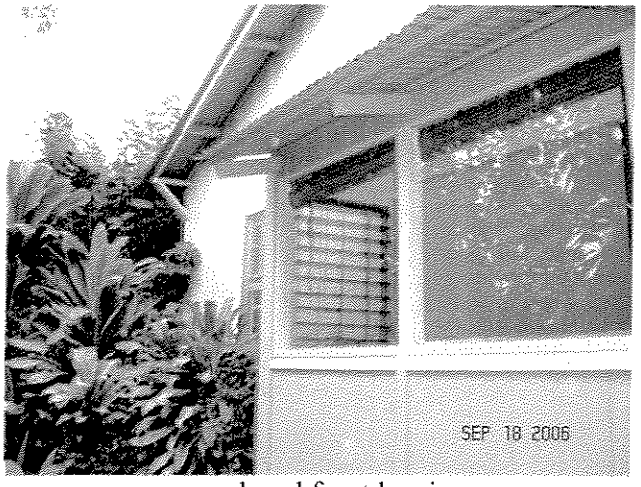
water main line regulator



front entry area

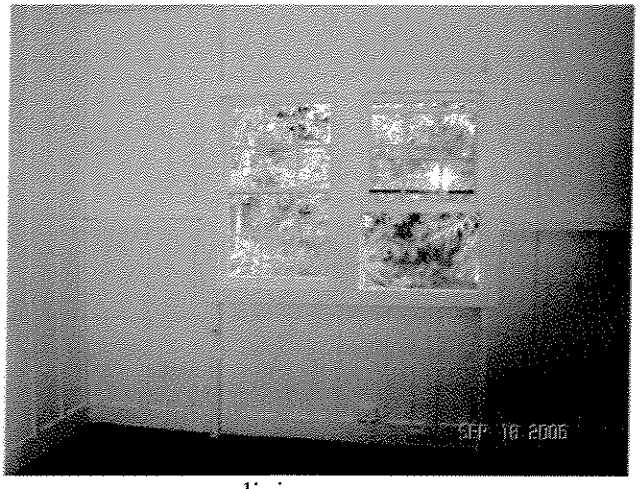

electrical panel

PHOTOS



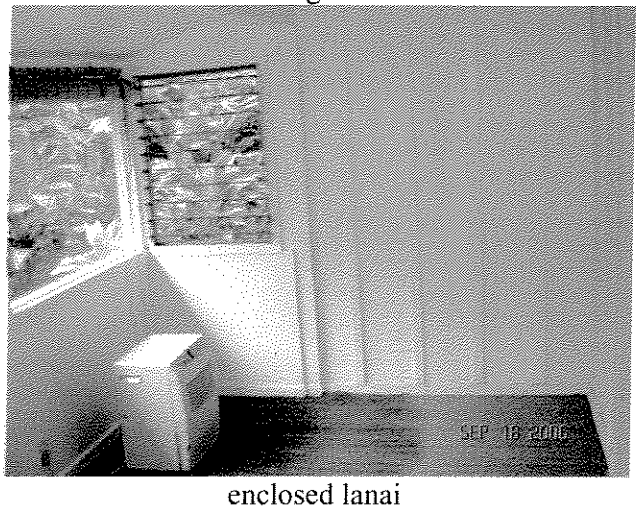
enclosed front lanai

more termite damage at roof framing

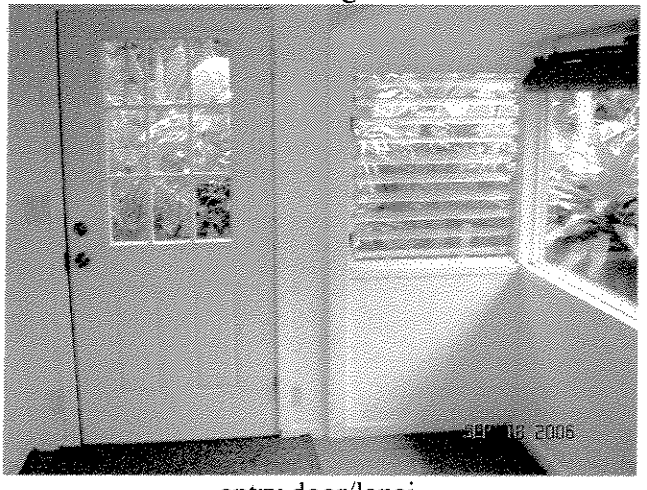


living room

more living room

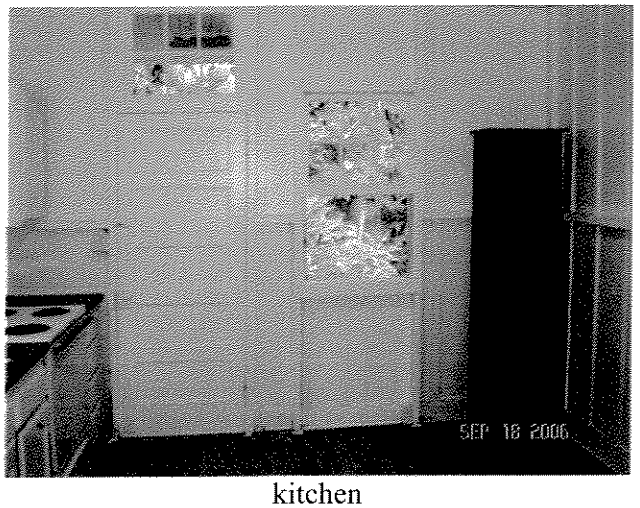


enclosed lanai

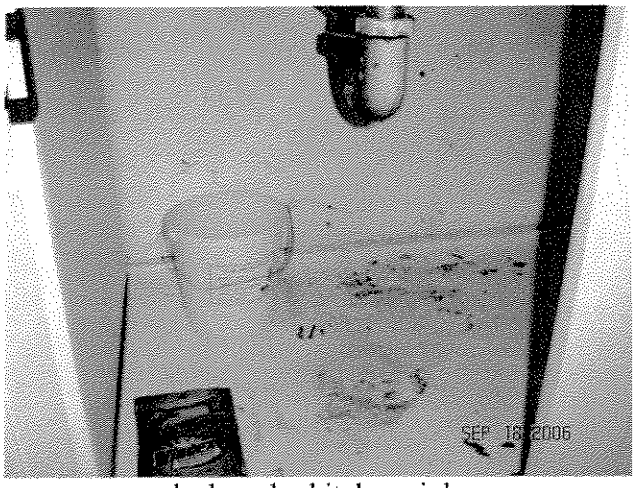


entry door/lanai

PHOTOS

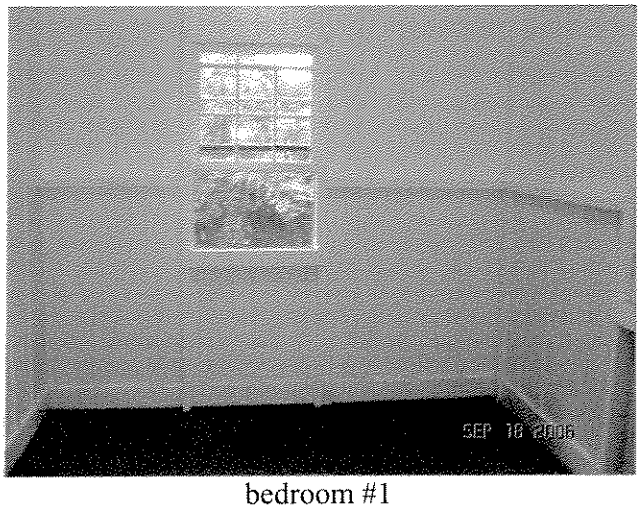


kitchen

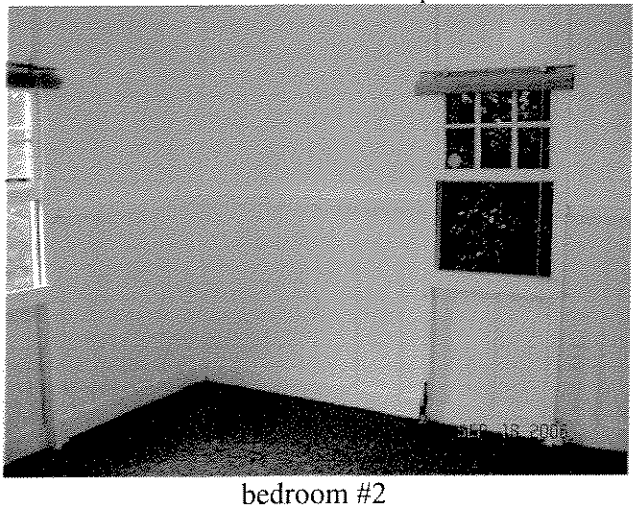


leak under kitchen sink

stained counter top



bedroom #1

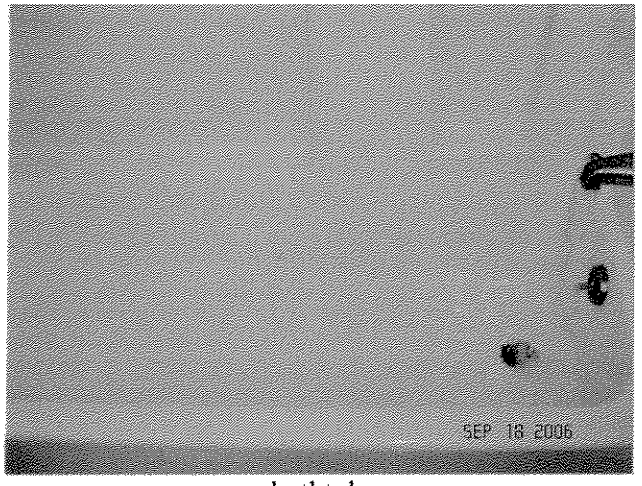


bedroom #2

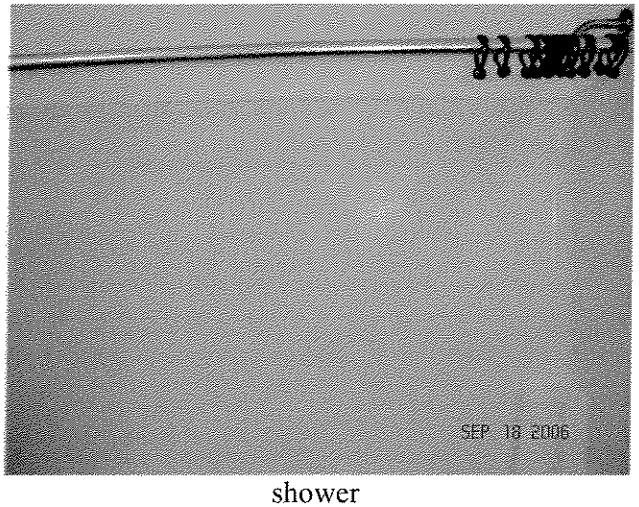
termite damage #2 bedroom

PHOTOS

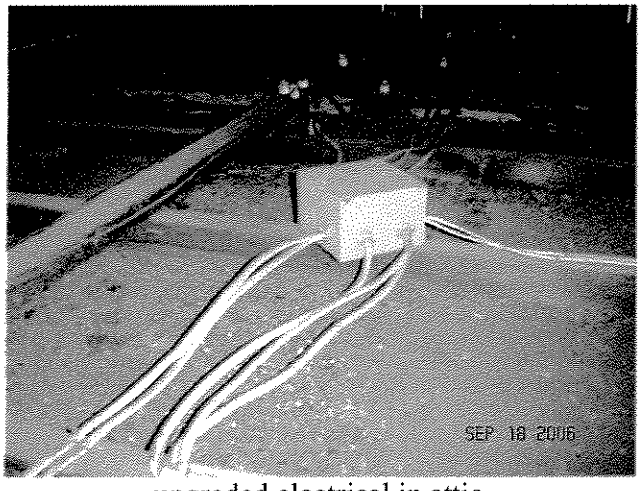
bathroom counter top/sink



bathtub



shower



upgraded electrical in attic

Barkman Inspection Service

240 Olani Place
Kihei, HI 96753
Cell: (808) 357-8305
Fax: (808) 874-0329

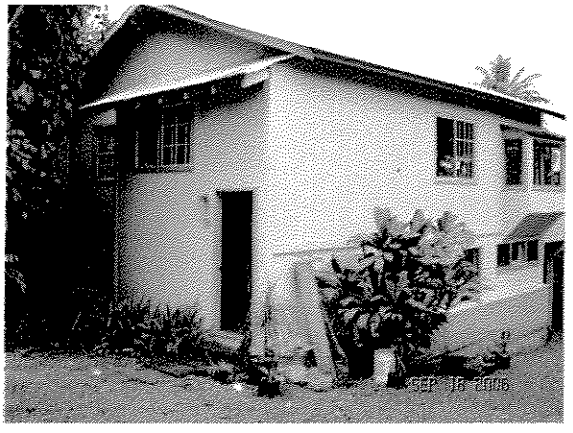
Customer

LAWRENCE CARNICELLI

Inspection Address

333 WEST KUIAHA ROAD HAIKU, HI

Buyer's Real Estate Agent	Seller's Real Estate Agent
NA	NA



Inspection Date:	9-18-2006	Inspected by:
Weather:	Sunny	
Temperature:	85 F	John Barkman

The Client(s) LAWRENCE CARNICELLI

The above parties agree to the following: in consideration for the fee received, BARKMAN INSPECTION SERVICE (hereinafter referred to as BARKMAN) is to perform a real estate inspection and report on the property located at:

Address: 333 WEST KUIAHA ROAD HAIKU, HI

REAL ESTATE INSPECTION AGREEMENT

The limited visual inspection performed to ASHI/CREIA standards, pertains solely to items listed on the inspection report which are readily accessible at the time of the inspection. The inspection to be done under this agreement is to identify items in need of immediate repair or specific hazards. The presence of Client(s) is advisable during the inspection and shall be at Client(s) own risk. This inspection is supplemental to any real estate transfer or seller's Disclosure Statement and shall not be used as a substitute for such Disclosure Statement(s).

This limited inspection intends to reduce risk but will not eliminate risk. When inspection of any system or component is limited or designated as not inspected due to inaccessibility or for any other reasons, Client(s) must understand that conditions affecting the structure, systems or components may be present. All findings should be considered partial or incomplete until further evaluated by a qualified repair person prior to closing if so recommended. Since this inspection is based upon visual observations made on one day during a limited time period, BARKMAN cannot be responsible for any condition effecting any system or component, which is intermittent and not detectable during the inspection. No warranties are expressed or implied. The inspector will not light pilot lights, activate the main water, gas or electric systems, energize electrical circuits which are off or otherwise operate other than user controls.

The written inspection report provided by BARKMAN will contain the opinions of the inspector. These opinions would not be applicable to changing conditions. Although code compliance and engineering evaluation are specifically excluded from the inspection, some may be used as a reference and basis for the opinion of the inspector. The inspection services to be provided are further defined and limited by the report and any attached addendum.

GENERAL STATEMENTS AND AGREEMENTS THAT APPLY TO HOME INSPECTIONS

Unless specifically stated, the report will not include opinions of the following: code compliance, durability, environmental concerns, compliance with any conservation or energy standard, efficiency, fitness for purpose, flood or seismic risks, underground plumbing, future life, future performance, especially that of foundations, insurability, merchantability, obsolescence, quality, or safety of any item inspected. In addition, the report will not contain information relating to: septic systems, wells, cisterns, private water supplies, water quality or volume, central vacuum systems, solar systems whether active or inactive, security systems, soils systems, lead paint, asbestos, radon, toxic or flammable materials, refrigerators, freezers, remote overhead door transmitters/receivers, floor coverings, wall coverings, free standing kitchen appliances, laundry appliances, water conditioners, spas, tennis courts, playground equipment or other recreational or leisure appliances and self-cleaning or continuous-cleaning capabilities of ovens. Further, the inspection will not include any analysis of any wood destroying organisms or insects, molds, fungus, spores, wood and non-wood infesting insects such as fleas, cockroaches, bees, mites, ticks, flies, or any other type of pest or rodent. Any opinion in the report pertaining to aforementioned items is to be considered partial and incomplete. Before completion of any contractual agreements on the property inspected, Clients(s) agree to obtain second opinions or estimates of cost by appropriate specialists on items where performance may be reported questionable, in need of repair or unsafe. It is specifically understood and agreed that BARKMAN and the Client(s) are bound only by the terms and conditions of this agreement and have not relied on any representations, oral or otherwise. Any conditions requiring repair, replacement, or servicing should be evaluated by professionals in appropriate trades before closing.

The client(s) agree to notify BARKMAN in writing of any complaints or items in question within 14 days of discovery and to allow BARKMAN access to the property to evaluate these items before corrective action is taken. Immediate repair should be made in life threatening situations. In other than life threatening situations, Client(s) failure to permit BARKMAN to re-inspect the item in issue shall mean that Client(s) have waived any claim against BARKMAN with respect to that item . In no event shall any action be brought against BARKMAN for a breach of this Agreement at any time beyond one (1) year after the date of this Agreement.

Dispute Resolution. Upon written request by either party that is submitted according to the applicable rules for arbitration, any claim, demand or cause of action, which arises out of or is related to this Agreement, (collectively Claims') shall be resolved by binding arbitration by and through the services of Construction Arbitration Services, Inc. The decision of the arbitrator on any Claims submitted to arbitration shall follow applicable substantive law and be in writing setting forth the

findings of fact and law and the reasons supporting the decision. Such decision shall be final and binding upon the parties, subject to the right of appeal described below. Judgment upon any arbitration award may be entered in any court having jurisdiction. The arbitrator has exclusive authority to resolve any dispute relating to the applicability or enforceability of this Agreement, including the provisions of this section. Either party shall have the right to appeal to the appropriate court any errors of law in the decision rendered by the arbitrator. After a demand for arbitration is made, each party may conduct a limited number of depositions (including the production of documents) by mutual agreement or as permitted by the arbitrator.

Insurance. Insurance to pay for undiscovered repairs and unsafe conditions is not carried by BARKMAN. If there is concern you should have comprehensive inspections conducted. Client(s) agrees that in the event any portion of the contract, report or addendum is ruled inadmissible as evidence that the remainder of all aforementioned documents, or any portion thereof, shall remain admissible as evidence. Changes to this contract are not accepted without specific written approval of BARKMAN.

Entire Agreement. This Agreement, and the written report issued by the inspector, constitutes the sole Agreement between Client(s) and BARKMAN.

Third Party Indemnification. This inspection and the report are not intended for the use or benefit of anyone other than the Client(s). No third party shall have any right arising from the inspection or the report. In consideration for BARKMAN furnishing the report, Client(s) shall indemnify and hold BARKMAN harmless from any claims, demands or costs as a result of any third party demand or claim arising out of the inspection or the report.

DISCLAIMER OF WARRANTIES AND GUARANTEES

BARKMAN MAKES NO GUARANTEE OR WARRANTY AS TO ANY OF THE FOLLOWING: 1. THAT ALL REPAIR NEEDS AND HAZARDS HAVE BEEN DISCOVERED OR DISCLOSED IN ACCESSIBLE OR INACCESSIBLE AREAS. 2. THAT ANY OF THE ITEMS INSPECTED ARE DESIGNED OR CONSTRUCTED IN A GOOD OR WORKMANLIKE MANNER. 3. THAT ANY OF THE ITEMS INSPECTED WILL CONTINUE TO PERFORM IN THE FUTURE AS THEY ARE PERFORMING AT THE TIME OF INSPECTION. 4. THAT THE BUILDING WILL NOT EXPERIENCE OR CONTAIN WOOD DESTROYING INSECT ACTIVITY OR DAMAGE. 5. NO GUARANTY OR WARRANTY OF MERCHANTABILITY OR FITNESS OF USE OF THE CONDITION OF THE PROPERTY. 6. THAT BARKMAN WILL PAY FOR THE REPAIR OF UNDISCOVERED PROBLEMS OR CONDITIONS.

The Client(s) agree and understand that BARKMAN is not an insurer and does not insure against defects in the property, and that the maximum liability incurred by BARKMAN for errors and omissions in the inspection, including any liability of any inspector, owner or employee of BARKMAN, if any, to the Client(s) shall be limited to two (2) times the amount of the fee paid for the applicable inspection as a result of the settlement. Such damages are the sole and exclusive remedy of Client(s). Client(s) agree to pay all legal expenses and reasonable compensation for loss of time that may be incurred by any inspector, owner or employee of BARKMAN as a result of any legal action by the Client(s) where the Client(s) do not prevail. Client(s) understand that comprehensive inspections may be available from specialist from other companies.

BY MY SIGNATURE BELOW, I ACKNOWLEDGE THAT I HAVE READ THIS CONTRACT, THAT I WILL READ THE REPORT AND ALL ATTACHMENTS BEFORE PURCHASING THE PROPERTY, THAT I UNDERSTAND THE TERMS AND CONDITIONS AND THAT I AGREE TO BE BOUND BY THESE TERMS AND CONDITIONS AND TO PAY INSPECTION FEES. THE FINAL REPORT WILL NOT BE RELEASED UNTIL PAYMENT IS RECEIVED BY BARKMAN.

CLIENT(S): Buyer please sign here: Customer signed a hard copy at inspection

(IF THIS IS A JOINT PURCHASE, SIGNATURE REPRESENTS AUTHORITY TO SIGN FOR ALL PARTIES)

DATED: **9-18-2006** PHONE: **283-6090**

WALLS

RATING	DETAIL	MATRIX
B	Structure:	☒ wood ☐ masonry ☐ steel
B	Exterior finish:	☐ drivit ☐ masonry ☐ vinyl siding ☒ wood siding ☐ fiberboard siding ☐ wood shingles ☐ stucco
B	Window type:	aluminum louver and sliders
B	Window glazing:	☐ putty ☒ rubber ☐ wood ☐ good ☒ fair ☐ poor ☐ need repair
C	Window screens:	☒ yes ☐ no ☐ some missing ☒ need repair
B	Entry Door type:	wood, hinged ☐ cracked glass ☐ dry rot
B	Other external doors:	☐ french ☐ bel air ☐ hollow core ☐ wood ☒ aluminum slider ☐ vinyl slider ☐ metal glass ☐ solid core ☐ need repair
C	Screen doors:	☒ present ☐ missing ☐ torn ☒ need repair
B	Paint condition: walls: eaves: trim: windows/doors:	 ☐ good ☒ fair ☐ poor ☐ good ☒ fair ☐ poor ☐ good ☒ fair ☐ poor ☐ good ☒ fair ☐ poor ☒ possible dry rot at eaves, exterior walls, windows & doors. Check with a pest control company.

Summary notes: Some of the window screens and sliding screen door are off laying on the ground.

ELECTRICAL

RATING	DETAIL	MATRIX
B	Overview:	Supply: ☐ underground ☒ overhead Voltage: ☐ 120 ☒ 240 Circuits: ☒ breakers ☐ screw type fuses Type of wire: romex Main circuit breaker: 100

Amp Ratings:	15	6	15 double	0	40 double	0	70 double	0
	20	5	20 double	0	50 double	2	90 double	0
	30	0	30 double	2	60 double	0	100 double	0

- ☐ Have system checked by licensed electrician for repairs/service. Need to cover the open and exposed wires in the attic.
- ☐ Recommend upgrading old electrical panel and system.
- ☐ Electrical panel and/or system have been upgraded. Check for a permit.
- ☐ Recommend upgrading any two prong outlets and original switches.
- ☐ Overhead lines are frayed or loose at weather head; call MECO for service.
- ☐ Overhead lines to garage appear to be too low. Current building standards: 10 ft. min at lowest point.
- ☐ No main circuit breaker at service panel (do not be alarmed – this is normal for condos). Based on observed wire size amp rating is approximately 100 amps.
- ☐ Electrical wires have been "doubled up" at 1 20 amp breaker. Current building standards require that only one "hot wire" be connected to any one circuit breaker.
- ☒ Only a representative number (one or two in each room) of outlets and switches were checked during the inspection. Incorrectly wired outlets and defective switches may be concealed behind furniture and other personal items in the house at the time of inspection.
- ☐ Ground fault circuit interrupters (GFCI) are safety devices designed to protect people from potentially fatal electrical shock. I recommend the installation of GFI's at all grounded vanity, bathroom, kitchen counter tops, as well as garage, pool/spa and exterior receptacles.
- ☐ Reverse neutral is a condition where the plug is improperly wired. You should contact an electrician to make corrections.
- ☐ Open ground is a condition where the plug has not been grounded. You should contact an electrician to ground the plug or plugs.

PLUMBING SYSTEM

RATING	DETAIL	MATRIX
B	Water Heater:	☒ electric ☐ solar ☐ propane # of units: 1 Total capacity: 52 gallons Age of units: 1987 Circulating pump: ☐ yes ☒ no Relief valve: ☐ yes ☒ no T&P relief valve ☒ yes ☐ no Water shut off valve ☒ yes ☐ no Adequate combustion ☐ yes ☐ no ventilation: ☒ N/A
B	Water pipe type:	☐ plastic ☐ galvanized steel ☒ copper
	Water main & pressure:	Water main shut off location: front yard Main pressure: 40 lbs. psi Main line: unable to determine if regulated
B	Drain pipe type:	ABS plastic

- ☐ Need di-electric connectors where copper meets galvanized metal.
- ☐ Water pressure is decreased when operating two or more faucets simultaneously, possibly due to mineral deposit build up in the pipes.
- ☐ Current house water pressure is above 80 psi, uniform plumbing regulations recommend pressure regulator be installed for pressure over 80 psi.
- ☐ Need to vent the relief valve on the water heater to current building standards.
- ☐ Galvanized plumbing is old and appears to be original and based on the age of the house I would anticipate some repairs/replacements of these lines as the normal life expectancy of galvanized pipe is 35-40 years.
- ☐ I recommend using a licensed plumber for any needed repairs.

ATTIC

RATING	DETAIL	MATRIX
B	Accessible:	Yes Location: entry
NA	Ventilation:	☐ roof ☐ wall ☐ eaves ☐ mechanical ☐ electrical
NA	Flooring:	☐ yes ☒ no
NA	Insulation:	☒ none ☐ blown fiberglass ☐ fiberglass batts ☐ black rock wool ☐ cellulose ☐ unknown

LAUNDRY AREA

RATING	DETAIL	MATRIX
B	Sinks:	☐ yes ☒ no leaks or water damage: No set up for washer: ☒ yes ☐ no set up for dryer: ☒ yes ☐ no electric 240 outlet: ☒ yes ☐ no working vent fan: ☐ yes ☐ no N/A
B	Flooring:	Type: vinyl Damage: worn
NA	Windows:	☐ yes ☐ no ☐ cracked Catches: N/A Working: N/A

AIR CONDITIONING

RATING	DETAIL	MATRIX
B	System type: Fuel: Number of units: Location:	N/A N/A N/A appox. size: N/A tons ☐ bedroom ☐ living room ☐ guest room ☐ yard
	Thermostat location:	N/A
B	Ducts:	N/A damaged: ☐ yes ☐ no
	System Installed:	☐ with permit ☐ without permit ☐ unknown

FAMILY ROOM-1st Floor

RATING	DETAIL	MATRIX
B	Ceiling type:	drywall and wood beam Cracks: no
B	Wall type:	drywall Cracks: no
B	Window type:	aluminum slider
B	Catches:	working
B	Door type:	aluminum slider, tempered
B	Latches:	working
B	Flooring type:	carpet Damage: minor wear
B	Electrical:	Lighting: ☐ wall ☒ ceiling type: iridescent outlets: ☐ 2 prong ☒ 3 prong reverse neutral: ☐ yes ☒ no open ground: ☐ yes ☒ no

EATING AREA/Wet Bar-1st Floor

RATING	DETAIL	MATRIX
B	Ceiling type:	drywall Cracks: no
B	Wall type:	drywall Cracks: no
B	Window type:	vinyl louver
B	Catches:	working
NA	Door type:	N/A
NA	Latches:	N/A
B	Flooring type:	vinyl Damage: minor wear
B	Electrical:	Lighting: ☐ wall ☒ ceiling type: iridescent outlets: ☐ 2 prong ☒ 3 prong reverse neutral: ☐ yes ☒ no open ground: ☐ yes ☒ no

LIVING ROOM

RATING	DETAIL	MATRIX
B	Ceiling type:	drywall Cracks: no
B	Wall type:	drywall Cracks: no
B	Window type:	aluminum slider
B	Catches:	working
B	Door type:	woodand glass, hinged
B	Latches:	working
B	Flooring type:	carpet Damage: minor wear
B	Electrical:	Lighting: ☐ wall ☒ ceiling type: iridescent outlets: ☐ 2 prong ☒ 3 prong reverse neutral: ☐ yes ☒ no open ground: ☐ yes ☒ no

KITCHEN

RATING	DETAIL	MATRIX
B	Ceiling type:	drywall Cracks: no
B	Wall type:	drywall Cracks: no
B	Window type:	aluminum slider
B	Catches:	working
NA	Door type:	N/A
NA	Latches:	N/A
C	Flooring type:	vinyl Damage: torn
B	Cabinet doors & drawers:	☒ working ☐ not working ☐ broken drawer/guides
C	Countertop type:	formica Damage: worn
B	Electrical:	Lighting: ☐ wall ☒ ceiling type: iridescent outlets: ☐ 2 prong ☒ 3 prong reverse neutral: ☐ yes ☒ no open ground: ☐ yes ☒ no GFI: working
B	Plumbing:	Sink type: stainless steel worn Garbage disposal: none
B	Oven:	☐ built in ☒ free standing working
B	Range:	☐ built in ☒ free standing working Type: ☐ propane ☒ electronic Exhaust fan: N/A
B	Built-ins:	☐ dish washer ☐ microwave ☒ refrigerator ☐ trash compactor ☒ working ☐ not working

Summary notes: Worn and minor damage at the counter top.
The vinyl flooring is torn.

BEDROOM (#1)

RATING	DETAIL	MATRIX
B	Ceiling type:	drywall Cracks: no
B	Wall type:	drywall Cracks: no
B	Window type:	aluminum slider
B	Catches:	working
B	Door type:	wood, hinged
B	Latches:	working
B	Flooring type:	carpet Damage: minor wear
B	Closet Type:	☐ walk-in ☒ wall wardrobe ☐ cracked mirror
B	Electrical:	Lighting: ☐ wall ☒ ceiling type: No light fixture outlets: ☐ 2 prong ☒ 3 prong reverse neutral: ☐ yes ☒ no open ground: ☐ yes ☒ no
C	Smoke Alarms:	☒ yes ☐ no ☐ working ☒ not working Locations: bedroom, need a battery

BEDROOM (#2)

RATING	DETAIL	MATRIX
B	Ceiling type:	drywall Cracks: no
B	Wall type:	drywall Cracks: no
B	Window type:	aluminum sash
B	Catches:	working
B	Door type:	wood, hinged
B	Latches:	working
B	Flooring type:	carpet Damage: minor wear
B	Closet Type:	☐ walk-in ☒ wall wardrobe ☐ cracked mirror
B	Electrical:	Lighting: ☐ wall ☒ ceiling type: N/A outlets: ☐ 2 prong ☒ 3 prong reverse neutral: ☐ yes ☒ no open ground: ☐ yes ☒ no
B	Smoke Alarms:	☒ yes ☐ no ☒ working ☐ not working Locations: bedroom and entry

BEDROOM (#3)

RATING	DETAIL	MATRIX
B	Ceiling type:	drywall Cracks: no
B	Wall type:	drywall Cracks: no
B	Window type:	vinyl louver
B	Catches:	working
B	Door type:	hollow core, hinged
B	Latches:	working
B	Flooring type:	carpet Damage: minor wear
B	Closet Type:	☐ walk-in ☒ wall wardrobe ☐ cracked mirror
B	Electrical:	Lighting: ☐ wall ☒ ceiling type: iridescent outlets: ☐ 2 prong ☒ 3 prong reverse neutral: ☐ yes ☒ no open ground: ☐ yes ☒ no
B	Smoke Alarms:	☒ yes ☐ no ☒ working ☐ not working Locations: bedroom and hall

BATHROOM (Between Bedrooms, Size = full)

RATING	DETAIL	MATRIX
B	Ceiling type:	drywall Cracks: no
B	Wall type:	drywall Cracks: no
B	Window type:	aluminum louver
B	Catches:	working
B	Door type:	wood, hinged
B	Latches:	working
B	Flooring type:	vinyl Damage: minor wear
B	Wash Basin:	porcelain Damage: minor wear
B	Counter type:	cast fiberglass Damage: minor wear
B	Bathtub type:	fiberglass Enclosure: curtain Note: minor wear
NA	Other fixtures:	☐ jacuzzi ☐ whirlpool ☐ steam shower ☐ sauna ☐ working ☐ not working pump accessible: ☐ yes ☐ no
B	Shower type:	☐ stall ☒ combined with bathtub Enclosure: curtain ☐ leaking enclosure Note: minor wear
B	Toilet type:	☒ 2 piece ☐ 1 piece 1.6 gallons per flush ☐ yes ☒ no Loose bolts: ☐ yes ☒ no Location: ☐ floor ☐ tank
B	Electrical:	Lighting: ☒ wall ☒ ceiling type: iridescent outlets: ☐ 2 prong ☒ 3 prong reverse neutral: ☐ yes ☒ no open ground: ☐ yes ☒ no GFI: working
NA	Mech. ventilation:	N/A ☐ recommend cleaning
NA	Plumbing:	Leaks: ☐ faucet ☐ drain ☐ toilet ☐ angle stops ☐ need washers ☐ tub ☐ shower ☐ sink Slow drainage: ☐ sink ☐ tub ☐ shower ☐ toilet

Summary notes: There is old water damage to the sink cabinet, no leak at current time.

BATHROOM (Hallway 1st, Size = full)

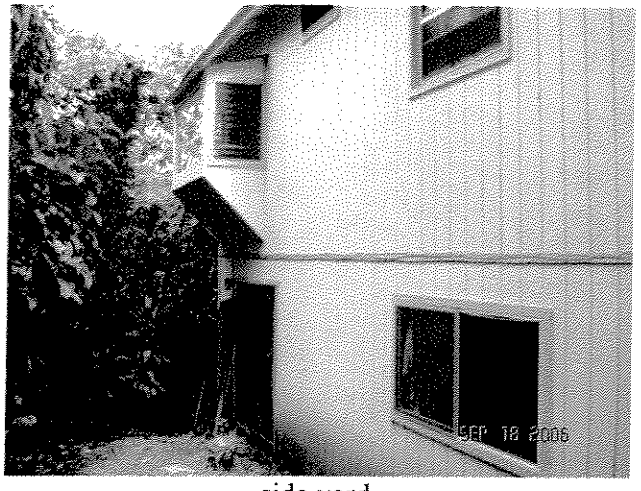
RATING	DETAIL	MATRIX
B	Ceiling type:	drywall Cracks: no
B	Wall type:	drywall Cracks: no
B	Window type:	vinyl louver
B	Catches:	working
B	Door type:	hollow core, hinged
B	Latches:	working
B	Flooring type:	vinyl Damage: minor wear
B	Wash Basin:	cast fiberglass Damage: minor wear
B	Counter type:	cast fiberglass Damage: minor wear
B	Bathtub type:	fiberglass Enclosure: curtain Note: stained
NA	Other fixtures:	☐ jacuzzi ☐ whirlpool ☐ steam shower
B	Shower type:	☐ stall ☒ combined with bathtub Enclosure: curtain ☐ leaking enclosure Note: minor wear
B	Toilet type:	☒ 2 piece ☐ 1 piece 1.6 gallons per flush ☐ yes ☒ no Loose bolts: ☐ yes ☒ no Location: ☐ floor ☐ tank
C	Electrical:	Lighting: ☒ wall ☐ ceiling type: iridescent outlets: ☐ 2 prong ☒ 3 prong reverse neutral: ☐ yes ☒ no open ground: ☐ yes ☒ no GFI: not working
NA	Mech. ventilation:	N/A ☐ recommend cleaning
NA	Plumbing:	Leaks: ☐ faucet ☐ drain ☐ toilet ☐ angle stops ☐ need washers ☐ tub ☐ shower ☐ sink Slow drainage: ☐ sink ☐ tub ☐ shower ☐ toilet

Summary notes: GFCI safety plug is not working.

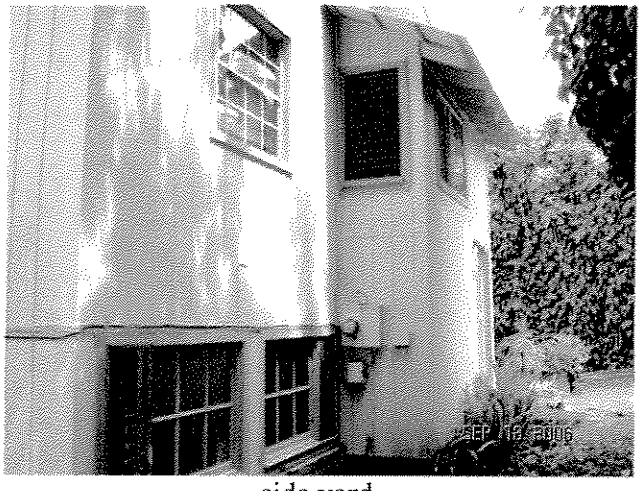
PHOTOS

rear yard

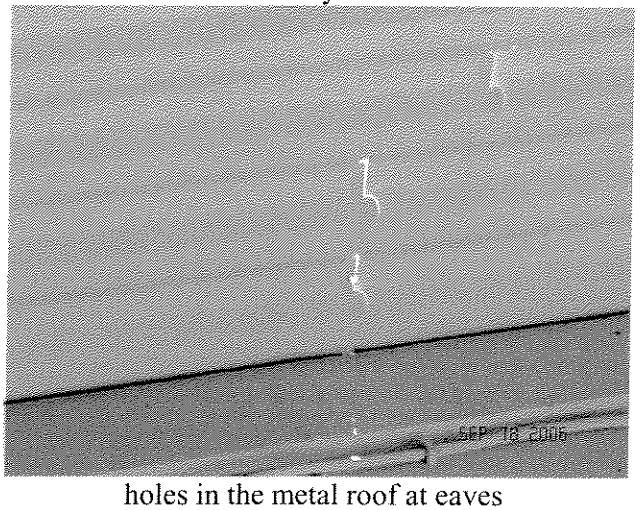
lanai



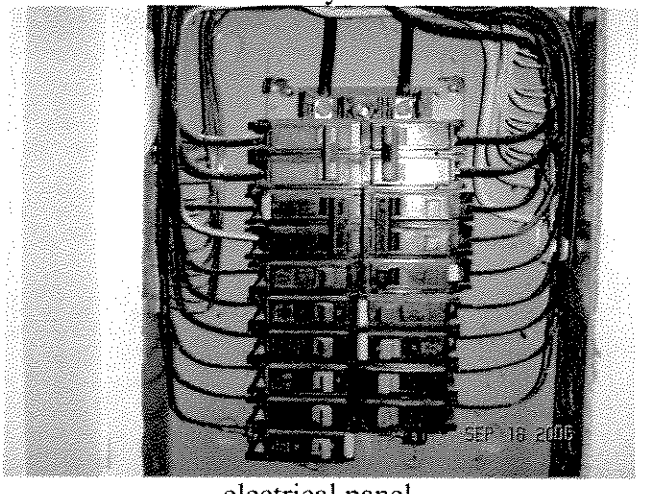
side yard



side yard

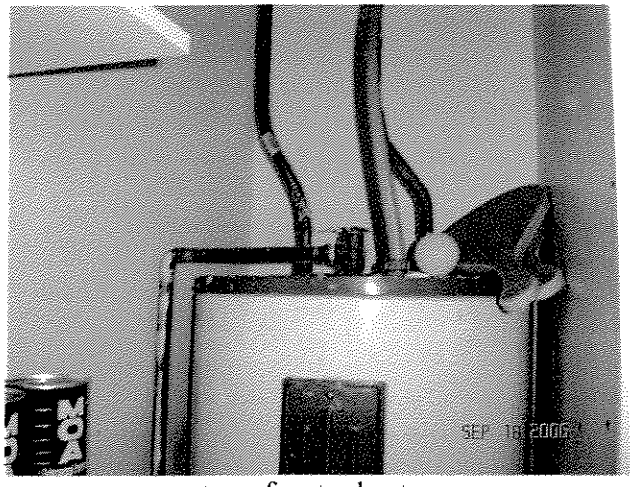


holes in the metal roof at eaves

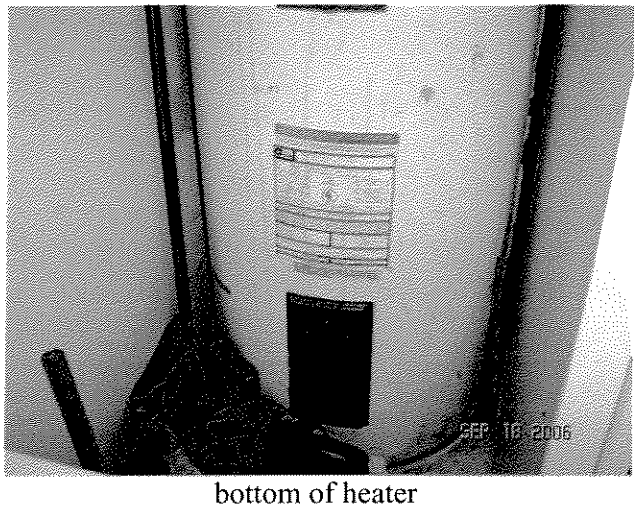


electrical panel

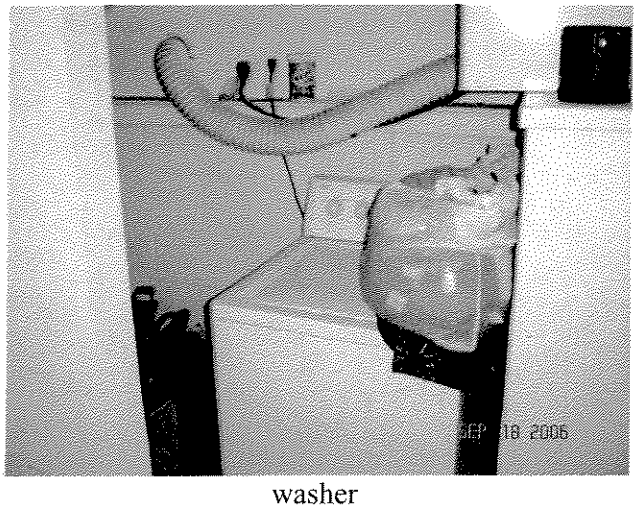
PHOTOS



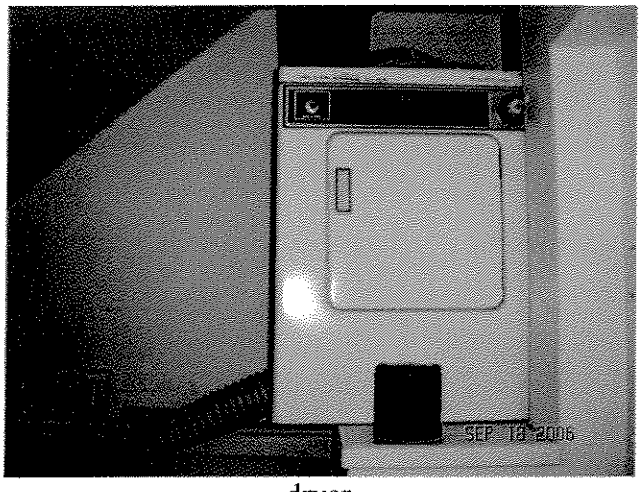
top of water heater



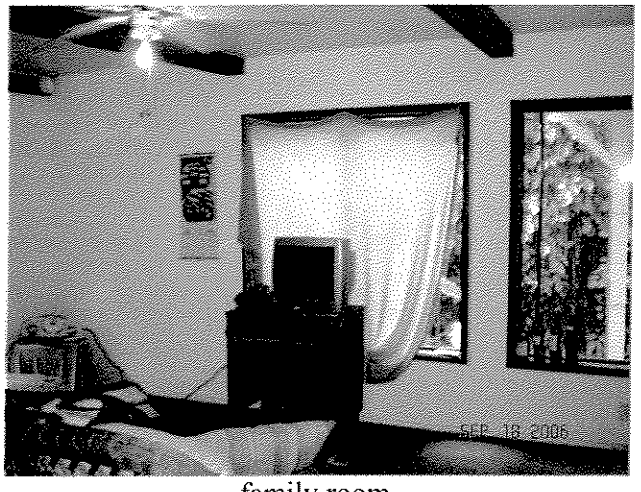
bottom of heater



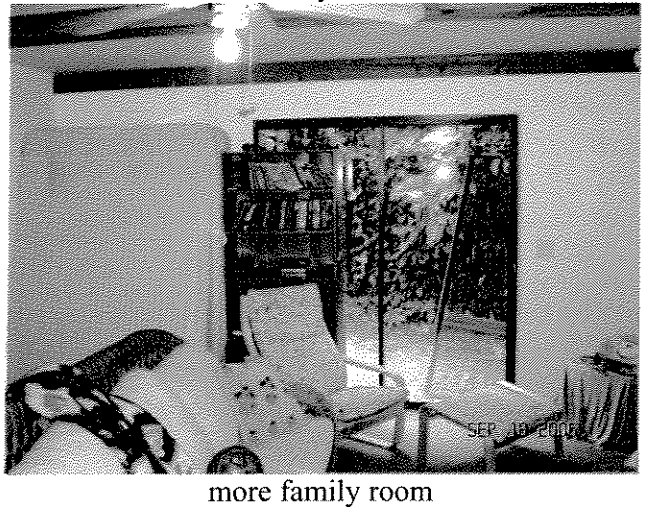
washer



dryer

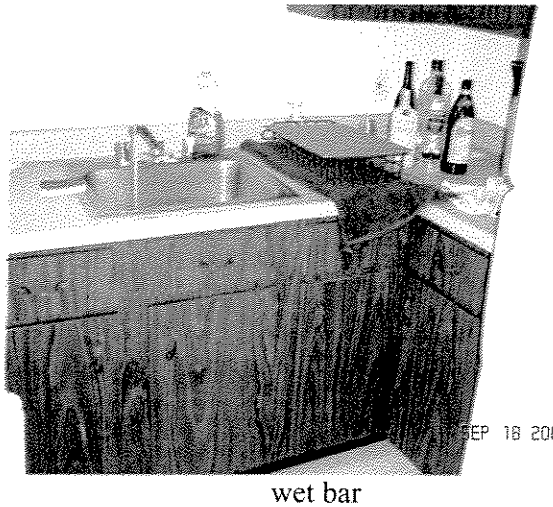


family room

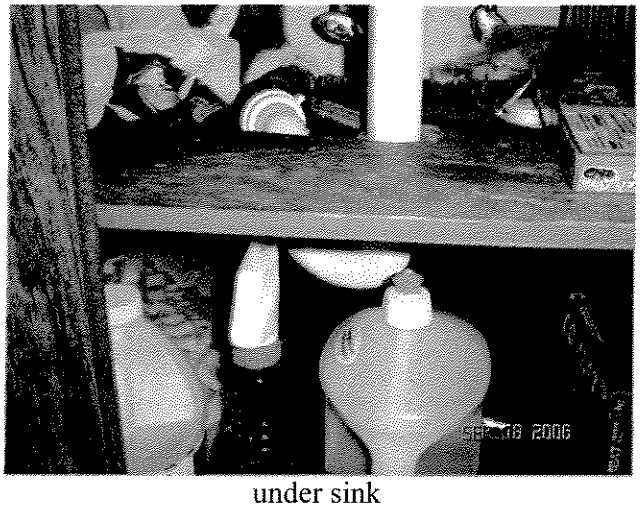


more family room

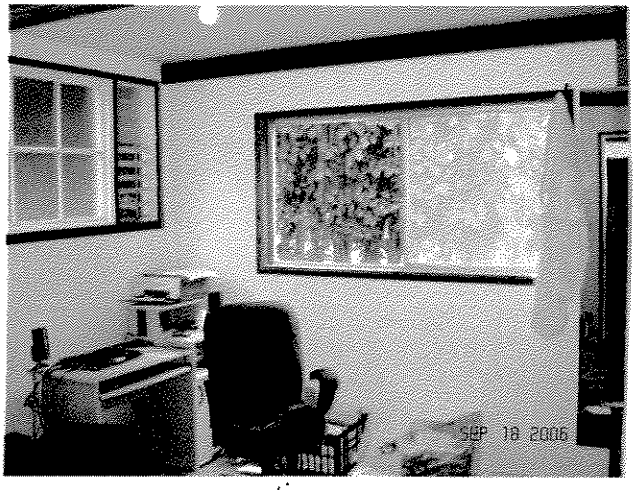
PHOTOS



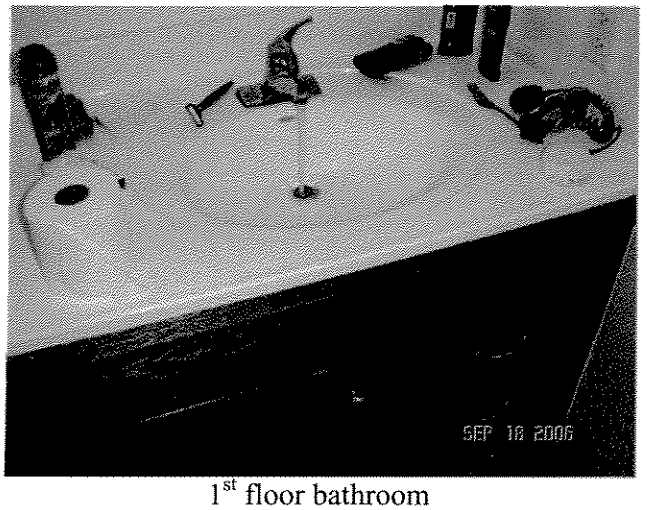
wet bar



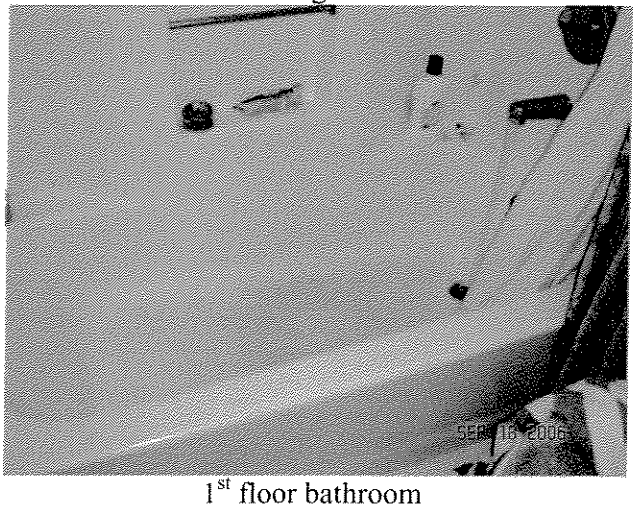
under sink



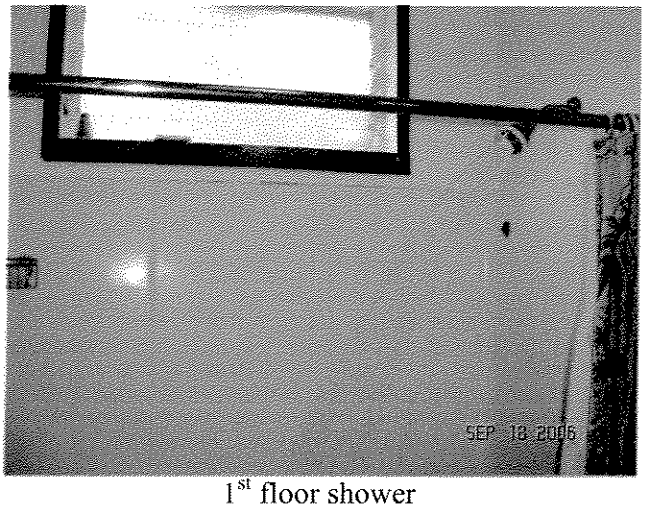
eating area



1st floor bathroom



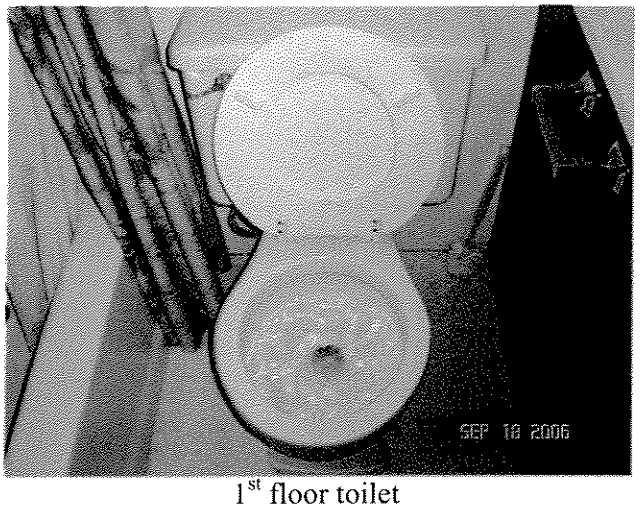
1st floor bathroom



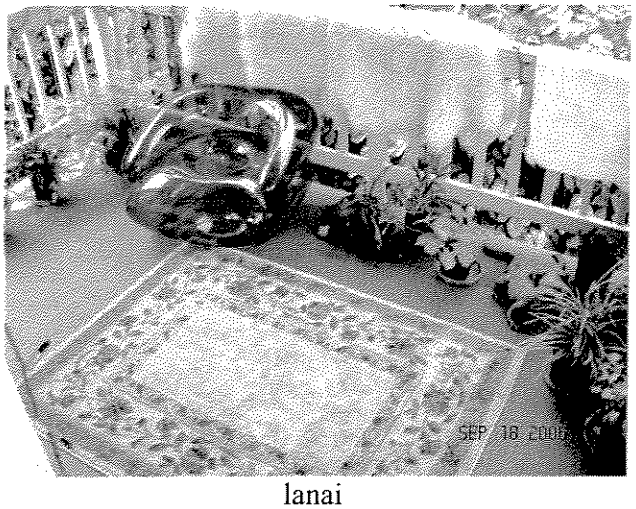
1st floor shower

PHOTOS

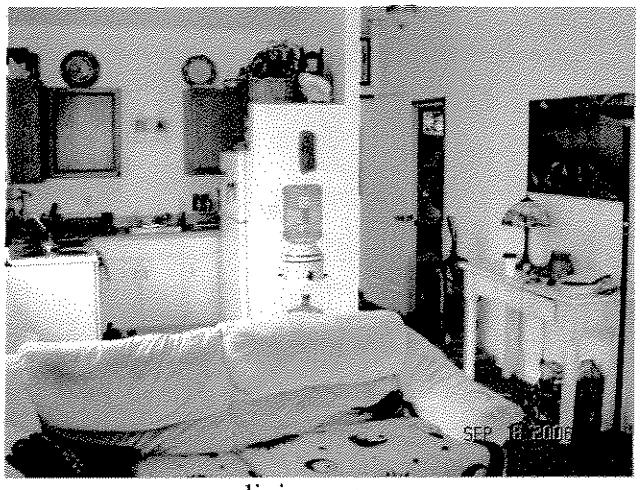
under sink



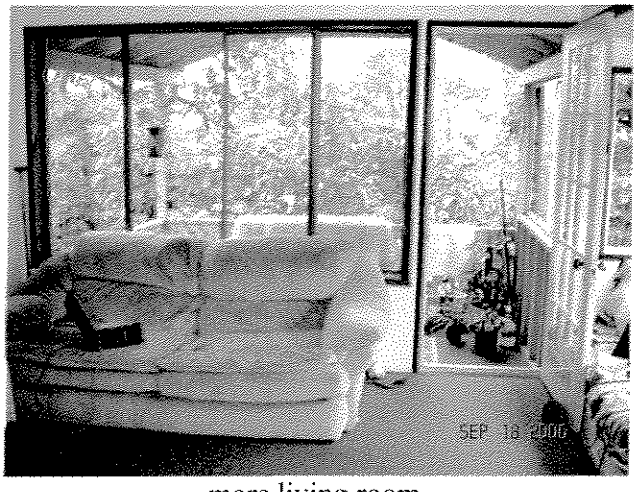
1st floor toilet



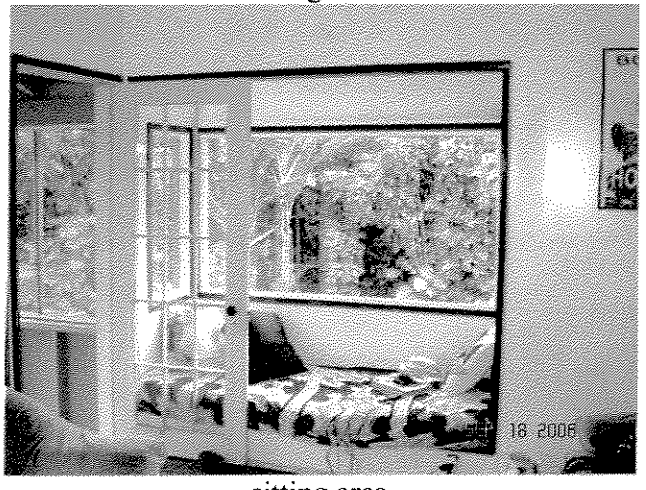
lanai



living room

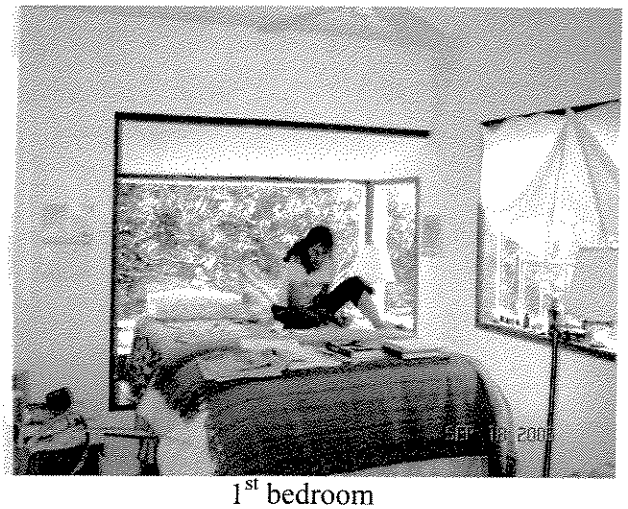


more living room

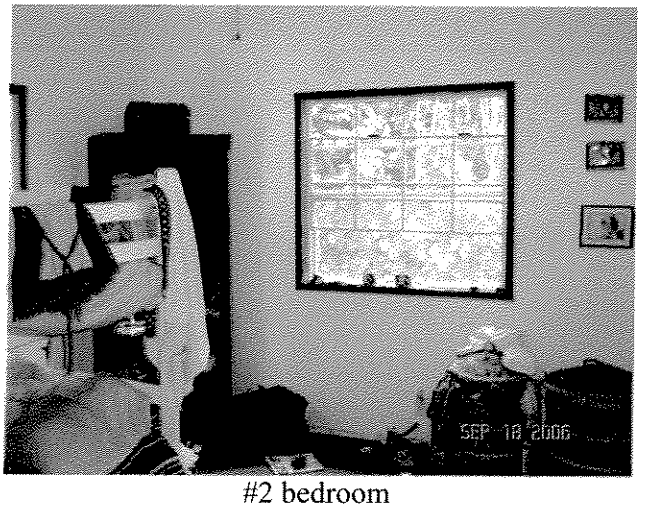


sitting area

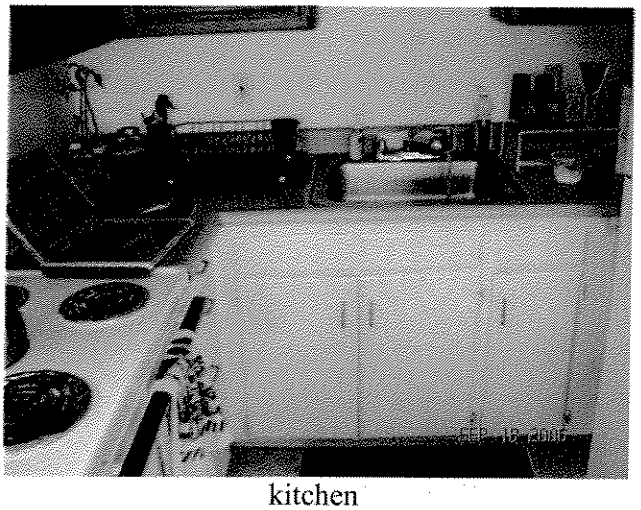
PHOTOS



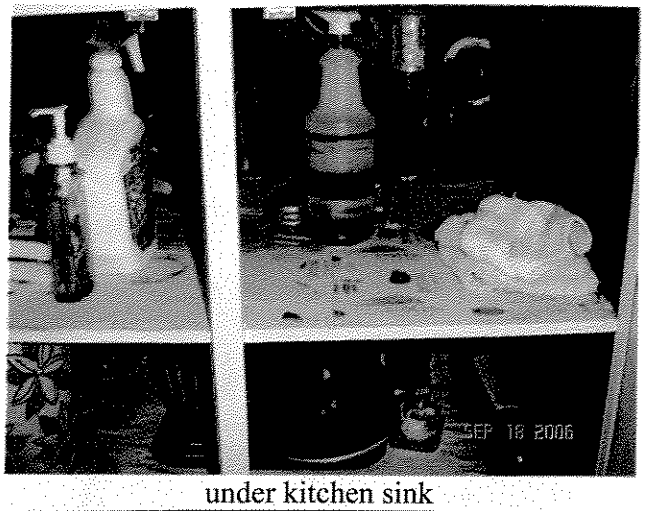
1st bedroom



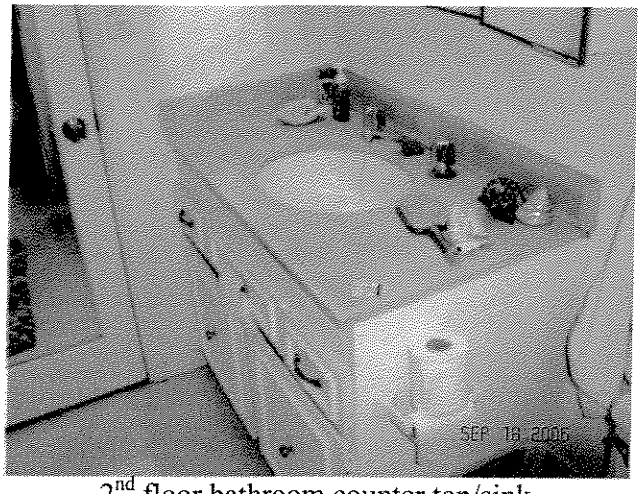
#2 bedroom



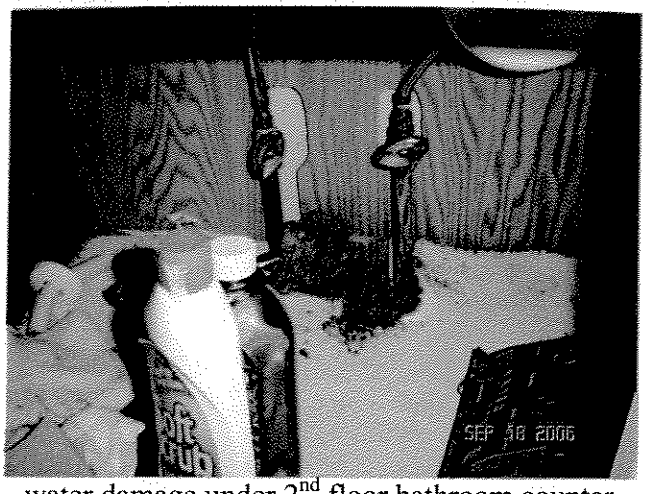
kitchen



under kitchen sink

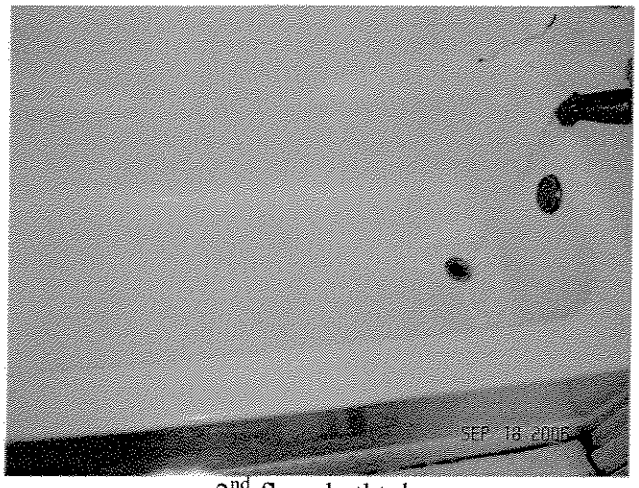


2nd floor bathroom counter top/sink

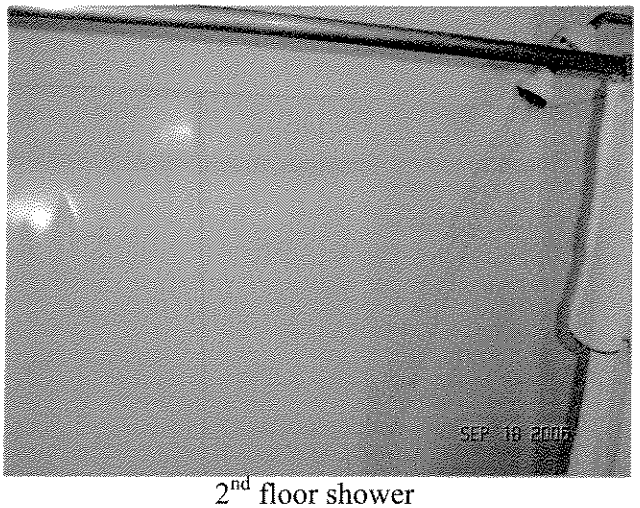


water damage under 2nd floor bathroom counter top/sink

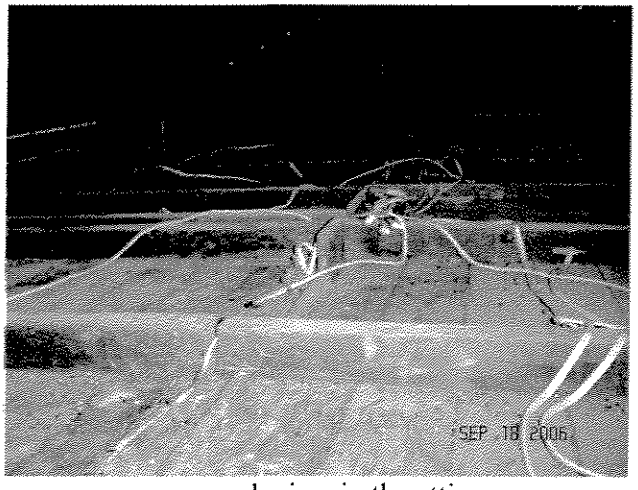
PHOTOS



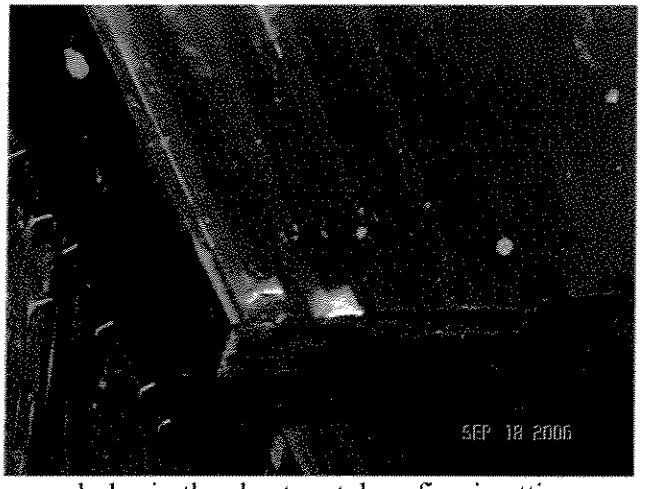
2nd floor bathtub



2nd floor shower



exposed wires in the attic



holes in the sheet metal roofing in attic

END OF EXHIBIT "F"

EXHIBIT "G"

ALAN M. ARAKAWA
Mayor

MILTON M. ARAKAWA, A.I.C.P.
Director

MICHAEL M. MIYAMOTO
Deputy Director

RALPH M. NAGAMINE, L.S., P.E.
Development Services Administration

DAVID TAYLOR, P.E.
Wastewater Reclamation Division

CARY YAMASHITA, P.E.
Engineering Division

BRIAN HASHIRO, P.E.
Highways Division

TRACY TAKAMINE, P.E.
Solid Waste Division

COUNTY OF MAUI
DEPARTMENT OF PUBLIC WORKS
AND ENVIRONMENTAL MANAGEMENT
DEVELOPMENT SERVICES ADMINISTRATION
250 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793

December 12, 2006

Mr. Lawrence P. Carnicelli
333 W. Kuiaha Road
Haiku, Hawaii 96708

SUBJECT: MISCELLANEOUS INSPECTIONS #MISC 2006/0170 & #MISC 2006/0171
FOR TWO DWELLINGS
LOCATED AT 331 and 333 WEST KUIAHA ROAD, HAIKU, MAUI
TMK: (2)2-7-031:022

Dear Mr. Carnicelli:

This is regarding your September 15, 2006, requests for miscellaneous inspections on two dwellings for a preliminary condominium public report on the subject property.

MISC #2006/0170 - 333 WEST KUIAHA ROAD
MISC #2006/0171 - 331 WEST KUIAHA ROAD

- We made building inspections on September 25, 2006; plumbing inspections on December 1, 2006, and final electrical re-inspections on December 4, 2006, and found the premises to be in general compliance with applicable codes.

  Please note that we were unable to inspect any of the concealed building, electrical, or plumbing work.

OTHER COMMENTS:

- There are no pending subdivisions, building and code appeals, or administrative waivers currently in process for the premises.
- The dwelling at 331 West Kuiaha Road is a single story dwelling located in the front of the property.
- The dwelling at 333 West Kuiaha Road is a two-story dwelling located in the rear of the property.

December 12, 2006
Mr. Lawrence P. Carnicelli
SUBJECT: MISCELLANEOUS INSPECTIONS #MISC 2006/0170 & #MISC 2006/0171
FOR TWO DWELLINGS
LOCATED AT 331 and 333 WEST KUIAHA ROAD, HAIKU, MAUI
TMK: (2)2-7-031:022

- Our records indicate that both dwellings were constructed prior to 1951.
- We inspected the driveway on October 12, 2006, and found it to be satisfactory with no drainage problems at this time.
- Please call the Planning Department at 270-7735 to confirm whether planning and zoning requirements have been met.

If you have any questions regarding this letter, please call Lei Smith at 270-7250.

Very truly yours,

RALPH M. NAGAMINE
Land Use and Codes Administrator

sn/ls S:\DSA\Permits\SCN\MISC-INS\2006-0170_0171_carnicelli_hrs_ls.wpd

c: Hawaii Real Estate Commission
Planning Department
Real Property Tax Office

EXHIBIT "H"

Description of Common Interest is as follows:

Unit A shall have a 50% undivided interest and Unit B shall have a 50% undivided interest (referred to as the "common interests") in all common elements of the Project and a said same respective share in all common profits and common expenses of the Project and for all other purposes, including voting.

Notwithstanding the allocation of common interests in the preceding paragraph, the common interests for the sole purpose of the ownership of fee simple title to the underlying land (and, therefore, for the allocation of proceeds from the sale or partition of the land upon termination of the condominium or the taking of the land by eminent domain) shall be allocated between the units in proportion to the relative value of the land area included within the limited common elements appurtenant to each unit (determined as if each limited common element were a separate unimproved parcel of land), and not according to the common interests for financial and voting purposes as stated above.